



AGENDA

Meeting of the Scotts Valley City Council

Date: June 20, 2018

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	The agenda was posted 6-15-18 at City Hall, SV Senior Center, SV Library and on the Internet at www.scottsvalley.org .

ELECTED OFFICIALS	CITY STAFF MEMBERS
ELECTED OFFICIALS: Jim Reed, Mayor Jack Dilles, Vice Mayor Stephany E. Aguilar, Council Member Randy Johnson, Council Member Donna Lind, Council Member	CITY STAFF MEMBERS: Jenny Haruyama, City Manager Kirsten Powell, City Attorney Taylor Bateman, Community Development Director Steve Hammack, Interim Public Works Director Steve Walpole, Chief of Police Tracy Ferrara, 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. 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.scottsvalley.org 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.scottsvalley.org. Televised Meetings: City Council meetings are cablecast "Live" on Community Television of Santa Cruz County on Comcast Channel 25.

CALL TO ORDER 6:00 PM

PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE

ROLL CALL

SPECIAL SET MATTERS

- (1) Introduction of new Administrative Services Director, Tony McFarlane, by City Manager Haruyama.
- (2) Presentation from the Scotts Valley Community Theater Guild (SVCTG)

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 to make and/or submit written or 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.

ALTERATIONS TO CONSENT AGENDA

Council can remove or add items to the Consent Agenda.

CONSENT AGENDA

The Consent Agenda is comprised of items which appear to be non-controversial. Persons wishing to speak on any items may do so raising their hand to be recognized by the Mayor.

- A. Approve City Council minutes of 6-6-18
- B. Approve check registers dated 6-4-18, 6-8-18, 6-14-18, 6-15-18
- C. Approve Resolution No. 1139.22 approving the Investment Policy for the City of Scotts Valley, City Council Policy No. 05-17
- D. Approve Resolution No. 1007.31 making certain findings and determinations in compliance with Section XIII B of the California Constitution (Gann Initiative) and setting the Appropriations Limit for Fiscal Year 2018/19

- E. Statewide General Election Resolutions:
 - (1) Resolution No. 1949 ordering an election, requesting County Elections to conduct the election, and requesting consolidation of the election; and
 - (2) Resolution No. 1949.1 calling for a Statewide General Election for the election of members of the City Council, determining that costs of Candidate's Statement of Qualifications shall be paid by the candidate and its maximum number of words, and setting hours the polls will be opened and closed
- F. Approve Resolution No. 514.16, amending the Conflict of Interest Code for designated positions and incorporating by reference the Fair Political Practices Commission's Standard Model Conflict of Interest Code
- G. Approve Resolution No. 1435.23 approving the destruction of obsolete records by the Chief of Police:
 - (1) Any personnel records of past employees that have been maintained for five (5) years after departure prior to June 30, 2013; and
 - (2) Any recruitment records of past applicants that have been maintained for three (3) years after closing/completion prior to June 30, 2015.
- H. Approve the Specialized Roadway Improvements Maintenance Agreement with 1440 DEVCO LLC and authorize the Mayor to execute the agreement
- I. Approve Resolution No. 1895.21 a resolution accepting the offer of dedication for the realigned Bethany Drive
- J. Approve Resolution No. 1952 approving the FY 2018/19 to FY 2022/23 five-year program of projects to be funded with Measure D revenues and the Measure D: 5-Year Program of Projects (FY18/19 – FY22/23) for the City of Scotts Valley

ALTERATIONS TO REGULAR AGENDA

Council can remove or add items to the Regular Agenda.
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PUBLIC HEARING(S) (To be heard at 6:30 p.m.)

- 1. PUBLIC HEARING: Consider approval of Minor Land Division No. MLD17-001 to create three parcels from two existing parcels totaling 30,536 square feet into three parcels located southwest of Nashua Drive and Grace Way in the R-M-6 Zoning District, APN's 023-171-05 and 023-171-06 (Assistant Planner Brenda Stevens)
 - Open public hearing
 - Close public hearing
 - Approve Resolution No. 1950

2. PUBLIC HEARING: Consider approval of a General Plan Amendment, Pre-Zoning, and Annexation of 1.52 acres of property into the City - 374 Hacienda Drive (County Boetzer property/APN 070-331-09) to be annexed into 54 Cumbre Lane (City Chapman property/APN 023-161-04) (Senior Planner Michelle Edwards)
 - Open public hearing
 - Close public hearing
 - Approve Resolution No. 1951
 - Approve first reading and introduction of Ordinance No. 16-ZC-227
 - Approve Resolution No. 1951.1
3. PUBLIC HEARING: Skypark Open Space Maintenance Assessment District No. 1: Resolution No. 1555-SP- 30; Annual Engineer's Report for FY 2018-19 (Interim Public Works Director Hammack)
 - Open public hearing
 - Close public hearing
 - Approve Resolution No. 1555-SP-30
4. PUBLIC HEARING: Pinewood Estates Landscape Maintenance Assessment District: Resolution No. 1213.32; Annual Engineer's Report Pinewood Estates for FY 2018-19 (Interim Public Works Director Hammack)
 - Open public hearing
 - Close public hearing
 - Approve Resolution No. 1213.32
5. PUBLIC HEARING: Consider approval of the vacation and abandonment of a portion of Bethany Drive (Interim Public Works Director Steve Hammack)
 - Open public hearing
 - Close public hearing
 - Approve Resolution No. 1895.22

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

6. Discussion of user fee study results and policy direction regarding FY 2018/19 Planning, Building, Public Works, Police, and Administrative fees and charges for FY 2018/19 (City Manager Jenny Haruyama / Financial Consultant Steve Toler)
7. Consider first reading and introduction of an ordinance of the City Council of the City of Scotts Valley amending Chapter 3.24 of Title 3 (Revenue and Finance) of the City's Municipal Code regarding Uniform Transient Occupancy Tax (TOT) (City Manager Jenny Haruyama)

8. Consideration of changes to Uniform Transient Occupancy Tax Rate and placing the Measure before the voters at the November 6, 2018 Statewide Election
(City Manager Jenny Haruyama)
9. Consideration of City of Scotts Valley Final FY 2018/19 Annual Budget and approval of the following documents:
 - (1) Resolution No. 630.38 approving the final FY 2018/19 Annual Budget and making appropriations for the amounts budgeted
 - (2) Resolution No. 1932.1 approving a minimum reserve policy for the City's General Fund, General CIP Fund, Recreation Enterprise Fund and Wastewater Enterprise Funds (Council Policy No. 04-17)
 - (3) Resolution No. 1501.25 approving the continued collections of the utility users' tax for FY 2018/19(City Manager Jenny Haruyama / Budget and Financial Consultant Steve Toler)
10. Future Council agenda items
(This portion of the Regular Agenda allows the Council to determine items to be placed on a future agenda and to choose a date, if so desired.)

CONVENE TO CLOSED SESSION

CLOSED SESSION SUBJECT(S)

- | | |
|-----|---|
| (1) | Conference with labor negotiator re employee negotiations with SEIU, Mid Management Group, Management Group, Scotts Valley Police Bargaining Unit, Scotts Valley Police Supervisors Association.
Legal Authority: Government Code Section 54957.6
Name of Case: N/A
Staff Present: City Manager, City Attorney, Labor Consultant |
|-----|---|

RECONVENE TO OPEN SESSION

REPORT ON ACTION TAKE DURING CLOSED SESSION

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) 440-5602 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: June 6, 2018

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	The agenda was posted 6-1-18 at City Hall, SV Senior Center, SV Library and on the Internet at www.scottsvally.org .

CALL TO ORDER 6:00 PM

The City Council meeting was called to order at 7:30 pm.

PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE

ROLL CALL

ELECTED OFFICIALS PRESENT:

Jim Reed, Mayor
Jack Dilles, Vice Mayor
Stephany E. Aguilar, Council Member
Randy Johnson, Council Member
Donna Lind, Council Member

CITY STAFF MEMBERS PRESENT:

Jenny Haruyama, City Manager
Kirsten Powell, City Attorney
Taylor Bateman, Community Development Director
Steve Hammack, Interim Public Works Director
Steve Walpole, Chief of Police
Laurie Grundy, Senior Accountant
Tracy Ferrara, City Clerk

COMMITTEE REPORTS

VM Dilles reported that he attended the Santa Margarita Groundwater Agency meeting that was a stakeholders meeting focused on well owners. He reported that the meeting was well attended with over 100 well owners at the meeting.

CM Lind reported that the Santa Cruz Metropolitan Transit District Board (SCMTD) met as a part of their effort to re-build their fleet, the SCMTD was able to use Measure D and SB 1 funds to purchase 3 full-sized 40-foot CNG fixed-route buses, and 15 ParaCruz vehicles, including 12 standard vans and three larger vehicles. She reported that they are also working on budget and improvements to route schedules.

CM Lind reported that LAFCO met and held a public hearing on the Service and Sphere Review for the City of Watsonville, which was continued to their August meeting due to complications related to legal action against Watsonville's General Plan. She also reported that a public hearing will be held in August to review to the Service and Sphere Review for County Service Area 11, Parks, Open Space, and Cultural Services. She reported that LAFCO is also working on the Central Fire District Consolidation Feasibility Study, and a public hearing is scheduled for Friday, June 29, 2018 in the evening.

CITY MANAGER REPORT

None.

PUBLIC COMMENT TIME

No one came forward.

ALTERATIONS TO CONSENT AGENDA

CM Aguilar requested that Item D be moved to the regular agenda for comments.

M/S: Lind/Dilles

To approve the Consent Agenda as amended moving Item D to the regular agenda for comment.

Carried 5/0 (AYES: Aguilar, Dilles, Johnson, Lind, Reed)

CONSENT AGENDA

- A. Approve City Council meeting minutes of 5-16-18, 5-2-18 (Special Meeting Minutes)
- B. Approve check registers dated 5-29-18, 5-21-18, 5-14-18
- C. Approve the Site Rental Agreement between the City of Scotts Valley and Jazzercise for the period of May 1, 2018 through April 30, 2019
- E. Approve the appointment of Council Member Stephany E. Aguilar as the Voting Delegate, and City Manager Jenny Haruyama as the Alternate Voting Delegate, to represent the City of Scotts Valley at the League of California Cities Annual Business Meeting on September 14, 2018 at the Long Beach Convention Center
- F. Approve the following resolutions and documents for Dunslee Way Subdivision, Tract No. 1603, APN 022-451-01:
 - (1) Resolution No.1928.3 approving the Final Map;
 - (2) Resolution No. 1928.4 approving the Interim Maintenance Agreement; and

- (3) Resolution No. 960.84 approving the Subdivision Improvement Agreement and Bonds
- G. Approve Resolution No. 1928.5 accepting the Dunslee Way offer of dedication
- H. Approve and ratify City Council Member Donna Lind's appointment of Melinda Koenig to the Arts Commission

ALTERATIONS TO REGULAR AGENDA

M/S: Aguilar/Lind

To approve the Regular Agenda as amended moving Item D from the Consent Agenda to the Regular Agenda for comment.

Carried 5/0 (AYES: Aguilar, Dilles, Johnson, Lind, Reed)

REGULAR AGENDA

- D. Approval of the non-collection of the \$750 facilities use permit fee for the Scotts Valley Community Theater Guild fundraiser to be held June 16, 2018**

CM Aguilar stated that she would like the non-profit fees reviewed since there are so many agencies coming to the City every year asking for a non-collection of fees.

M/S: Aguilar/Dilles

To approve the non-collection of the \$750 facilities use permit fee for the Scotts Valley Community Theater Guild fundraiser to be held June 16, 2018.

Carried 5/0 (AYES: Aguilar, Dilles, Johnson, Lind, Reed)

- 1. Consideration of community service and outside agency funding requests**

CM Haruyama presented the written staff report and responded to questions from Council.

The following agencies and HCA agency representatives spoke regarding their specific agencies:

- Judy Allen, President of the Board of Directors, Conflict Resolution Center of Santa Cruz County
- Lejla Bratovic Mavris, Executive Director, Conflict Resolution Center of Santa Cruz County
- Ray Cancino, Chief Executive Officer, Community Bridges
- Laura Segura, Executive Director, Monarch Services of Santa Cruz County
- Cynthia Druley, Executive Director, CASA of Santa Cruz County

- Adeline Davis, Board Member, Grey Bears of Santa Cruz County
- Kristyn Glenn, Grants Manager, Dientes Community Dental Care
- Ann Ostermann, Open Studios & Events Director, Arts Council of Santa Cruz County
- Carol Childers, Meal Site Director, Meals on Wheels of Santa Cruz County
- Steven Matsy, Senior Network Services
- Jenny Panetta, Executive Director, Santa Cruz County Housing Authority
- Jan Shirchild, Program Coordinator, Project Scout
- Karen Delaney, Executive Director, Volunteer Center
- Dave Bianchi, Executive Director, Family Services Agency

VM Reed stated that he respected the work of the Human Care Alliance, however, due to budget constraints, he could not vote in favor of funding.

M/S: Aguilar/Lind

To approve the prior year Community Service Agency Funding with a full 2018 CPI of 3.2% for a total of \$56,272; FY 2018/19 Arts Council request of \$1,030; and FY 2018/19 Housing Authority of Santa Cruz County request of \$1,000 for their Fair Market Rate (FMR) study.

Carried 4/0/1 (AYES: Aguilar, Dilles, Johnson, Lind; NOES: Reed)

2. Hold Public Meeting Regarding Skypark Open Space Maintenance Assessment District No. 1: Resolution No. 1555-SP-030; Annual Engineer's Report Skypark

Vice Mayor Reed recused himself from this item as he lives in Skypark.

Interim PWD Hammack presented the written staff report and responded to questions from Council. Interim PWD Hammack stated that this public meeting is being held to accept public testimony and that Council will consider approval of Resolution No. 1555-SP-030 at the public hearing set for June 20, 2018.

Sheryl McEwan, Skypark resident and local landscape contractor, stated that she has a schedule for the work that needs to be accomplished at the Linear Park that would be more efficient than the schedule that is being used now, and recommended following that schedule. Interim PWD Hammack stated those changes could be implemented.

CM Aguilar recommended looking into the use of recycled water for the two greenbelt areas.

3. Hold Public Meeting Regarding Pinewood Estates Landscape Maintenance Assessment District: Resolution No. 1213.32; Annual Engineer's Report Pinewood

Interim PWD Hammack presented the written staff report and responded to questions from Council. Interim PWD Hammack stated that this public meeting is being held to accept public testimony and that Council will consider approval of Resolution No. 1213.32 at the public hearing set for June 20, 2018.

4. Discussion of proposed Transient Occupancy Tax (TOT) Ordinance revisions

CM Harumaya and Financial Consultant Toler Steve Toler gave a PowerPoint presentation regarding the proposed Transient Occupancy Tax (TOT) ordinance revisions and responded to questions from Council. CM Haruyama stated that a 4/5ths vote of the Council is required to place a TOT measure on the ballot.

Bijal Patel, Scotts Valley resident and developer/owner of the new Residence Inn Marriott being built in Scotts Valley, stated that he understands the need for an increase, however, the hoteliers are more comfortable with a TOT increase of 11% instead of 12% at this time.

CM Lind stated that she believes the TOT should be increased to 12% in order to provide the necessary funding for the sustainability of the City.

CM Aguilar recommended looking at a phased approach, for example, the ballot measure could provide for an increase from 10% to 11% for two or three years and then allow the City Council to increase the percentage from 11% to 12% after the two or three years. Mr. Patel responded that he would have to take that back to the other hoteliers to get their input, and get back to City staff with their response.

CM Johnson stated that at this time he cannot support an increase from 10% to 12%.

Mayor Reed stated that at this time he cannot support an increase from 10% to 12%.

VM Dilles stated that he agreed with CM Aguilar's recommendation of a phased approach as he believes it is needed in order to provide the necessary funding for the sustainability of the City.

The majority of the City Council recommended changing the collections remittance time frame in the current TOT ordinance from quarterly to monthly.

CM Haruyama stated that staff will return with two separate items at the June 20, 2018 Council meeting. One item will be to provide collections remittance and other procedural changes of the City's current TOT ordinance, including changing the remittance time frame from quarterly to monthly. The second item will be regarding the proposed tax measure.

5. Presentation of the Scotts Valley Police Department 2017 Annual Report

PC Walpole presented the Scotts Valley Police Department 2017 Annual Report and responded to questions from Council.

6. Future Council agenda items

Mayor Reed requested a future agenda item to promote Scotts Valley.

CONVENE TO CLOSED SESSION

The City Council convened to closed session at 10:15 p.m. to discuss the following items:

(1) Pursuant to Government Code Section 54961, the City Council met in closed session to confer with the legal counsel regarding a liability claim (Majid Yamin).

RECONVENE TO OPEN SESSION

The City Council reconvened to open session at 10:25 p.m.

REPORT ON ACTION TAKE DURING CLOSED SESSION

Mayor Reed announced that there was nothing to report.

ADJOURNMENT

The meeting adjourned at 10:25 p.m.

Approved: _____
Jim Reed, Mayor

Attest: _____
Tracy A. Ferrara, City Clerk



MINUTES

Special Workshop of the Scotts Valley City Council

Date: June 6, 2018

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	The agenda was posted 6-1-18 at City Hall, SV Senior Center, SV Library and on the Internet at www.scottsvalley.org .

CALL TO ORDER 6:00 PM

The meeting was called to order at 6:10 p.m.

ROLL CALL

ELECTED OFFICIALS PRESENT:	CITY STAFF MEMBERS PRESENT:
Jim Reed, Mayor Jack Dilles, Vice Mayor Stephany E. Aguilar, Council Member Randy Johnson, Council Member Donna Lind, Council Member	Jenny Haruyama, City Manager Kirsten Powell, City Attorney Taylor Bateman, Community Development Director Steve Hammack, Interim Public Works Director Steve Walpole, Chief of Police Tracy Ferrara, City Clerk

SPECIAL SET MATTER(S)

1. **Discussion of User Fee Study results regarding Planning, Building, Public Works, Police, and Administrative Fees and Charges for FY 2018/19**

CM Haruyama, NBS Consultant Nicole Kissam, and Financial Consultant Steve Toler presented the written staff report and a PowerPoint presentation, and responded to questions from Council.

The City Council requested additional time to evaluate and discuss the information provided. They requested that City staff provide public outreach regarding the fees. This item will be brought back to the City Council for further discussion at their regular meeting of June 20, 2018.

ADJOURNMENT

The meeting adjourned at 7:25 p.m.

Approved: _____
Jim Reed, Mayor

Attest: _____
Tracy A. Ferrara, City Clerk

AGENDA ITEM B

DATE: 6-20-2018

SCOTTS VALLEY ACCOUNTS PAYABLE
06/01/2018 17:31:12 Check Register

CITY OF SCOTTS VALLEY
GL050S-V08.08 COVERPAGE
GL540R

Report Selection:

RUN GROUP... 060418 COMMENT... A/P AS OF JUNE 4 2018

DATA-JE-ID DATA COMMENT

W-06042018-039 A/P AS OF JUNE 4 2018

Run Instructions:

Jobq	Banner	Copies	Form	Printer	Hold	Space	LPI	Lines	CPI	CP	SP	RT
L		01		CASCPT02	Y	S	6	066	10			

BANK	VENDOR	CHECK#	DATE	AMOUNT
BA	GENERAL CHECKING ACCOUNT			
003123	A T & T	113582	06/04/18	376.51
003566	ABA BUILDING SERVICES	113583	06/04/18	4,105.00
000041	ACC BUSINESS	113584	06/04/18	1,222.77
001219	ALHAMBRA	113585	06/04/18	9.00
000652	ANDERSON PACIFIC ENG INC	113586	06/04/18	214.00
003149	AQUATIC BIOASSAY &	113587	06/04/18	4,330.00
000998	ASSOCIATED SERVICES CO.	113588	06/04/18	103.09
001670	AT & T	113589	06/04/18	302.14
001373	BAY TREE, LLC	113590	06/04/18	3,620.38
000437	BASS KEY LOCKSMITH	113591	06/04/18	111.09
000018	BRINK'S TROPHY SHOPPE	113592	06/04/18	69.59
003668	CARNEY/HANNAH	113593	06/04/18	63.00
002091	COMCAST	113594	06/04/18	146.20
000207	DEPARTMENT OF JUSTICE	113595	06/04/18	66.00
000098	ESCALON SERVICES	113596	06/04/18	4,473.20
000202	FEDERAL EXPRESS	113597	06/04/18	269.92
000582	FERRARA/TRACY A.	113598	06/04/18	30.00
001782	FLORES/CARLOS	113599	06/04/18	500.00
.15268	FRIENDS OF S.V. LIBRARY	113600	06/04/18	50.00
000895	GRANITE CONSTRUCTION CO	113601	06/04/18	187,340.42
000057	HACH COMPANY	113602	06/04/18	746.81
003271	HOME DEPOT CREDIT SERVIC	113603	06/04/18	228.42
003592	KAHN/JESSICA	113604	06/04/18	169.00
000238	KENNEDY-JENKS CONSULTANT	113605	06/04/18	15,957.50
000077	LADD'S TOWING INC	113606	06/04/18	95.00
001591	MARKELL/ROD	113607	06/04/18	1,974.00
003584	MENDOZA/FERNANDO	113608	06/04/18	70.00
000083	MISSION UNIFORM SERVICE	113609	06/04/18	1,138.80
001615	OLIN CORP-CHLOR ALKALI	113610	06/04/18	1,598.31
003680	PARK COMPANY INC/THE	113611	06/04/18	264.61
001787	PETRINI'S GARDENING SERV	113612	06/04/18	75.00
001097	PRODESSE PROPERTY GROUP	113613	06/04/18	3,523.52
000463	RALEY'S	113614	06/04/18	1,319.04
003610	ROSSI'S TOWING, INC	113615	06/04/18	200.00
000134	S.V. WATER DISTRICT	113616	06/04/18	350.00
003658	SANTA CRUZ OCCUPATIONAL	113617	06/04/18	303.00
000915	SANTA CRUZ/COUNTY OF	113618	06/04/18	156.00
000432	SHREDZERO	113619	06/04/18	150.00
003395	SILICON VALLEY MONTEREY	113620	06/04/18	504.00
002053	STEPFORD	113621	06/04/18	3,439.74
001844	STERLING WATER TECHNOLOG	113622	06/04/18	5,094.41
001085	SYCAL ENGINEERING INC	113623	06/04/18	2,550.00
003195	UV DOCTOR LAMPS LLC	113624	06/04/18	1,079.52
001211	WALNUT AVE WOMEN'S CENTE	113625	06/04/18	2,477.00
002021	ZOOM	113626	06/04/18	8.09
000352	3T EQUIPMENT COMPANY	113627	06/04/18	650.05
	GENERAL CHECKING ACCOUNT			251,524.13

Check Register

BANK	VENDOR	CHECK#	DATE	AMOUNT
REPORT TOTALS:				251,524.13

RECORDS PRINTED - 000076

GL540R

FUND RECAP:

FUND	DESCRIPTION	DISBURSEMENTS
----	-----	
001	GENERAL	9,877.19
004	RECREATION	2,708.03
010	WASTEWATER OPERATIONS	28,804.68
011	TERTIARY TREATMENT PLANT	2,567.52
012	WASTEWATER CAPITAL RESERVE	2,550.00
019	AFFORDABLE HOUSING	1,974.00
023	SVRDA SUCCESSOR AGENCY	7,143.90
028	SENIOR CENTER	2,054.65
112	DENTAL INS INTERNAL SERV	239.00
123	COMMUNITY FACILITY CENTER	2,475.00
150	GENERAL CAPITAL IMPROVEMENTS	191,130.16
TOTAL ALL FUNDS		251,524.13

BANK RECAP:

BANK	NAME	DISBURSEMENTS
----	-----	
BA	GENERAL CHECKING ACCOUNT	251,524.13
TOTAL ALL BANKS		251,524.13

SCOTTS VALLEY ACCOUNTS PAYABLE
06/08/2018 15:08:20 Check Register

CITY OF SCOTTS VALLEY
GL050S-V08.08 COVERPAGE
GL540R

Report Selection:

RUN GROUP... 060818 COMMENT... A/P AS OF JUNE 8 2018

DATA-JE-ID DATA COMMENT

W-06082018-050 A/P AS OF JUNE 8 2018

Run Instructions:

Jobq	Banner	Copies	Form	Printer	Hold	Space	LPI	Lines	CPI	CP	SP	RT
L		01		CASCPRT04	Y	S	6	066	10			

BANK	VENDOR	CHECK#	DATE	AMOUNT
BA	GENERAL CHECKING ACCOUNT			
003342	ACCENT CLEAN & SWEEP INC	113628	06/08/18	1,884.85
000789	ALLEN & ASSOCIATES/JAMES	113629	06/08/18	1,050.00
002031	ASTRO EVENTS OF SAN JOSE	113630	06/08/18	598.50
001670	AT & T	113631	06/08/18	3,460.40
000097	AT&T	113632	06/08/18	189.00
000437	BRASS KEY LOCKSMITH	113633	06/08/18	85.43
001566	BUSINESS WITH PLEASURE	113634	06/08/18	17.43
001216	C & N TRACTORS	113635	06/08/18	52.33
015008	CENTRAL HOME SUPPLY	113636	06/08/18	119.43
001051	COASTAL EVERGREEN CORP	113637	06/08/18	1,795.00
003134	CRIME SCENE CLEANERS, INC	113638	06/08/18	75.00
000037	CRYSTAL SPRINGS WATER CO	113639	06/08/18	20.40
000037	CRYSTAL SPRINGS WATER CO	113640	06/08/18	42.80
003160	DIXON & SON TIRE	113641	06/08/18	144.93
001362	DUNCAN AUTO TECH	113642	06/08/18	2,616.81
001257	EBRAHIMIAN DDS/MARK	113643	06/08/18	208.00
000054	EWING IRRIGATION PRODUCT	113644	06/08/18	253.29
001991	FASTENAL	113645	06/08/18	328.42
001316	FODGE/MICHELLE	113646	06/08/18	42.50
000895	GRANITE CONSTRUCTION CO	113647	06/08/18	341,511.00
001234	MC GRAW DDS/BERNARD	113648	06/08/18	120.00
000195	MESITI-MILLER ENGINEERIN	113649	06/08/18	9,002.84
003171	MICHALAK/GENE	113650	06/08/18	110.00
000218	MID VALLEY SUPPLY	113651	06/08/18	2,062.66
001418	MONTEREY REGIONAL	113652	06/08/18	1,230.30
000939	NATIONAL COMTEL NETWORK	113653	06/08/18	15.19
003591	NICHOLS CONSULTING	113654	06/08/18	12,248.06
001872	NORTH CENTRAL LABORATORI	113655	06/08/18	825.82
001988	O'REILLY AUTOMOTIVE, INC	113656	06/08/18	24.20
003524	ONE LIFE PRINTS	113657	06/08/18	3,072.11
000101	PACIFIC GAS & ELECTRIC C	113658	06/08/18	31.33
001857	PHOENIX GROUP	113659	06/08/18	223.90
000723	PIED PIPER INC./THE	113660	06/08/18	61.50
000664	PURSLEY/JOANN	113661	06/08/18	60.00
000171	RIVERSIDE LIGHTING INC	113662	06/08/18	72.98
000196	ROSS RECREATION EQUIPMEN	113663	06/08/18	3,341.88
000126	SANTA CRUZ FIRE EQUIPMEN	113664	06/08/18	1,010.89
003367	SANTA CRUZ LIVE SCAN	113665	06/08/18	30.00
000446	SANTA CRUZ ORAL & MAX SU	113666	06/08/18	779.20
000128	SCARBOROUGH LUMBER	113667	06/08/18	934.28
001558	SCOTT DDS/KEVIN RAY	113668	06/08/18	125.00
001535	SKIP'S TIRE & AUTO CENTE	113669	06/08/18	351.22
002053	STEPFORD	113670	06/08/18	23,820.16
001361	STEVENS DDS/JOHN A	113671	06/08/18	49.00
000143	SUMMIT UNIFORMS	113672	06/08/18	1,683.54
003681	TOUCAN CRANE	113673	06/08/18	340.00
001560	TRITON CONSTRUCTION	113674	06/08/18	2,577.91
001366	U.S. BANCORP OFFICE	113675	06/08/18	1,260.35

Check Register

BANK	VENDOR	CHECK#	DATE	AMOUNT	
BA	GENERAL CHECKING ACCOUNT				
003195	UV DOCTOR LAMPS LLC	113676	06/08/18	960.42	
000154	WINCHESTER AUTO STORES	113677	06/08/18	5.02	
003550	2ND NATURE	113678	06/08/18	6,864.00	
	GENERAL CHECKING ACCOUNT			427,789.28	***

Check Register

BANK	VENDOR	CHECK#	DATE	AMOUNT
REPORT TOTALS:				427,789.28

RECORDS PRINTED - 000109

GL540R

FUND RECAP:

FUND	DESCRIPTION	DISBURSEMENTS
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001	GENERAL	23,360.69
002	RECYCLING/ENVIRONMENTAL	1,884.85
004	RECREATION	4,493.56
007	DRAINAGE CONSTRUCTION	12,248.06
010	WASTEWATER OPERATIONS	6,694.65
011	TERTIARY TREATMENT PLANT	960.42
025	GENERAL TRUST	1,050.00
028	SENIOR CENTER	242.38
077	SKYPARK MAINT ASSESS DIST	825.00
112	DENTAL INS INTERNAL SERV	1,281.20
123	COMMUNITY FACILITY CENTER	96.86
150	GENERAL CAPITAL IMPROVEMENTS	374,651.61
TOTAL ALL FUNDS		427,789.28

BANK RECAP:

BANK	NAME	DISBURSEMENTS
----	-----	
BA	GENERAL CHECKING ACCOUNT	427,789.28
TOTAL ALL BANKS		427,789.28

SCOTT'S VALLEY FINANCE DEPT.
06/14/2018 11:59:49

Check Register

CITY OF SCOTT'S VALLEY
GL050S-V08.08 COVERPAGE
GL540R

Report Selection:

RUN GROUP... 061418 COMMENT... REIMBURSE BANK FEE

DATA-JE-ID DATA COMMENT

M-06142018-058 REFUND OF BANK FEES

Run Instructions:

Jobq	Banner	Copies	Form	Printer	Hold	Space	LPI	Lines	CPI	CP	SP	RT
L		01			Y	S	6	066	10			

Check Register

BANK	VENDOR	CHECK#	DATE	AMOUNT	
BA	GENERAL CHECKING ACCOUNT				
.15273	RAYMOND/TAYLOR C.	113721	06/14/18	12.00	
	GENERAL CHECKING ACCOUNT			12.00	***

Check Register

BANK	VENDOR	CHECK#	DATE	AMOUNT
REPORT TOTALS:				12.00

RECORDS PRINTED - 000001

Check Register

GL540R

FUND RECAP:

FUND	DESCRIPTION	DISBURSEMENTS
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001	GENERAL	12.00
TOTAL ALL FUNDS		12.00

BANK RECAP:

BANK	NAME	DISBURSEMENTS
----	-----	
BA	GENERAL CHECKING ACCOUNT	12.00
TOTAL ALL BANKS		12.00

SCOTTS VALLEY ACCOUNTS PAYABLE
06/13/2018 17:52:40 Check Register

CITY OF SCOTTS VALLEY
GL050S-V08.08 COVERPAGE
GL540R

Report Selection:

RUN GROUP... 061518 COMMENT... A/P AS OF JUNE 15 2018

DATA-JE-ID DATA COMMENT

W-06152018-057 A/P AS OF JUNE 15 2018

Run Instructions:

Jobq	Banner	Copies	Form	Printer	Hold	Space	LPI	Lines	CPI	CP	SP	RT
L		01		CASCPT04	Y	S	6	066	10			

Check Register

BANK	VENDOR	CHECK#	DATE	AMOUNT
BA	GENERAL CHECKING ACCOUNT			
	001626 AGUILAR/STEPHANY	113679	06/15/18	41.75
	003408 ALLANIZ/LUPITA	113680	06/15/18	392.00
	003497 ALVAREZ INDUSTRIES, INC	113681	06/15/18	1,111.00
	000563 APPI	113682	06/15/18	593.14
	000097 AT&T	113683	06/15/18	8.72
	001593 BENEDICT DDS/NANETTE	113684	06/15/18	329.30
	003005 CHALLENGER SPORTS CORPOR	113685	06/15/18	336.00
	003683 CHILDREN'S CREATIVITY MU	113686	06/15/18	110.00
	003683 CHILDREN'S CREATIVITY MU	113687	06/15/18	129.50
	001051 COASTAL EVERGREEN CORP	113688	06/15/18	230.00
	002091 COMCAST	113689	06/15/18	167.58
	003043 CSG CONSULTANTS, INC	113690	06/15/18	31,096.08
	001896 D & G SANITATION	113691	06/15/18	103.55
	001099 DARCO PRINTING & PAPER	113692	06/15/18	38.04
	003665 DARNELL DENTAL CORP	113693	06/15/18	367.00
	000207 DEPARTMENT OF JUSTICE	113694	06/15/18	160.00
	000207 DEPARTMENT OF JUSTICE	113695	06/15/18	292.00
	000375 FIRST ALARM SECURITY & P	113696	06/15/18	2,129.88
	003502 FREITAS & FREITAS	113697	06/15/18	4,100.00
	001828 GONZALES/GABE	113698	06/15/18	1,540.54
	001239 HAYASHI DDS/ARTHUR K	113699	06/15/18	287.20
	001856 HUB INTERNATIONAL	113700	06/15/18	129.46
	001246 JOINER DDS/MARK	113701	06/15/18	435.50
	003142 KELLY-MOORE PAINT CO INC	113702	06/15/18	68.43
	001824 KOENIG/WES	113703	06/15/18	845.00
	.15271 MANOR/ALAN	113704	06/15/18	1,417.00
	.15272 MONTEREY BAY ANALYTICAL	113705	06/15/18	1,950.00
	000967 MONTEREY BAY SYSTEMS	113706	06/15/18	1,104.98
	001872 NORTH CENTRAL LABORATORI	113707	06/15/18	169.13
	003682 PIZZA MY HEART	113708	06/15/18	250.00
	001894 S.V. WATER DISTRICT - BU	113709	06/15/18	41.08
	003600 SANTA CRUZ CHILDREN'S	113710	06/15/18	100.00
	000126 SANTA CRUZ FIRE EQUIPMEN	113711	06/15/18	553.00
	000405 SILVERSTEIN/THOMAS	113712	06/15/18	1,763.90
	001535 SKIP'S TIRE & AUTO CENTE	113713	06/15/18	693.35
	000153 THOMSON REUTERS-WEST	113714	06/15/18	286.30
	001366 U.S. BANCORP OFFICE	113715	06/15/18	342.81
	.15270 USAA	113716	06/15/18	2,948.30
	003590 VARGAS ACADEMY OF GYMNAS	113717	06/15/18	1,365.00
	001106 VERIZON WIRELESS	113718	06/15/18	836.79
	000151 VISION SERVICE PLAN	113719	06/15/18	1,232.28
	002021 ZOOM	113720	06/15/18	872.17
	GENERAL CHECKING ACCOUNT			60,967.76 ***

Check Register

BANK	VENDOR	CHECK#	DATE	AMOUNT
REPORT TOTALS:				60,967.76

RECORDS PRINTED - 000065

GL540R

FUND RECAP:

FUND	DESCRIPTION	DISBURSEMENTS
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001	GENERAL	50,642.82
004	RECREATION	8,059.69
010	WASTEWATER OPERATIONS	666.93
028	SENIOR CENTER	173.45
112	DENTAL INS INTERNAL SERV	1,419.00
123	COMMUNITY FACILITY CENTER	5.87
TOTAL ALL FUNDS		60,967.76

BANK RECAP:

BANK	NAME	DISBURSEMENTS
----	-----	
BA	GENERAL CHECKING ACCOUNT	60,967.76
TOTAL ALL BANKS		60,967.76

City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: June 20, 2018

TO: Honorable Mayor and City Council

FROM: Jenny Haruyama, City Manager

SUBJECT: **ADOPT RESOLUTION APPROVING THE ANNUAL SUBMITTAL
OF CITY OF SCOTTS VALLEY INVESTMENT POLICY**

SUMMARY OF ISSUE

The State of California amended Government Code Section 53646 in July, 1996 to require the Treasurer to annually submit to the City Council at a public meeting an Investment Policy for your review and approval. The change in legislation was brought about by the need to avoid the same problems Orange County encountered. The intent is to provide the local governing body with the authority to review and approve the policy.

The current Investment Policy is attached for your information. The City Council last adopted this Investment Policy on June 21, 2017. Staff recommends that no changes be made in the existing Investment Policy at this time.

It is important to note that our Investment Policy as recommended affirms the City's fiduciary responsibility to safeguard public assets. A high priority is placed on ensuring the safety of principal and that liquidity needs for payment of payroll and other City obligations are met prior to considering yield on the investment.

The investments authorized in the attached Investment Policy are typical governmental investments and are reasonably safe investments. More risky investments such as derivative investments or reverse repurchase agreements have been excluded from this Investment Policy. Typically, the City invests most of its cash other than bond proceeds in the State of California Local Agency Investment Fund (LAIF), which has proved to be a safe investment with a good yield and highly liquid.

A glossary of investment security terms and a summary of permitted investments and limitations are included at the back of the Investment Policy, as a guide to the reader.

FISCAL IMPACT

No change is recommended. Investment reports are currently distributed to the City Council each month, as required by the Investment Policy.

STAFF RECOMMENDATION

It is recommended that the City Council adopt Resolution No. 1139.22 approving the Investment Policy.

TABLE OF CONTENTS

PAGE

1.	Resolution No. 1139.22	3
2.	Investment Policy	4

RESOLUTION NO. 1139.22

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY APPROVING THE ATTACHED INVESTMENT POLICY

WHEREAS, under government Code Section 53646, et seq, it is required that the City Council of the City of Scotts Valley annually approve an Investment Policy; and

WHEREAS, it is in the public's best interest that an investment policy be approved by the City Council so that the public assets will be properly safeguarded and invested.

NOW THEREFORE be it resolved by the City Council of the City of Scotts Valley that the attached Investment Policy (Exhibit "A") is hereby approved.

This resolution was passed and adopted on the 20th day of June, 2018, at a duly held regular meeting of the City Council of the City of Scotts Valley by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: _____
Jim Reed, Mayor

Attest: _____
Tracy A. Ferrara, City Clerk



CITY OF SCOTTS VALLEY COUNCIL POLICY MANUAL

TITLE: INVESTMENT POLICY

POLICY NUMBER: 05-17

EFFECTIVE DATE: 6/21/2017

PAGES: 11

REVISED DATES: 6/20/2018

APPROVED BY: Jim Reed, Mayor

A. PURPOSE

This investment policy is designed to develop a clear understanding for the City Council, City staff, citizens, and third parties of the objectives, policies, and guidelines for the investment of City funds which are not required for immediate needs. The investment policy also offers guidance to investment staff and to any external investment advisors on the investment of City funds.

This statement is intended to provide direction for the investment of the City's temporary idle cash under the prudent investor rule. Civil Code Section 2261, et seq. states in part "...When investing...for the benefit of another, a trustee shall act with the care, skill, prudence, and diligence...that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise..."

B. OBJECTIVES

The City's ultimate investment goal is to enhance the economic condition of the City while ensuring the safety of funds invested and assuring that money is always available when needed.

The City strives to maintain the level of investment of all idle funds as near 100% as possible, through the optimum operation of its cash management system which is designed to accurately monitor and forecast expenditures and revenue. The City attempts to obtain the highest yield on its investments with preservation of principal and liquidity.

The primary objective of the investment policy of the City of Scotts Valley is SAFETY. Investments shall be placed only in securities described in this policy, authorized by federal, state, and local laws and regulations, and managed in a manner that seeks to ensure the preservation of principal. The portfolio shall also be appropriately diversified to avoid incurring unreasonable risks regarding specific types of individual financial institutions. Maximizing interest earned is a secondary objective once safety, liquidity, and legality have been assured.

C. DELEGATION OF AUTHORITY

The City delegates the authority to invest to the City Manager and City Treasurer and appropriate assistant, subject to the limitations set forth in the Investment Policy and Investment Guidelines. The City holds its public investor harmless for responsible investment transactions undertaken in accordance with the Investment Policy, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

The City may delegate the investment of City funds to a professional investment advisor registered under the provisions of the Investment Advisors Act of 1940, subject to approval by the City Council. All investments shall be consistent with this Investment Policy and procedures established by the City Treasurer.

D. ETHICS AND CONFLICT OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that conflicts with proper execution of the investment program or impairs their ability to make impartial decisions. Additionally, the City Manager and City Treasurer are required to annually file applicable financial disclosures as required by the Fair Political Practices Commission (FPPC).

E. INVESTMENT GUIDELINES AND INVESTMENT STRATEGY

The City uses a set of written Investment Guidelines which define the procedures for investing within the directives of the Investment Policy. In accordance with the Investment Guidelines, investment strategy is used to maximize yield depending on market conditions.

To maximize returns, the economy and various markets are monitored carefully in order to assess the probable course of interest rates. The City lengthens its maturities when rates are falling and shortens maturities when rates are rising. The City attempts to take advantage of imperfections in the market where a security's price is out of line with other investments, and tries to improve yields during cyclical changes in interest rates.

F. SCOPE

This policy applies to all cash assets of the City of Scotts Valley, the Scotts Valley Redevelopment Agency, and the Scotts Valley Public Financing Authority. Included are all pooled funds accounted for in the City's Comprehensive Annual Financial Report, as follows:

- General Funds
- Special Funds
- Debt Service Funds
- Capital Project Funds
- Internal Service Funds
- Enterprise Funds
- Trust and Agency Funds

Excluded funds are those, held by a fiscal agent, over which the City does not exercise control over investment of the funds.

G. PERMITTED INVESTMENTS AND LIMITATIONS ON INVESTMENT

The investment of surplus funds is governed by California Government Code Section 53601 et seq. and by California Government Code section 53630 et seq.

Funds not deposited in banks may be invested in the securities described in sections a-j below. The maximum maturity of any securities purchased shall not exceed five (5) years from date of purchase, unless specified below as shorter than five years, or unless a longer maturity is allowed by bond documents for the investment of bond proceeds, as described in section 1 below. All investments shall be subject to limitations as described herein.

1. Obligations of the U.S. Treasury, or securities guaranteed by the full faith and credit of the United States ("Treasury Obligations"), excluding securities which have been stripped of their coupons.
 - a. There is no limitation to the percent of the portfolio which may be held in these Treasury obligations.
2. Obligations which are guaranteed by the full faith and credit of agencies or instrumentalities of the U.S. government ("Agency obligations"), including but not limited to FNMA, FFCB, FHLB, and SLMA.
 - a. There is no limitation to the percent of the portfolio which may be held in these Agency obligations.
3. Negotiable certificates of deposit at banks, the short-term obligations of which are rated A1 or higher by Standard and Poor's or rated P1 or higher by Moody's Investors Service, and the long term obligations (if any) of which are rated A or higher by Standard and Poor's or by Moody's Investors Service, or the equivalent by another recognized rating agency.
 - a. The maximum maturity of certificates of deposit may not exceed five years.
 - b. No more than 30% of the portfolio, excluding bond proceeds, may be invested in certificates of deposit.
 - c. The institution must be located in California.
 - d. The institution must have current financial information, a signed contract, and a waiver on file with the City.
 - e. The institution must maintain a net worth to asset ratio of at least 30% and have a positive earnings record.
 - f. The institution must be at least 3 years old.
 - g. For collateralized investments, the institution must have at least \$500 million in assets.

4. Banker's acceptances issued by banks, the short term obligations of which are rated A1 or higher by Standard and Poor's or rated P1 or higher by Moody's Investors Services, or the equivalent by another nationally rating agency.
 - a. The maximum maturity of banker's acceptances may not exceed 180 days.
 - b. No more than 40% of the portfolio, excluding bond proceeds, may be invested in banker's acceptances.
5. Commercial paper issued by corporations, the short term obligations of which are rated A1 or higher by Standard and Poor's, or P1 by Moody's Investor Services, or the equivalent by another nationally recognized rating agency.
 - a. The maximum maturity of commercial paper may not exceed 270 days.
 - b. Eligible paper is limited to notes issued by corporations organized and operating within the United States and having total assets in excess of \$500 million, and having a long term debt rating of "A" or higher.
 - c. No more than 15% of the portfolio, excluding bond proceeds, may be invested in commercial paper.
 - d. An additional 15% of the portfolio (for a total of 30%), excluding bond proceeds, may be invested in commercial paper if the dollar-weighted average maturity of the entire amount does not exceed 31 days.
6. Repurchase agreements collateralized by any securities permitted under paragraphs 1. and 2. of this section of this policy (Treasury obligations or Agency obligations).
 - a. The term of a repurchase agreement may not exceed 30 days.
 - b. The market value of securities shall not be less than 102% of the repurchase amount.
 - c. No more than 15% of the portfolio, excluding bond proceeds, may be invested in repurchase agreements.
 - d. The repurchase agreements shall be subject to a master repurchase agreement between the City and the provider of the repurchase agreement. The repurchase agreement shall be substantially in the form developed by the Public Securities Association.
 - e. Collateral underlying repurchase agreements shall be delivered to the City's custodial bank. Clearly marked evidence of ownership (safekeeping receipts) must be supplied to the bank.
7. Corporate medium notes, rated A or higher by Moody's Investor Services and by Standard and Poor's.
 - a. No more than 30% of the portfolio, excluding bond proceeds, may be invested in corporate medium term notes.

8. Mortgage pass through securities issued by an agency of the U.S. government.
 - a. No more than 15% of the portfolio, excluding bond proceeds, may be invested in mortgage pass through securities.
9. Money market mutual funds with a minimum of \$250 million in assets which invest in securities described in a. through h. above, provided:
 - a. The fund has attained the highest rating provided by two of the three largest nationally recognized rating agencies, or
 - b. The fund has an investment advisor registered with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations in a. through h. above.
 - c. No more than 15% of the portfolio, excluding bond proceeds, may be invested in money market mutual funds.
10. The State of California "Local Agency Investment Fund" ("LAIF") and the "Investment Fund of California" ("CalTRUST").
 - a. No more than the maximum deposit allowed per agency set by the State Treasurer may be invested in LAIF.
 - b. No more than 30% of the portfolio, excluding bond proceeds, may be invested in CalTRUST.
11. The City of Scotts Valley also utilizes deposits from commercial banks for regular depository services including operating and payroll accounts. Utilization of "sweep" account services provides short term interest on operating funds. Interest-bearing accounts may also be maintained for certain individual City funds.
 - a. Deposits in local banks or savings and loans must be consistent with the basic investment goals which stress safety and liquidity above yield.
 - b. All bank and savings and loan association deposits shall be insured by the FDIC or, to the extent not insured, be collateralized with securities in accordance with California law.
12. Bond proceeds, obligations under lease, installment sales, or proceeds from other agreements of the City may be invested with more flexibility, in accordance with Section 53601 of the California Government Code, in any security that meets the statutory provisions governing the issuance of bonds or other agreements made by the City.

H. POLICY CRITERIA FOR SELECTING INVESTMENTS, IN ORDER OF PRIORITY

1. Safety

Safety and the minimization of risk associated with investing refers to attempts to reduce the potential for loss of principal, interest, or combination of the two. The first level of risk control is found in state law which restricts the particular types of investments

permitted for municipalities. The second level of risk control is reduction of default risk by investing in instruments that appear upon examination to be the most creditworthy. The third level of risk control is reduction of market risk by investing in instruments that have maturities coinciding with dates of disbursement, thereby eliminating risk of loss from a forced sale. The City only invests in those instruments that are considered very safe.

2. Liquidity

Liquidity refers to the “ability to easily sell” at any time with a minimal risk of losing some portion of principal or interest. Liquidity is an important quality for an investment to have, for at any time the City may have unexpected or unusual circumstances that result in larger disbursements than expected, and some investments may need to be sold to meet the contingency. Most investments of the City are highly liquid, with the exception of bond proceeds. Maturities of investments are selected in anticipation of disbursement needs, thereby obviating the need for forced liquidation or lost interest penalties.

3. Yield

Yield is the potential dollar earnings an investment can provide, and also is sometimes described as the rate of return. The City attempts to obtain the highest yield possible when selecting an investment, provided that the criteria stated in the Investment Policy for safety and liquidity are met and provided that the Investment Guidelines and Strategy are followed.

I. POLICY CONSTRAINTS

The City operates its investment program with many state and self-imposed constraints. The City does not speculate; it does not buy stocks; it does not deal in futures or options; it does not purchase on margin through reverse repurchase agreements. The weighted average life of the portfolio is maintained within the limits dictated by the cash flow needs of the City and by Investment Guidelines. The City diversifies its investments to reduce potential default on market risks. The portfolio is carefully monitored to assure the prudent management of the portfolio.

J. SELECTION OF INVESTMENT CONTACTS

The City determines those firms with which it will do investment business through a process outlined in the Investment Guidelines. The City will not invest with any firm not on the approved list of Investment Contacts.

K. SAFEKEEPING

All securities in the City’s portfolio are maintained in the City’s vault or in an acceptable safekeeping account with a perfected interest in the City’s name, and are evidenced by safekeeping receipts. All transactions will be conducted as delivery-vs-payment settlements.

L. INVESTMENT CONTROLS

The City Treasurer has developed a system of internal investment controls and a segregation of responsibilities of investment functions, in order to assure an adequate system of internal controls over the investment function. The controls are designed to prevent losses of public funds arising from fraud, employee error, misrepresentation of third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the City of Scotts Valley. Controls deemed most important include: clear delegation of authority to subordinate staff members, separation of transaction authority from accounting and recordkeeping, supervisory control of employee actions, written confirmation of all transactions, minimizing the number of authorized investment officials, documentation of transactions and strategies, custodial safekeeping, avoidance of bearer-form securities, specific limitations regarding securities losses and remedial actions, proper review and approval of brokerage accounts and investment transactions, and control of collusion.

M. INVESTMENT REPORTS

1. The City Treasurer shall annually render a Statement of Investment Policy to the City Council for their approval at a public meeting, as required by California Government Code section 53646(a).
2. The City Treasurer shall generate and forward to the City Manager and City Council a monthly report within 30 days after the end of each month, as required by California Government Code section 53646(b). Required elements of these reports are: type of investment, issuer, date of maturity, face value, cost of security, current market value (and source of valuation), yield, citation of compliance with the investment policy (or explanation), and a statement of the City's ability to meet expenditure requirements for the next 6 months.

N. INVESTMENT AUDITS

Annually, there shall be both internal and external audits of the City's Investment Program to assure compliance with the Investment Policy, Investment Guidelines, and Investment Controls.

O. INVESTMENT PERFORMANCE EVALUATION

Annually, the City Council, at the time that the Investment policy is brought to the City Council, shall review and evaluate the investment program and update the Statement of Investment Policy. The City Manager shall review the Investment guidelines semi-annually.

P. RATING OF SECURITIES

Only securities which meet the ratings specified above may be purchased. If the rating of a security which the City owns is downgraded below these rating standards, the Treasurer shall determine whether to retain or liquidate the security, based upon the new rating, the reason for the re-rating, the maturity date, the amount, and the market value of the security.

Q. INVESTMENT GUIDELINES

1. Cash Availability Guidelines

- a. Cash flow analysis is developed which serves as a basis for determining the cash available for investment and maturity dates needed to cover future disbursements.
- b. A close rapport is maintained with all departments having a significant impact on cash flow to ensure receipt of timely and accurate data.
- c. Where practical, revenue receipts are consolidated into one bank account and invested on a pooled concept basis. Interest earnings are allocated according to fund cash and investment balances.
- d. Active bank balances are kept as low as possible without jeopardizing good banking relationships by maintaining investment of available cash as near to 100% as possible.
- c. Bank balances are obtained weekly to assure accurate and detailed information.
- d. Sufficient funds are maintained in very liquid investments to meet most unexpected contingencies.

2. Investing Guidelines

- a. A close working relationship is maintained with a list of well-established brokers, dealer/brokers, and bankers whose proven technical knowledge and expertise is of assistance in making investment decisions.
- b. Economic data, forecasts, and conditions are continuously obtained from financial experts in the field and evaluated as to impact on investment decisions.
- c. Business journals are routinely reviewed and education programs are attended to enhance knowledge and professional skills required to manage an investment portfolio.
- d. Only investments authorized by the Investment Policy are transacted. Investments are made with qualifying institutions based only on competitiveness of interest rates offered.
- e. Purchases of investments are made with the intent of holding the investments to maturity. If, under favorable market conditions, investments of similar maturities can be swapped or traded and portfolio performance can be improved without compromising safety, the trades may be transacted.

- f. Individuals authorized by delegation to assist the City Treasurer and City Manager in conducting transactions are limited to purchases of 90 days maturity or less, and are limited to transactions of no more than \$100,000 in size, unless specifically otherwise authorized under unusual circumstances.

3. **Guidelines for Broker/Dealer and Banker Relationships**

- a. A list of approved brokers, broker/dealers, banks, and savings and loans is reviewed monthly based upon the following:
 - (1) Being authorized under California Government Code section 53635.5 to transact investments with local agencies.
 - (2) Receipt of positive audited financial statements.
 - (3) Being in business for a minimum of three years.
- b. The City Treasurer reviews and acts on requests to be on the approved list and accompanying financial statements.
- c. There is a formal filing system of the required information for those on the approved list, which provides for an annual report of updated financial information.
- e. There is a timely transaction monitoring system to ensure that all documents and confirmation are received and are correct.
- f. Transactions are monitored monthly to assure that there are no undue concentrations of investments with any single firm.

GLOSSARY OF INVESTMENT SECURITIES

- a. **Obligations of the U.S. Treasury** - Debt obligations backed by the full faith and credit of the U.S. Government. They are issued with initial maturities from three months to 30 years.
- b. **Agency Obligations** - Obligations guaranteed by the full faith and credit of agencies and instrumentalities of the U.S. Government, such as FNMA, FFCB, FHLB, and GNMA.
- c. **Negotiable Certificates of Deposits** - A bank deposit issued in negotiable form (i.e., one that can be bought or sold in the open market).
- d. **Banker's Acceptance** - A draft that is drawn and accepted by banks. Because the accepting institution is obligated to pay the draft without regard to whether it is paid or not, banker acceptances are considered to be high quality money market instruments.
- e. **Commercial Paper** - Unsecured promissory notes issued by corporations to fund short term cash requirements.
- f. **Repurchase Agreement** - An agreement in which an investor buys securities from a contra-party with the provision that the buyer must sell the securities back to the contra-party at a specific date at a pre-agreed upon price. The repurchase amount is expressed as principal plus interest at an agreed upon rate.
- g. **Corporate Medium Term Note** - An obligation of a corporation issued with an initial term of maturity of nine months to 15 years.
- h. **Mortgage Pass Through Certificates** - Bonds backed by an undivided interest in a pool of mortgages or trust deeds. Income and principal from the underlying mortgages is used to pay off the securities.
- i. **Money Market Mutual Funds** - Mutual funds which invest in short term securities and strive to maintain a share price of \$1.
- j. **Local Agency Investment Fund (LAIF)** - An investment pool managed by the California State Treasurer's Office to provide safe, low cost, and highly liquid investment alternative for California's local governmental agencies.

Investment Trust of California - More commonly known as CalTRUST, a trust created for public agencies to provide for the investment of pooled funds of its participants.
- k. **Demand Deposits** - A deposit of monies where the monies are payable by the bank upon demand of the depositor.

PERMITTED INVESTMENTS AND LIMITATIONS ON INVESTMENT

Investment Type	Percent of Portfolio	Maximum Life	Other Requirements
a. US Treasury	No Limit	5 Years	No Strips
b. Agencies of US Government	No Limit	5 Years	
c. Certificates of Deposit	30%	5 Years	Rated A1/P1
d. Banker's Acceptances	40%	180 Days	Rated A1/P1
e. Commercial Paper	15% (30% if weighted dollar)	270 Days (Average <31 days)	Rated A1/Pa US Corporations Assets >\$500 M LTD Rated A
f. Repurchase Agreements	15%	30 Days	Collateralized Market >102%
g. Corporate Medium Term Notes	30%	5 Years	Rated A
h. Mortgage Pass-Through	15%	5 Years	US Government Only
i. Money Market Mutual Funds	15%	N/A	Assets >\$250M Invests only in a-h above. Highest rating possible. Registered Advisor
j. LAIF Investment Trust of California	LAIF Limit 30%	N/A N/A	
k. Demand Deposits	No Limit	N/A	FDIC or collateralized

APPROVED AS TO FORM:

 Kirsten Powell, City Attorney

City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: June 20, 2018
TO: Honorable Mayor and City Council
FROM: Laurie Grundy, Senior Accountant
APPROVED: Jenny Haruyama, City Manager
SUBJECT: 2018/2019 APPROPRIATIONS LIMIT – RESOLUTION NO. 1007.31

SUMMARY OF ISSUE

In 1979, State voters approved Proposition 4, commonly known as the Gann Initiative. The Proposition created Article XIIIB of the State constitution placing limits on the amount of certain revenue, called proceeds from taxes, which can be spent (appropriated) by governmental entities. In 1990, the State voters approved Proposition 111, which modified the formula for calculating the limit and required an annual review of the limit.

The Appropriations Limit is based on adjusting the previous year's limit by two factors. The City can select one factor from the following two sets of factors:

Percentage change in population in the City of Scotts Valley, or

Percentage change in population in the County of Santa Cruz,

and

Percentage change in the local nonresidential new construction assessment roll for the City of Scotts Valley (to be used as the change in the cost of living), or

Percentage change in the per capita personal income in the State of California.

All of the above factors are provided by the State of California, except for the local new construction assessment which is provided by the County of Santa Cruz. The factors for the 2018 / 2019 calculation are as follows:

Percentage change in population in the City of Scotts Valley	-0.01%
Percentage change in population in the County of Santa Cruz	0.13%
Percentage change in local nonresidential new construction	1.0045%
Percentage change in per capita personal income in the State	3.67%

FISCAL IMPACT:

Using the percentage change in population in the County of Santa Cruz and the percentage change in the per capita personal income in the State will produce the highest appropriations limit for 2018/2019: \$193,120,521 $[(1.0013 \times 1.0367) \times \$186,050,598]$. The appropriations subject to this limit based on the proposed budget for 2018/2019 is \$9,011,198. Therefore, the City of Scotts Valley is well below its limit.

STAFF RECOMMENDATION:

It is recommended that the City Council adopt Resolution No. 1007.31 making certain findings including the selection of the two factors stated above (see Fiscal Impact) and adopting the 2018/2019 appropriations limit of \$193,120,521.

TABLE OF CONTENTS

PAGE

1.	Resolution No. 1007.31	3
2.	Bulletin from the State Department of Finance on Price and Population Data for Local Jurisdiction dated May 2018.....	4

2018/2019 APPROPRIATIONS LIMIT

RESOLUTION NO. 1007.31

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY MAKING CERTAIN FINDINGS AND DETERMINATIONS IN COMPLIANCE WITH SECTION XIII B OF THE CALIFORNIA CONSTITUTION (GANN INITIATIVE) AND SETTING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR 2018/2019

BE IT RESOLVED by the City Council of the City of Scotts Valley that in compliance with Section XIII B of the Constitution of the State of California, the following is hereby found and determined:

1. That the appropriations limit for fiscal year 2017/2018 was \$186,050,598.
2. That the change in population in the County of Santa Cruz in 2017/2018, according to the State of California was 0.13%, was selected as a factor.
3. That during fiscal year 2017/2018, according to the State, the percentage change in per capita personal income in California was 3.67%, was selected as a factor.
4. That the appropriations limit under the Gann Initiative for fiscal year 2018/2019 is \$193,120,521.
5. That the change in cost of living is selected to be the change in per capita personal income.
6. That the documentation for establishing the appropriations limit for 2018/2019 was prepared by the Finance Department and presented to the City Council on June 20, 2018.
7. That more than 15 days have elapsed since documentation used in this determination was made available to the public.

The foregoing resolution was adopted by the City Council of the City of Scotts Valley at a regularly scheduled meeting held on the 20st day of June, 2018 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Approved: _____
Jim Reed, Mayor

Attest: _____
Tracy Ferrara, City Clerk

May 2018

Dear Fiscal Officer:

Subject: Price Factor and Population Information

Appropriations Limit

California Revenue and Taxation Code section 2227 requires the Department of Finance to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2018, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2018-19. Attachment A provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2018-19 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts

Some special districts must establish an annual appropriations limit. California Revenue and Taxation Code section 2228 provides additional information regarding the appropriations limit. Article XIII B, section 9(C) of the California Constitution exempts certain special districts from the appropriations limit calculation mandate. The code section and the California Constitution can be accessed at the following website: <http://leginfo.legislature.ca.gov/faces/codes.xhtml>.

Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

Population Certification

The population certification program applies only to cities and counties. California Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2018.**

Please Note: The prior year's city population estimates may be revised.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

MICHAEL COHEN
Director
By:

AMY M. COSTA
Chief Deputy Director

Attachment

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2018-19 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2018-19	3.67

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2018-19 appropriation limit.

2018-19:

Per Capita Cost of Living Change = 3.67 percent
Population Change = 0.78 percent

Per Capita Cost of Living converted to a ratio: $\frac{3.67 + 100}{100} = 1.0367$

Population converted to a ratio: $\frac{0.78 + 100}{100} = 1.0078$

Calculation of factor for FY 2018-19: $1.0367 \times 1.0078 = 1.0448$

Fiscal Year 2018-19

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2017 to January 1, 2018 and Total Population, January 1, 2018

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2017-2018	1-1-17	1-1-18	1-1-2018
Santa Cruz				
Capitola	-0.07	10,570	10,563	10,563
Santa Cruz	0.43	66,170	66,454	66,454
Scotts Valley	-0.01	12,196	12,195	12,195
Watsonville	-0.02	53,447	53,434	53,434
Unincorporated	0.06	134,036	134,123	134,218
County Total	0.13	276,419	276,769	276,864

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: June 20, 2018

TO: Honorable Mayor and City Council

FROM: Tracy A. Ferrara, City Clerk

APPROVED: Jenny D. Haruyama, City Manager

**SUBJECT: NOVEMBER 6, 2018 STATEWIDE GENERAL ELECTION
RESOLUTIONS**

SUMMARY OF ISSUE

In November of this year, terms will expire for City Council Members Stephany E. Aguilar and Jim Reed. In order to place these two City Council vacancies on the November 6, 2018 ballot, the City Council is required to approve the following resolutions:

- Resolution No. 1949, requesting that the County Board of Supervisors approve consolidation of Scotts Valley's general election to fill two full-term Council seats, to be conducted by the County Elections Official, and also approves consolidation with any other jurisdiction that may wish to hold an election on November 6, 2018; and
- Resolution No. 1949.1, officially calling for a statewide general election in the City of Scotts Valley to fill two City Council member seats, setting a Candidate Statement of Qualifications and fee, and setting poll hours.

In accordance with the Elections Code, the City Clerk will publish and post a "Notice of Election."

FISCAL IMPACT

The estimated cost for the November 6, 2018 consolidated election is \$16,000.

STAFF RECOMMENDATION

It is recommended that the City Council approve the following resolutions:

- (1) Resolution No. 1949 ordering an election, requesting County Elections to conduct the election, and requesting consolidation of the election; and

- (2) Resolution No. 1949.1 calling for a Statewide General Election for the election of members of the City Council, determining that costs of Candidate’s Statement of Qualifications shall be paid by the candidate and its maximum number of words, and setting hours the polls will be opened and closed.

<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
Resolution No. 1949	3
Resolution No. 1949.1	5

RESOLUTION NO. 1949

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY ORDERING AN ELECTION, REQUESTING COUNTY ELECTIONS TO CONDUCT THE ELECTION, AND REQUESTING CONSOLIDATION OF THE ELECTION

City of Scotts Valley

WHEREAS, pursuant to Elections Code Section 10002, the governing body of any city or district may by resolution request the Board of Supervisors of the county to permit the county elections official to render specified services to the city or district relating to the conduct of an election; and

WHEREAS, the resolution of the governing body of the city or district shall specify the services requested; and

WHEREAS, pursuant to Elections Code Section 10002, the city or district shall reimburse the county in full for the services performed upon presentation of a bill to the city or district; and

WHEREAS, pursuant to Elections Code Section 10400, whenever two or more elections, including bond elections, of any legislative or congressional district, public district, city, county, or other political subdivision are called to be held on the same day, in the same territory, or in territory that is in part the same, they may be consolidated upon the order of the governing body or bodies or officer or officers calling the elections; and

WHEREAS, pursuant to Elections Code Section 10400, such election for cities and special districts may be either completely or partially consolidated; and

WHEREAS, pursuant to Elections Code Section 10403, whenever an election called by a district, city or other political subdivision for the submission of any question, proposition, or office to be filled is to be consolidated with a statewide election, and the question, proposition, or office to be filled is to appear upon the same ballot as that provided for the statewide election, the district, city or other political subdivision shall, at least 88 days prior to the date of the election, file with the Board of Supervisors, and a copy with the elections official, a resolution of its governing board requesting the consolidation, and setting forth the exact form of any question, proposition, or office to be voted upon at the election, as it is to appear on the ballot, acknowledging that the consolidation election will be held and conducted in the manner prescribed in Section 10418. Upon such request, the Board of Supervisors may order the consolidation; and

WHEREAS, pursuant to Elections Code Section 10418, if consolidated, the consolidated election shall be held and conducted, election boards appointed, voting precincts designated, candidates nominated, ballots printed, polls opened and closed, voter challenges determined, ballots counted and returned, returns canvassed, results declared, certificates of election issued, recounts conducted, election contests presented, and all other proceedings incidental to and connected with the election shall be regulated and done in accordance with the provisions of law regulating the statewide or special election, or the election held pursuant to Section 1302 or 1303, as applicable.

WHEREAS, the resolution requesting the consolidation shall be adopted and filed at the same time as the adoption of the ordinance, resolution, or order calling the election; and

WHEREAS, various district, county, state and other political subdivision elections may be or have been called to be held on November 6, 2018;

NOW THEREFORE BE IT RESOLVED AND ORDERED that the City Council of the City of Scotts Valley hereby orders an election be called and consolidated with any and all elections also called to be held on November 6, 2018, insofar as said elections are to be held in the same territory or in territory that is in part the same as the territory of the City of Scotts Valley, and the City Council requests the Board of Supervisors of the County of Santa Cruz to order such consolidation under Elections Code Section 10401, 10403 and 10418.

BE IT FURTHER RESOLVED AND ORDERED that the City Council of the City of Scotts Valley hereby requests the Board of Supervisors to permit the Santa Cruz County Elections Department to provide any and all services necessary for conducting the election and agrees to pay for said services.

BE IT FURTHER RESOLVED AND ORDERED that the Santa Cruz County Elections Department conduct the election for the following offices on the November 6, 2018 ballot:

Council Member	Stephany E. Aguilar
Council Member	Jim Reed

The above and foregoing resolution was adopted at a duly held regular meeting of the City Council on the 20th day of June 2018 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Approved: _____
Jim Reed, Mayor

Attest: _____
Tracy A. Ferrara, City Clerk

RESOLUTION NO. 1949.1

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY CALLING A STATEWIDE GENERAL ELECTION FOR THE ELECTION OF MEMBERS OF THE CITY COUNCIL; DETERMINING THAT COSTS OF CANDIDATE'S STATEMENT OF QUALIFICATIONS SHALL BE PAID BY THE CANDIDATE AND ITS MAXIMUM NUMBER OF WORDS; AND SETTING HOURS THE POLLS WILL BE OPEN AND CLOSED

BE IT RESOLVED by the City Council of the City of Scotts Valley as follows:

- Section 1.** A general municipal election for the election of two (2) City Council Members for four-year terms shall be held on November 6, 2018.
- Section 2.** Each candidate who avails himself of the services set forth in Elections Code Section 10012 shall be charged a \$330.00 fee at the time their candidate's statement is filed - a sum not greater than the actual prorated costs of printing and handling the Candidate's Statement of Qualifications. This will cover the cost of including the Candidate's Statement in the Voter Information Guide and Online. If the Candidate wishes to have their Candidate's Statement Online only, the fee will be \$100.
- Section 3.** Candidate's Statement of Qualifications to be included in the sample ballot shall be limited to two hundred (200) words.
- Section 4.** Polls shall be open from 7:00 a.m. to 8:00 p.m.

The above and foregoing resolution was adopted at a duly held regular meeting of the City Council on the 20th day of June 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: _____
Jim Reed, Mayor

Attest: _____
Tracy A. Ferrara, City Clerk

**City of Scotts Valley
CITY COUNCIL STAFF REPORT**

DATE: June 20, 2018

TO: Honorable Mayor and City Council

FROM: Tracy A. Ferrara, City Clerk

APPROVED: Jenny D. Haruyama, City Manager

SUBJECT: **APPROVAL OF RESOLUTION NO. 514.16 AMENDING THE CONFLICT OF INTEREST CODE FOR DESIGNATED POSITIONS AND INCORPORATING BY REFERENCE THE FAIR POLITICAL PRACTICES COMMISSION’S STANDARD MODEL CONFLICT OF INTEREST CODE**

SUMMARY OF ISSUE

In accordance with the requirements of the Political Reform Act and the Fair Political Practices Commission, the City Council is required to amend their Conflict of Interest Code when the need arises.

The following amendment is being made to the City’s Conflict of Interest Code:

 Addition of: Administrative Services Director to the Designated Positions

The position of Finance Director for the City of Scotts Valley has been vacant since 2008, and since that time, the role has been filled by the City Manager and a Financial Consultant. The Administrative Services Director will act primarily as the City’s Finance Director, however, the expanded position will allow for them to oversee and assist other operations as directed. The Administrative Services Director position is required to file a Form 700 (Statement of Economic Interests) annually with the City Clerk. Therefore, this position must be added to our Conflict of Interest Code under “Designated Positions.”

FISCAL IMPACT

There is no fiscal impact associated with the update of the City’s Conflict of Interest Code.

STAFF RECOMMENDATION

It is recommended that the City Council approve Resolution No. 514.16, amending the Conflict of Interest Code for designated positions and incorporating by reference the Fair Political Practices Commission’s Standard Model Conflict of Interest Code.

<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
Resolution No. 514.16	2

RESOLUTION NO. 514.16

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY AMENDING THE CONFLICT OF INTEREST CODE FOR DESIGNATED POSITIONS AND INCORPORATING BY REFERENCE THE FAIR POLITICAL PRACTICES COMMISSION'S STANDARD MODEL CONFLICT OF INTEREST CODE

WHEREAS, the Political Reform Act, Government Code sections 81000 et seq., requires state and local government agencies to adopt and promulgate Conflict of Interest Codes; and

WHEREAS, the Fair Political Practices Commission has adopted 2 Cal. Code of Regulations sections 18720 and 18730, which contains the terms of a standard model Conflict of Interest Code, which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings; and

WHEREAS, incorporation by reference of the terms of the aforementioned regulation and amendments to it in Conflict of Interest Codes will save this body time and money by minimizing the actions required of this body to keep the Codes in conformity with the Political Reform Act.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Scotts Valley that:

1. The provisions of 2 Cal. Code of Regulations sections 18720 and 18730 (Exhibit B), and any amendments to it duly adopted by the Fair Political Practices Commission, along with the attached list of designated officials and employees and their respective disclosure categories (Exhibit A) are hereby incorporated by reference and constitute the Conflict of Interest Code of the City of Scotts Valley.
2. Persons holding designated positions shall file Statements of Economic Interests pursuant to Section 4 of the standard model Code with the City Clerk, who shall retain a copy in the City Clerk's office.
3. Members of the City Council, the Redevelopment Agency, the Public Financing Authority (all of which are comprised solely of members of the City Council); the Planning Commission, the City Manager, the City Attorney, and the City Treasurer are covered by the disclosure requirements of Article 2 of Chapter 7 of the Political Reform Act of 1974, Government Code sections 87200 et seq., and not by the disclosure requirements of the within Conflict of Interest Code; such persons are covered by the within Conflict of Interest Code for disqualification purposes only.
4. The requirements of the within Conflict of Interest Code are in addition to other requirements of the Political Reform Act of 1974, as amended, and to any other state and local laws pertaining to conflicts of interest.

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 20th day of June, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: _____
Jim Reed, Mayor

Attest: _____
Tracy A. Ferrara, City Clerk

EXHIBIT A

Designated Positions:

Disclosure Category:

<u>Administrative Services Director</u>	A,B,C,D,E,F,G,H
Chief of Police	A,B,C,D,E,F,G,H
Finance Director	A,B,C,D,E,F,G,H
City Engineer	A,B,C,D,E,F,G,H
Community Development Director	A,B,C,D,E,F,G,H
Community Development Director/Deputy City Manager	A,B,C,D,E,F,G,H
Deputy City Manager/Administrative Services Director	A,B,C,D,E,F,G,H
Director of Public Works	A,B,C,D,E,F,G,H
Director of Public Works/City Engineer	A,B,C,D,E,F,G,H
Building Official	A,B,C,D,E,F,G,H
Principal Planner	A,B,C,D,E,F,G,H
Senior Planner	A,B,C,D,E,F,G,H
Associate Civil Engineer	A,B,C,D,E,F,G,H
Civil Engineer	A,B,C,D,E,F,G,H
Civil Engineer (Traffic)	A,B,C,D,E,F,G,H

Boards and Commissions:

Board of Appeals	A,B,C,D,E,F,G,H
Cultural Resource Preservation Commission	A,B,C,D,E,F,G,H
Parks & Recreation Commission	A,B,C,D,E,F,G,H
Mobile Home Rent Review Commission	A,B,C,D,E,F,G,H
Senior Center Board of Directors	A,B,C,D,E,F,G,H
Arts Commission	A,B,C,D,E,F,G,H
Code Enforcement Appeals Board	A,B,C,D,E,F,G,H

Consultants:

All Consultants*	A,B,C,D,E,F,G,H
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* With respect to Consultants, the City Manager may determine in writing that a particular consultant is hired to perform a range of duties that are limited in scope and thus is not required to comply with the disclosure requirements described in these categories. Such determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. A copy of this determination shall be on file in the City Clerk's office. Nothing herein excuses any such consultant from any other provision of this Conflict of Interest Code.

City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: June 20, 2018
TO: Honorable Mayor and City Council
FROM: Steve Walpole, Chief of Police
APPROVED: Jenny D. Haruyama, City Manager
SUBJECT: **DESTRUCTION OF CITY RECORDS**

SUMMARY OF ISSUE

The Scotts Valley Police Department has set retention schedules for certain Police records. The Scotts Valley Police Department currently has records that are older than the retention schedule requires. Due to limitations in storage space, the Chief of Police is requesting that those records be destroyed. The City Attorney consents to the destruction of these documents (see attached memo).

FISCAL IMPACT

The fiscal impact associated with the destruction of these records is nominal.

STAFF RECOMMENDATION

It is recommended that the City Council adopt Resolution No. 1435.23 approving the destruction of obsolete records by the Chief of Police.

TABLE OF CONTENTS

PAGE

1.	Resolution No. 1435.23	2
2.	Memo: City Attorney consent to destruction of City records.....	3

RESOLUTION NO. 1435.23

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF SCOTTS VALLEY APPROVING THE DESTRUCTION
OF OBSOLETE RECORDS BY THE CHIEF OF POLICE**

WHEREAS, Section 34090 of the California Government Code provides that subject to certain exceptions, with the approval of the City Council and the written consent of the City Attorney, the head of a City department may destroy any record, document, instrument, book or paper under his or her charge without making a copy thereof, if the same is no longer required; and

WHEREAS, the Chief of Police wishes to destroy certain obsolete personnel records which are no longer required; and

WHEREAS, the City Attorney has consented in writing to the destruction of these records; and

WHEREAS, the City Council approves of the destruction of these documents.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Scotts Valley as follows:

Pursuant to the Code of Federal Regulations, Code of California Regulations, and the California Secretary of State Local Government Records Management Guidelines, the Chief of Police is authorized to destroy the following records without making a copy of them:

- a. Any personnel records of past employees that have been maintained for five (5) years after departure prior to June 30, 2013.
- b. Any recruitment records of past applicants that have been maintained for three (3) years after closing/completion prior to June 30, 2015.

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 20th day of June, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: _____
Jim Reed Mayor

Attest: _____
Tracy A. Ferrara, City Clerk

City of Scotts Valley
INTEROFFICE MEMORANDUM

DATE: June 20, 2018
TO: Jenny Haruyama, City Manager
FROM: Kirsten Powell, City Attorney
SUBJECT: DESTRUCTION OF CITY RECORDS

Pursuant to section 34090 of the California Government Code, I consent to the destruction of City of Scotts Valley records as set out in City Council Resolution No.

Kirsten Powell
City Attorney

City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: June 20, 2018

TO: Honorable Mayor and City Council

FROM: Ken D. Anderson, City Engineer

APPROVED: Jenny D. Haruyama, City Manager

**SUBJECT: MAINTENANCE AGREEMENT WITH 1440 DEVCO LLC FOR
SPECIALIZED ROADWAY IMPROVEMENTS ON THE
RELOCATED BETHANY DRIVE**

SUMMARY OF ISSUE

1440 Foundation redeveloped the former Bethany University campus into an educational learning center. As part of that redevelopment, 1440 Foundation realigned a portion of Bethany Drive. The realigned portion is complete and the dedication for the realigned Bethany Drive has been accepted.

The new alignment includes “specialized” roadway improvements including paver sidewalks, street lighting and signage as well as colored concrete in various areas within the right-of-way. The 1440 Foundation has agreed to maintain those specialized improvements as repairing or replacing those specialized improvements would place an undue burden on the City.

The City will continue to maintain the City standard improvements within the relocated right-of-way. Those improvements include the asphalt roadway, standard colored curb, gutter and sidewalk as well as public utilities such as sewer and storm drain lines.

FISCAL IMPACT

None. Cost of maintaining the non-standard improvements will be borne by the 1440 Foundation.

STAFF RECOMMENDATION

It is recommended that that City Council authorize the Mayor to execute the attached Specialized Roadway Improvements Maintenance Agreement.

<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
Specialized Roadway Improvements Maintenance Agreement	2

No recording fee per GOV. Code Sec. 27383

**RECORDED AT THE REQUEST OF AND
WHEN RECORDED, RETURN TO:**

City of Scotts Valley, California
Attn: City Clerk
One Civic Center Drive
Scotts Valley, California 95066

SPECIALIZED ROADWAY IMPROVEMENTS MAINTENANCE AGREEMENT

THIS SPECIALIZED ROADWAY IMPROVEMENTS MAINTENANCE AGREEMENT (the "Agreement") dated _____, 2018 is executed by 1440 Devco LLC, a California limited liability company ("1440 Devco") and the City of Scotts Valley, California, a California municipal corporation ("City"), with reference to the following facts:

A. 1440 Devco owns certain real property and improvements thereon located in the City of Scotts Valley, Santa Clara County, California more particularly described in **Exhibit "A"** attached hereto (the "Property").

B. 1440 Devco has constructed for the use and benefit of the Property and the City a relocated public roadway, that has been accepted as a public road right of way by the City (the "Roadway") more particularly described in **Exhibit "B"**.

C. The City has agreed to perform all maintenance and repair of the Roadway with the exception of certain specialized pavement areas and surfaces for sidewalk/crosswalks within the Roadway, which are herein referenced as the "1440 Specialized Improvements".

D. By this Specialized Roadway Improvements Maintenance Agreement, 1440 Devco agrees and covenants to provide the maintenance, repair and replacement of the 1440 Specialized Improvements as provided in this Agreement and described in **Exhibit "C"** at the sole cost and expense of 1440 Devco.

E. In addition, 1440 Devco has agreed to perform certain necessary maintenance on the Public Sewer Main for the purpose of odor and solids control.

F. 1440 Devco has accepted public storm water into their private storm water treatment system.

G. The covenants, restrictions, rights, duties, benefits and burdens set forth herein are intended to be covenants running with the land under Civil Code section 1468 and equitable servitudes under common law that benefit and bind 1440 Devco and the 1440 Devco Lands served by the Roadway.

Article I. Definitions

Unless the context indicates otherwise, the following terms shall have the following definitions:

Section 1.01 Specialized Roadway Improvements Costs: The cost to maintain, repair and/or replace the Specialized Roadway Improvements, including normal maintenance costs, and repair and replacement costs, attorney's fees and costs, and reasonable administration expenses directly related to the maintenance, repair and replacement ("Specialized Roadway Improvements Costs").

Section 1.02 Specialized Roadway Improvements: The decorative paving for sidewalks and/or crosswalks and other Specialized Roadway Improvements listed on **Exhibit "C"** attached hereto. The Specialized Roadway Improvements do not include any basic pavement, roadway, curbs, gutters, underlayment of the Roadway, or utility lines and equipment (including any electrical, water, gas, telecommunication cable or sanitary sewer lateral lines and equipment).

Article II. Maintenance Requirements

Section 2.01 Maintenance. The Specialized Roadway Improvements shall be maintained by 1440 Devco in good condition and repair at all times, reasonable wear and tear excepted at the sole cost and expense of 1440 Devco as the Specialized Roadway Improvements Costs. Maintenance, repairs and/or replacement shall be performed in ordinary course as reasonable and appropriate for such Specialized Roadway Improvements or when the City determines that maintenance, repairs and/or replacement are necessary. On such determination, the City shall provide written notice to 1440 Devco describing the needed work (the "Repair Notice"). If 1440 Devco objects to any matter contained in the Repair Notice, 1440 Devco shall notify the City in writing, setting forth the reasons for the objection. If no written objection is received within the 15-day period following receipt of the Repair Notice, 1440 Devco shall be considered conclusively to have agreed to have the work performed and to pay the costs thereof and to have waived the dispute resolution procedures in **Article IV** with respect to any payments due for the work. If a timely objection is received, the City and 1440 Devco shall meet and attempt to resolve the dispute in good faith. If the dispute cannot be resolved within 15 days after the timely objection is received, either the City or 1440 Devco may initiate the dispute resolution procedures described in **Article IV** below.

Section 2.02 Sewer Main Maintenance. 1440 Devco has agreed to perform necessary maintenance on a Public sewer main located from G7-038.5 to G7-056. In the event the City receives a complaint regarding the odors coming from the 1440 property, the City shall provide written notice to 1440 Devco requiring it to flush and clean the sewer main in order to eliminate the offensive odor. All flushing and cleaning must occur within 5 days of notice from the City.

Section 2.03 Storm Water Improvements. 1440 Devco has installed storm water control structures in the public right-of-way for collection of street storm water and directed the storm water into their private detention and treatment facility. Per the Operation and Maintenance program, all of the MFS units and storm drain systems will be maintained by the 1440 Devco and its successors. 1440 Devco agrees to accept such public storm water and responsibility for the storm water and downstream maintenance and repair of the private storm water infrastructure to the discharge point in Carbonero creek.

Section 2.04 Emergency Repairs. Notwithstanding the provisions in **Section 2.01- 2.03**, the City has the authority to make any necessary emergency repairs to the Specialized Roadway Improvements, maintenance to the Sewer Main or repairs or maintenance to the Storm Water facilities that the City has a reasonable basis to believe are necessary to prevent injury to any person or damage to property. The City shall notify 1440 Devco as soon as is reasonably possible before undertaking such repairs. The cost of the emergency repairs shall be reimbursed by 1440 Devco as described in **Section 3.02**. Notwithstanding the foregoing, if 1440 Devco disputes the need for further emergency repairs, the type of repairs, and/or the cost of the repairs, prior to any such repairs being made, 1440 Devco may commence the dispute resolution procedures in **Article IV** to resolve the dispute.

Article III. Payment Procedures

Section 3.01 Payment Obligations. 1440 Devco shall pay the Specialized Roadway Improvements Costs, Sewer Main Maintenance Costs and Storm Water Costs as described in the **Article II**.

Section 3.02 Payment Default and Remedies. If 1440 Devco fails to pay the amount due for any repair costs incurred by the City for Specialized Roadway Improvements under Section 2.02 within 30 days of the receipt of written notice from the City the City may bring an action against 1440 Devco in

any court of appropriate jurisdiction for breach of the personal obligation to pay such costs and in such action shall be entitled to recover the amount due, the late charge, any interest accrued thereon, and all costs of such action, including reasonable attorneys' fees.

Article IV. Dispute Resolution Procedures

Section 4.01 Dispute Resolution Requirements. Except as provided otherwise in **Sections 2.01 and 3.02**, any disputes between the City and 1440 Devco regarding the rights and duties hereunder shall be resolved in accordance with the provisions of **Sections 4.02, 4.03 and 4.04** in that order.

Section 4.02 Good Faith Negotiations. The parties shall meet no later than ten calendar days following receipt of a written request to meet signed by the City or 1440 Devco and delivered to the other party to the dispute (the "Resolution Notice"). The City or 1440 Devco shall negotiate in good faith in an effort to resolve the dispute.

Section 4.03 Mediation. If the parties cannot resolve the claim pursuant to the procedures described in **Section 4.02** within 20 calendar days following the date of the Resolution Notice or if any party to the dispute fails to meet as required in **Section 4.02**, on request of any party to the dispute, the matter shall be submitted to mediation using the mediation services provided by the American Arbitration Association or any successor thereto or any mediation provider acceptable to the parties. The mediation shall be held in San Jose, California, or such other place as is mutually acceptable by the parties.

- (a) The mediator has discretion to conduct the mediation in the manner in which the mediator believes is most appropriate for reaching a settlement of the dispute. The mediator is authorized to conduct joint and separate meetings with the parties and to make oral and written recommendations for settlement. Whenever necessary, the mediator may also obtain expert advice concerning technical aspects of the dispute, provided the parties agree and assume the expenses of obtaining such advice. The mediator does not have the authority to impose a settlement on the parties.
- (b) The mediation shall be subject to the provisions of Evidence Code sections 1115 through 1128, or any successor statutes thereto, except as the parties may agree otherwise in writing or orally in accordance with the requirements of Evidence Code section 1118.
- (c) The expenses of witnesses for either side shall be paid by the party producing such witnesses. All other expenses of the mediation, including required traveling and other expenses of the mediator, and the expenses of any witnesses, or the cost of any proofs or expert advice produced at the direct request of the mediator, shall be borne equally by the parties unless they agree otherwise.

Section 4.04 Binding Arbitration. If the parties cannot resolve the claim pursuant to the procedures described in **Section 4.03** or if any party to the dispute fails to participate in the mediation process, any party may commence binding arbitration under the commercial rules of the American Arbitration Association or any other arbitration provider that may be mutually acceptable to the parties. The following rules and procedures shall apply in all cases unless the parties agree otherwise in writing:

- (a) the proceedings shall be heard in San Jose, California;
- (b) the arbitrator need not be an attorney or retired judge; but, if not, the arbitrator must have at least five years' experience in real estate matters;
- (c) any fee to initiate the arbitration shall be paid by the parties initiating the procedure, provided that the arbitration costs and fees, including any initiation fee, ultimately shall be borne as determined by the arbitrator;
- (d) the arbitrator shall be appointed within 60 days of the administrator's receipt of a written request to arbitrate the dispute. In selecting the arbitrator, the provisions of section 1297.121 of the Code of Civil Procedure shall apply. The arbitrator may be challenged for any of the grounds listed therein or in section 1297.124 of the Code of Civil Procedure;

- (e) the arbitrator may require one or more pre-hearing conferences;
- (f) the parties shall be entitled to discovery to the extent authorized under Code of Civil Procedure section 1283.05;
- (g) the arbitrator shall apply the rules of law, including the rules of evidence, unless expressly waived in writing by both parties;
- (h) the arbitrator's statement of decision shall contain findings of fact and conclusions of law to the extent applicable, and the arbitrator's decision shall be rendered within 20 days of the conclusion of the hearing;
- (i) the arbitrator shall be authorized to provide all recognized remedies available in law or equity for any cause of action that is the basis of the arbitration, provided that the arbitrator shall not have the authority to award punitive damages;
- (j) the arbitrator shall award costs and attorneys' fees to the party that the arbitrator determines was the prevailing party, taking into account any party's failure to participate in the procedures described in **Sections 4.02 and/or 4.03**; and
- (k) the arbitrator's award shall be final and binding on the parties unless corrected or invalidated under the grounds authorized in Code of Civil Procedure section 1286.2 or 1286.6.
- (l) The arbitrator's award may be enforced in any court of competent jurisdiction.

Article V. Miscellaneous

Section 5.01 Term of Agreement. This Agreement shall be effective for a term of 50 years from the date this Agreement is recorded in records of Santa Clara County, California, after which time the term shall automatically be extended for successive ten-year periods unless on or before commencement of any successive ten-year period the City and 1440 Devco elect to terminate this Agreement.

Section 5.02 Notice. Each of the undersigned parties covenants to provide each other party with a current address for purposes of receiving notices. Any notice or demand permitted or required herein shall be conclusively considered received by the party when personally delivered to the party or 72 hours after the notice has been deposited in the United States mail, certified or a return receipt requested, postage prepaid, and addressed to such address as the party has provided each other party for purposes of receiving notice hereunder. If no address has been provided, notice shall be considered received 72 hours after notice is posted on the party's real property and a copy mailed to the last known address of the party. Notwithstanding the prescribed method of delivery set forth above, actual receipt of written notice shall constitute notice given in accordance with this Agreement on the date received, unless receipt is deemed earlier in accordance with delivery made under one of the prescribed methods.

Section 5.03 Liability Insurance. 1440 Devco shall provide liability insurance through a separate policy for protection against any liability that may arise as a result of the performance or nonperformance 1440 Devco's duties under this Agreement, naming the City as an additional insured.

Section 5.04 Attorneys' Fees. If any action or proceeding is commenced regarding the rights or duties of the parties to this Agreement, the prevailing party in such action shall be entitled to recover the costs of such action and reasonable attorneys' fees.

Section 5.05 Covenants Running with the Land and Equitable Servitudes. The covenants, restrictions, rights, duties, benefits and burdens contained herein constitute covenants running with the land under Civil Code section 1468 and equitable servitudes under common law that benefit and bind 1440 Devco as the Owner of the Property and each successive owner thereto. Such owners and successors shall be liable under this Agreement only for defaults committed during the period the owner held title to all or any portion of the Property and shall not be liable for any defaults committed by any predecessor or successor owner unless assumed in writing.

Section 5.06 Assignment. 1440 Devco may assign all or any portion of his rights and/or delegate all or any portion of his duties under this Agreement to any other person or entity that is the Owner of the Property by executing and delivering to the assignee a written instrument of assignment.

Section 5.07 Amendments. This Agreement may be amended from time to time with the written consent of the City and 1440 Devco. The amendment shall be in writing and shall be signed by the City and 1440 Devco certifying that the amendment was duly adopted as required herein. The amendment shall be effective when recorded in the records of Santa Clara County, California.

Section 5.08 Invalidity of any Provision. Should any provision or portion of this Agreement be declared invalid or in conflict with any law of the jurisdiction where the Property is situate, the validity of all other provisions and portions hereof shall remain unaffected and in full force and effect.

Section 5.09 Counterparts. This Agreement may be signed in counterparts by the parties all of which shall be considered one and the same agreement, and shall become effective when one counterpart has been signed by each party and delivered to the other party hereto. .

Section 5.10 Effective Date. The covenants, restrictions, benefits, burdens, rights and duties set forth in this Agreement shall be effective automatically on the date this Agreement is recorded in the records of Santa Clara County, California.

CITY:

By: Jim Reed

Its: Mayor

1440 DEVCO:

By: _____

Its: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT - CIVIL CODE SECTION 1189

A notary public or other officer completing the certificate verifies only the identity of the individual who signed the document to which the certificate is attached and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 2015 before me, _____

Personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

(SEAL)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT - CIVIL CODE SECTION 1189

A notary public or other officer completing the certificate verifies only the identity of the individual who signed the document to which the certificate is attached and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 2015 before me, _____

Personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

(SEAL)

Exhibit "A"

Legal Description of the Property

SEE EXHIBIT in S Drive

Exhibit "B"

Relocated Public Right of Way
SEE EXHIBIT in S Drive

Exhibit "C"

Specialized Roadway Improvements

- Structural concrete retaining wall from Station 1+58.53 to 3+83.61 shown on the civil improvement plans.
- Paver sidewalks on the north and south sides of New Bethany Drive from (North Side) Station 1+79.39 to 7+42.19 and (South Side) Station 2+55.29 to 6+89.20.
- All crosswalks within the New Bethany Drive roadway.
- Street lighting within the New Bethany Drive roadway.
- Street Signs within the New Bethany Drive roadway that do not conform to City Standards.
- Street curb and gutter colored concrete.
- Street nonstandard color red curb paint.

*Station reference: New city manhole # G7-038.1 is station 1+30.21

Exhibit A
Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SCOTTS VALLEY, COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL I:

Being Lots 105, 145 through 146, 149, 151 through 159, 162 through 164, 167 through 186, 188, 190 through 191, 194 through 197, 201 through 202, 204 through 211, 215 through 216, 218, 221 through 228 as said Lots are shown upon that certain map entitled "Tract No. 77, Bethany Park Assemblies of God Campground", filed for record January 12, 1948 in Volume 28 of Maps at Page 71, Santa Cruz County Records.

APN: 023-021-01, 02, 03, 09, 12 through 13, and 17, 023-031-04, 05, 08, 09, 11, 13 through 23, 023-032-01, 03, 04, 07, 08 and 09, 023-033-02 and 05, 023-072-01, and 023-073-05

PARCEL II:

Being a part of Rancho San Augustine and being a portion of Lot 134 as the same is shown on map entitled "Tract No. 77, Bethany Park Assemblies of God Campground" filed in Volume 28 of Maps at Page 71, Santa Cruz County Records, together with adjacent lands and more particularly bounded and described as follows, to wit:

Beginning at the Southwestern corner of Lot 135 as shown on said map; thence from said point of beginning along the Eastern line of Bethany Drive as shown on said map South 2° 01' East 276.88 feet to an angle; thence South 11° 25' 30" East 50.00 feet to the most Southern corner of said Lot 134; thence leaving said Bethany Drive North 73° 26' 19" East 181.66 feet to a station; thence North 36° 25' East 49.56 feet to a station; thence North 8° 56' 05" East 71.41 feet to a station; thence North 31° 03' 15" West 231.23 feet to the Southeastern corner of said Lot 135 as shown on said map; thence along the Eastern boundary of said Lots 135 and 136 North 18° 42' West 136.00 feet to the Northeastern corner of said Lot 136; thence along the Northern boundary of said last mentioned lot South 71° 18' West 120.00 feet to the Northwestern corner thereof on the Eastern line of the above mentioned Bethany Drive; thence along said last mentioned line South 18° 42' East 131.88 feet to the place of beginning.

Excepting therefrom that portion thereof as contained in the Corporation Grant Deed from Bethany University of the Assemblies of God, as successor to Bethany College of the Assemblies of God, a California non-profit corporation, also formerly known as Bethany College of the Assemblies of God, Inc. recorded October 12, 2012 as Instrument No. 2012-0050017 Official Records of Santa Cruz County.

Together with a non-exclusive 15 foot wide access easement over a portion of lots 134, 135 and 136 as shown upon that certain map entitled, "Tract No. 77, Bethany Park Assemblies of God Campground", filed for record January 12, 1948 in Volume 28 of maps at page 71, Santa Cruz County Records, the centerline of which is more particularly described as follows:

Beginning at the Southwestern corner of said lot 135 as shown on said map;

Thence along the Easterly line of Bethany Drive as shown on said map South 02° 01' East 56.87 feet; thence parallel with and 55.00 feet, as measured at right angles from the Southerly line of said lot 135 North 73° 16' East 58.61 feet to the True Point of Beginning; thence North 19° 37' 14" West, 113.58 feet to the beginning of a tangent curve to the left having a radius of 20.00 feet; thence along said curve a distance of 31.42 feet through a central angle of 90° 00' 00"; thence South 70° 22' 46" West, 20.11 feet,

more or less, to the Easterly line of said Bethany Drive, as reserved in said deed recorded October 12, 2012 as Instrument No. 2012-0050017 Official Records of Santa Cruz County.

APN: 023-072-10 (formerly 08)

PARCEL III:

Being a part of the Rancho San Augustine and more particularly bounded and described as follows, to wit:

Beginning at the most Northern corner of Lot 144 as said lot is shown on map entitled "Tract No. 77, Bethany Park Assemblies of God Campground" filed in Volume 28 of Maps at Page 71, Santa Cruz County Records; thence from said point of beginning North 14° 44' West 368.79 feet to a station; thence North 20° 13' West 238.95 feet to a station; thence North 41° 51' West 139.45 feet to a station; thence South 66° 51' 1/2' West 154.98 feet to a station; thence South 5° 46' East 370.03 feet to a station; thence South 36° 18' East 106.54 feet to a station; thence South 1° 12' West 245.00 feet to a station on the Northern boundary of Lot 115 as said lot is shown on said map; thence along said last mentioned boundary and the Northern boundary of Lot 116 as shown on said map South 81° 47' East 182.00 feet to the Northeastern corner of said Lot 116 on the Southwestern line of Valley Way as said Valley Way is shown on said map; thence Northerly, Easterly and Southerly along the Western, Northern and Eastern boundaries of a 35 foot radius turning area as shown on said map curving to the right from a tangent bearing North 80° 53' 55" West with a radius of 35.00 feet through an angle of 268° 49' 50" for a distance of 164.22 feet to the most Western corner of the first above mentioned Lot 144; thence along the Northwestern boundary of said last mentioned lot North 53° 31' East 120.00 feet to the place of beginning.

APN: 023-021-15

PARCEL IV:

Being a part of Rancho San Augustine, Santa Cruz County, California and

Beginning at the Southeast corner of Lot 135 as shown upon that certain map entitled "Tract No. 77, Bethany Park Assemblies of God Campground", filed for record in Volume 28 of Maps at Page 71, Santa Cruz County Records; thence along the Easterly and Southerly boundary of above mentioned subdivision North 18° 42' East 336.00 feet; North 71° 18' East 55.52 feet; North 18° 42' West 105.03 feet; North 29° 41' East 354.70 feet; North 44° 58' East 141.12 feet; South 39° 43' East 257.49 feet; North 33° 48' 10" East 309.47 feet to the corner of Lots 224 and 225 of above mentioned subdivision; thence leaving said boundary South 8° 59' East to the middle of Carbonero Creek; thence Southwesterly down the middle of Carbonero Creek to a point from which the Southeast corner of above mentioned Lot 135 bears South 73° 16' West; thence South 73° 16' West to the point of beginning.

APN: 023-041-09

PARCEL V:

Being a portion of a street named Parkway as shown and delineated on that certain map entitled, "Tract No. 77 Bethany Park", filed for record January 12, 1948 in Volume 28 of Maps, Page 71 (Sheet 4 of 4 Sheets) and beginning at the Southeastern corner of Lot 165 of said subdivision, on the Northwestern side of Bethany Drive; running thence from said point of beginning along the Eastern boundary of Lot 165, North 10° 33' West 166.07 feet to a station; thence leaving said last named boundary North 79° 27' East

25.00 feet to the center line of Parkway; thence South 55° 33' East 35.35 feet to a station on the Western boundary of Lot 175 of the aforesaid subdivision from which the Northwestern corner of said Lot 175 bears North 10° 33' West 25.00 feet distant; thence along the Western boundaries of Lots 175 and 176, South 10° 33' East 134.84 feet to the Northerly side of Bethany Drive; thence along the Northerly side of Bethany Drive North 76° 55' 00" West 27.28 feet and South 44° 58' 00" West 30.33 feet to the point of beginning.

APN: 023-022-04

PARCEL VI:

Lot 229, as shown upon that certain map entitled "Tract No. 77 Bethany Park", filed for record January 21, 1948 in Book 28 Page 71 of Maps, Santa Cruz County Records.

Excepting therefrom that portion conveyed to Bethany Bible College, a California corporation by Deed recorded March 4, 1958 in Book 1174, Page 70 Official Records.

Also excepting therefrom all lumber and mineral rights and all oil, gas and other hydrocarbon substances as contained in the Deed from Assemblies of God, Northern California and Nevada District Council, Inc., recorded December 28, 1979 in Book 3148, Page 734, Official Records of Santa Cruz County.

Also excepting therefrom that portion that lies within the exterior boundaries of Tract No. 514 Bethany Hills Unit No. 1 as shown on the map filed February 29, 1972 in Volume 56 of Maps Page 13, Santa Cruz County Records.

APN: 023-021-16

PARCEL VII:

Lot 230, as shown upon that certain map entitled, "Tract No. 77 Bethany Park", filed for record January 21, 1948 in Book 28 Page 71 of Maps, Santa Cruz County Records.

Excepting therefrom that portion conveyed to Scotts Valley County Water District by Deed recorded July 22, 1965 in Book 1707, Page 609, Official Records.

Also excepting therefrom all lumber and mineral rights and all oil, gas and other hydrocarbon substances as contained in the Deed from Assemblies of God, Northern California and Nevada District Council, Inc., recorded December 28, 1979 in Book 3148, Page 734, Official Records of Santa Cruz County.

APN: 023-391-02

PARCEL VIII:

Lot 231, as shown upon that certain map entitled "Tract No. 77 Bethany Park", filed for record January 21, 1948 in Book 28 Page 71 of Maps, Santa Cruz County Records.

Excepting therefrom that portion conveyed to D. G. Weston, et ux by Deed recorded November 27, 1971 in Book 847, Page 176 Official Records.

APN: 023-031-25

PARCEL IX:

A portion of the San Augustine Rancho, and also a portion of the tract of land, as described in the Deed from Donald Santos, et ux, to Northern California and Nevada District Council of the Assemblies of God dated June 19, 1946, recorded July 2, 1946 in Book 622 of Official Records of the County of Santa Cruz, at Page 56; described as follows:

Beginning at the Northwestern corner of lands described in the Final Decree of Distribution in the Matter of the Estate of Joseph Errington, deceased, distributing the same to Landreth Errington, dated July 21, 1911, recorded July 21, 1911 in Volume 231 of Deeds at Page 83; thence along the Easterly line of said tract as shown on the Map of Tract No. 77, "Bethany Park," in the City of Scotts Valley, County of Santa Cruz, State of California per the map filed January 12, 1948 in Book 28, Page 71 of Maps in the Office of the County Recorder of said County.

- 1) South 43° 16' West, 321.90 feet; thence
- 2) South 26° 46' West, 39.58 feet to the most Easterly corner of the parcel of land, as described in the Quitclaim Deed from L. E. Besinger, et ux, to Donald Santos, et ux, dated September 4, 1951, recorded September 13, 1951 in Book 838 of Official Records at Page 175; thence along the Northerly and Westerly lines thereof
- 3) North 56° 18' West, 104.11 feet (shown in said Deed as "99.71 feet"); thence
- 4) South 61° 19' West 94.36 feet; thence
- 5) North 89° 06' West, 66.65 feet; thence
- 6) South 53° 00' West 68.50 feet to the most Northerly corner of the tract of land, as described in the Deed from Paul A. Craig, et ux, to Raymond P. Murray, et ux, dated July 20, 1943, recorded August 12, 1948, in Book 671 of Official Records, at Page 138; thence along the Westerly line thereof.
- 7) South 53° 41' West, 140.00 feet to the most Northwestern corner of the tract as described as Parcel One in the Deed from Paul A. Craig, et ux, to John F. Henderson, et ux, dated May 25, 1953, recorded June 9, 1953 in Book 918 of Official Records, at Page 337; thence along Westerly line thereof
- 8) South 52° 03' West 88.41 feet to the Northwestern corner of the tract as described in the Deed from George A. Fletcher et ux to S. H. Hedin et ux, dated September 2, 1952, recorded September 25, 1952 in Book 886 of Official Records at Page 216; thence along the Westerly boundaries thereof.
- 9) South 12° 27' West, 113.16 feet; thence
- 10) South 27° 27' West, 19.89 feet to the Northwestern corner of the tract as described in the Deed from George A. Fletcher et ux to A. H. Dake, et ux, dated August 23, 1948, recorded August 25, 1948, in Book 673 of Official Records at Page 148; thence along the Westerly and Southerly lines thereof
- 11) South 27° 27' West, 80.57 feet; thence
- 12) South 72° 15' East, 51.28 feet to the intersection thereof with the Westerly line of Scotts Valley Drive as described in the Deed from L. Errington, et al, to County of Santa Cruz, dated May 12, 1925, recorded May 23, 1925 in Book 52 of Official Records, at Page 119; thence along said Westerly line of said drive
- 13) South 31° 40' West 17.35 feet; thence tangentially

- 14) 158.07 feet along the arc of a curve to the left, through an angle of $17^{\circ} 25'$, on a radius of 520.00 feet; thence tangentially
- 15) South $14^{\circ} 15'$ West, 18.00 feet; thence tangentially
- 16) 91.46 feet along the arc of a curve to the right, through an angle of $10^{\circ} 55'$, on a radius of 480.00 feet; thence tangentially
- 17) South $25^{\circ} 10'$ West, 10.81 feet to a 1/2 inch iron pipe tagged R. C. E. 1469 as shown as being at the Northeast corner of Parcel "A" of the Parcel Map, per the map filed September 11, 1973 in Book 12, Page 54 of Parcel Maps in the Office of the County Recorder of said County; thence along the Northerly line of said parcel as shown on said map
- 18) South $85^{\circ} 34'$ West, 122.12 feet (shown on said map as "South $85^{\circ} 55'$ West 122.08 feet") to the Southeasterly corner of Lot 129 as shown on the map of the first above named Tract No. 77, "Bethany Park"; thence along the Easterly line of Lots 129, 130, 131, 132, 133, and Bethany Drive
- 19) North $59^{\circ} 56'$ East 88.79 feet; thence
- 20) North $8^{\circ} 43'$ West, 130.41 feet; thence
- 21) North $29^{\circ} 30'$ East, 114.03 feet; thence
- 22) North $44^{\circ} 59'$ West, 55.27 feet; thence
- 23) North $19^{\circ} 13'$ East, 205.96 feet; thence
- 24) North $22^{\circ} 11'$ East, 266.07 feet; thence
- 25) North $6^{\circ} 09'$ West, 193.85 feet; thence
- 26) North $20^{\circ} 50'$ West, 98.13 feet to the Southwesterly corner of the tract as described in the Deed from Donald Santos et ux to Bethany Bible College dated March 3, 1958, recorded March 4, 1958, in Book 1174 of Official Records, at Page 67; thence along the Southerly, Easterly and Northeasterly lines of said tract.
- 27) North $73^{\circ} 26' 19''$ East, 181.66 feet; thence
- 28) North $36^{\circ} 25'$ East, 49.56 feet; thence
- 29) North $8^{\circ} 56' 05''$ East, 71.41 feet; thence
- 30) North $31^{\circ} 03' 15''$ West, 231.23 feet to the Southeasterly corner of Lot 135 as shown on said Map of Tract 77, "Bethany Park", thence along the generally Easterly boundaries of Lots 135 through 140
- 31) North $18^{\circ} 42'$ West 336 feet to the Northeasterly corner of said Lot 140; thence along the Southerly and Easterly lines of Lot 143 as shown on said map
- 32) North $71^{\circ} 18'$ East, 55.52 feet; thence
- 33) North $18^{\circ} 42'$ West, 105.03 feet to the Northeasterly corner of said Lot 143; thence along the Southeasterly line of Bethany Drive, as shown on said map

- 34) North 29° 41' East, 354.70 feet; thence
- 35) North 44° 58' East, 114.12 feet to the most Westerly corner of Lot 228 as shown on said map; thence along the Southwesterly line of said lot
- 36) South 39° 43' East 257.49 feet to the most Southerly corner thereof; thence along the Southeasterly and Easterly lines of Lots 228, 227, 226, 225, 224, 223, 222, 221, 220 and 219
- 37) North 33° 48' 10" East, 309.47 feet; thence
- 38) North 82° 03' 40" East, 212.47 feet; thence
- 39) North 33° 02' 30" East, 206.24 feet; thence
- 40) North 12° 34' East, 321.95 feet to the most Westerly corner of the tract as described in the Deed from Donald Santos et ux to Alva C. Walker, et ux, dated August 9, 1949, recorded July 11, 1952, in Book 876 of Official Records at Page, 508; thence along the Southerly boundary thereof
- 41) South 74° 51' East, 81.16 feet; thence
- 42) South 44° 58' East, 97.37 feet; thence
- 43) South 36° 32' West, 77.57 feet; thence
- 44) South 3° 54" East, 39.34 feet; thence
- 45) South 16° 42' East 147.98 feet; thence
- 46) South 50° 00' East, 43.72 feet to the most Southerly corner of said tract and the Northwesterly corner of Parcel "11" of the Record of Survey, per the map filed April 13, 1949 in Book 29, Page 21 of Maps in the Office of the County Recorder of said County; thence along the Westerly line of said parcel
- 47) South 18° 08' West, 173.65 feet the center of a cul-de-sac, as shown on said map; thence along the Northerly lines of Parcels 12 and 13 as shown on said map
- 48) North 64° 08' West, 35.00 feet; thence
- 49) South 75° 39' West, 139.79 feet; thence
- 50) South 48° 23' West 157.63 feet to a point on the Northerly line of a cul-de-sac; thence along the centerline of a right of way 50.00 feet in width as shown on the last named map
- 51) South 8° 56' West, 122.09 feet; thence
- 52) South 23° 39' West, 94.43 feet; thence
- 53) South 12° 43' West, 322.09 feet; thence
- 54) South 0° 43' East 157.84 feet; thence
- 55) South 16° 13' West, 183.40 feet; thence
- 56) South 42° 32' East, 85.00 feet; thence

57) South 86° 35' East 114.58 feet; thence

58) South 31° 23' East 60.69 feet; thence

59) South 2° 52' West, 189.56 feet; thence

60) South 32° 09' West 86.25 feet to the Northerly line of the above mentioned lands of L. Errington; thence along said Northerly line

61) North 78° 32' West, 26.72 feet to the point of beginning.

Excepting therefrom the tract of land, as described in the Deed from Donald Santos, et ux, to Bethany Bible College dated November 17, 1954, recorded December 28, 1954 in Book 997 of Official Records at Page 112.

APN: 023-041-08

PARCEL X:

Being Lot 165, as shown and delineated on that certain map entitled, "Tract No. 77 Bethany Park", filed for record January 12, 1948 in Volume 28 of Maps, Page 71 (Sheet 4 of 4 Sheets).

Excepting therefrom the following described parcel of land:

Beginning at a station on the Eastern boundary of Lot 165 from which the Southeastern corner of said Lot 165 on the Northwestern side of Bethany Drive bears South 10° 33' East 166.07 feet distant; running thence from said point of beginning and crossing said Lot 165, South 79° 27' West 38.28 feet to the beginning of a curve; thence on a curve to the left, having a radius of 20.00 feet, through an angle of 90° 00' an arc distance of 31.42 feet to a point of tangency on the Western boundary of said Lot 165; thence along the Western boundary of said Lot 165, North 10° 33' West 90.00 feet to a point of tangency; thence leaving said last named boundary on a curve to the left, from a tangent bearing South 10° 33' East, having a radius of 20.00 feet, through an angle of 90° 00', an arc distance of 31.42 feet to a point of tangency, thence North 79° 27' East 18.28 feet to the beginning of a curve; thence on a curve to the left, having a radius of 20.00 feet, through an angle of 90° 00', an arc distance of 31.42 feet to a point to tangency on the Eastern boundary of said Lot 165 and thence along said last named boundary South 10° 33' East 70.00 feet to the place of beginning.

APN: 023-022-01 and 03

PARCEL XI:

Being Lot 198 and the Northerly one-half (1/2) of Lot 199, as the same is shown and designated on map entitled "Tract No. 77, Bethany Park Assemblies of God Campground", filed for record January 12, 1948 in Volume 28 of Maps at Page 71, Santa Cruz County Records.

APN: 023-032-06

PARCEL XII:

Being a right of way 40.00 feet and 24.00 feet appurtenant to Parcel One thru land of A. Barilati and Janette Wallace in Section 8, T. 10 S., R. 1 W., M.D.B. & M., the centerline of which is described as follows, to wit:

Beginning on the most Northern boundary of land formerly of Angelina Barilati, et al., as shown on "Record of Survey", filed in Volume 62 of Maps, Page 05, Santa Cruz County Records, from which an old pipe at the Northwest corner thereof bears South 88° 00' West 22.30 feet distant; thence Southerly South 28° 15' East 243.21 feet to a large spike; thence South 51° 36' East 88.91 feet to a large spike; thence South 32° 13' East 198.39 feet to a large spike; thence South 58° 59' East 144.18 feet to a large spike; thence South 31° 40' East 209.55 feet to a large spike; thence South 12° 29' 30" East 116.31 feet to a large spike; thence South 26° 14' 30" East 267.62 feet to a large spike; thence North 83° 22' East 230.67 feet to a large spike; thence North 88° 00' East 145 feet a little more or less to the lands of Wallace and the termination of said 40 foot easement; thence continuing along a 24 foot right of way beginning at the Easterly end of course "North 83° 22' East 230.67 feet"; thence South 61° 24' East 111.08 feet to a large spike; thence South 11° 11' East 61.72 feet to a large spike; thence South 34° 25' West 118.21 feet to a large spike; thence South 25° 26' West 171.22 feet to a large spike; thence South 86° 52' West 82.61 feet to a large spike; thence North 65° 48' West 88.68 feet to a large spike; thence South 23° 40' West 210.33 feet to a large spike; thence North 81° 51' West 99.66 feet to a large spike; thence North 13° 39' 30" West 113.49 feet to a large spike; thence North 58° 06' 30" West (at 72.73 a large spike) 200 feet more or less, to the first mentioned land of Barilati and the termination of said 24 foot easement.

PARCEL XIII:

Lots 160 and 161, as shown upon that certain map entitled, "Tract No. 77 Bethany Park Assemblies of God Campground", filed for record January 12, 1948 in Volume 28 of Maps at Page 71, Santa Cruz County Records.

APN: 023-021-04

PARCEL XIV:

Lot 166, as shown upon that certain map entitled, "Tract No. 77 Bethany Park Assemblies of God Campground", filed for record January 12, 1948 in Volume 28 of Maps at Page 71, Santa Cruz County Records.

APN: 023-031-24

PARCEL XV:

Lot 200 and the Southerly one-half (1/2) of Lot 199, as shown upon that certain map entitled, "Tract No. 77 Bethany Park Assemblies of God Campground", filed for record January 12, 1948 in Volume 28 of Maps at Page 71, Santa Cruz County Records.

APN: 023-032-05

PARCEL XVI:

Lot 189, as shown upon that certain map entitled, "Tract No. 77 Bethany Park Assemblies of god Campground", filed for record January 12, 1948 in Volume 28 of Maps at Page 71, Santa Cruz County Records.

APN: 023-031-10

PARCEL XVII:

Lot 124, as shown upon that certain map entitled, "Tract No. 77, Bethany Park Assemblies of God Campground, being a part of the Rancho San Augustine, Santa Cruz County, California", filed for record January 12, 1948, in Volume 28 of Maps, at Page 71, Santa Cruz County Records.

Excepting therefrom so much of the above described lands as was conveyed to the State of California by Deed recorded July 12, 1960, in Book 1330, Page 29, Official Records of Santa Cruz County.

APN: 023-103-01

PARCEL XVIII:

Lots 126 and 127 as shown upon that certain map entitled, Tract No. 77, Bethany Park Assemblies of God Campground, being a part of Rancho San Augustine, Santa Cruz County, California, filed for Record on January 12, 1948 in Volume 28 of Official Records at Page 71, Santa Cruz County Records.

APN: 023-103-03 and 023-103-04

PARCEL XIX:

A portion of Lot 165, as shown and delineated on that certain map entitled, "Tract No. 77 Bethany Park", filed for record January 12, 1948 in Volume 28 of Maps, Page 71 (Sheet 4 of 4 Sheets), more particularly described as follows:

Beginning at a station on the Eastern boundary of Lot 165 from which the Southeastern corner of said Lot 165 on the Northwestern side of Bethany Drive bears South 10°33' East 166.07 feet; running thence from said point of beginning and crossing said Lot 165, South 79°27' West 38.28 feet to the beginning of a curve; thence on a curve to the left, having a radius of 20.00 feet, through a central angle of 90°00' an arc distance of 31.42 feet to a point of tangency on the Western boundary of said Lot 165; thence along the Western boundary of said Lot 165, North 10°33' West 90.00 feet to a point of tangency; thence leaving said last named boundary on a curve to the left, from a tangent bearing South 10°33' East, having a radius of 20.00 feet, through an angle of 90°00', an arc distance of 31.42 feet to a point of tangency; thence North 79°27' East 18.28 feet to the beginning of a curve; thence on a curve to the left, having a radius of 20.00 feet, through an angle of 90°00', an arc distance of 31.42 feet to a point of tangency on the Eastern boundary of said Lot 165 and thence along said last named boundary South 10°33' East 70.00 feet to the place of beginning.

APN: 023-022-02

PARCEL XX:

Those certain streets shown and delineated as "Parkway" and as "California Court" on that certain map entitled, "Tract No. 77 Bethany Park", filed for record January 12, 1948 in Volume 28 of Maps, Page 71 (Sheet 4 of 4 Sheets), excepting therefrom that portion of Parkway more particularly described as follows:

Beginning at the Southeastern corner of Lot 165 of said subdivision, on the Northwestern side of Bethany Drive; running thence from said point of beginning along the Eastern boundary of Lot 165, North 10°33' West 166.07 feet to a station; thence leaving said last named boundary North 79°27' East 25.00 feet to the center line of Parkway; thence South 53°33' East 35.35 feet to a station on the Western boundary of Lot 175 of the aforesaid subdivision from which the Northwestern corner of said Lot 175 bears North 10°33' West 25.00 feet distant; thence along the Western boundaries of Lots 175 and 176, South 10°33' East 134.84 feet to the Northerly side of Bethany Drive; thence along the Northerly side of Bethany Drive North 76°55'00" West 27.28 feet and South 44°58'00" West 30.33 feet to the point of beginning.

APN: None

Exhibit B
Permitted Exceptions

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2014-2015.
2. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (Commencing with Section 75) of the Revenue and Taxation code of the State of California.
3. The herein described property lies within the boundaries of a Mello-Roos Community Facilities District ("CFD"), as follows:

CFD No.: 97-1
For: The development of Scotts Valley Drive
Disclosed By: Notice of Special Tax Lien
Recorded: March 3, 1998, Instrument No. 1998-0010398, of Official Records

This property, along with all other parcels in the CFD, is liable for an annual special tax. This special tax is included with and payable with the general property taxes of the County of Santa Cruz. The tax may not be prepaid.

4. Water rights, claims or title to water, whether or not disclosed by the public records.
5. Any adverse claim based upon the assertion that:
 - a. Some portion of said land has been created by artificial means, or has accreted to such portion so created.
 - b. Some portion of said land has been brought within the boundaries thereof by an avulsive movement of Carbonero Creek, or has been formed by accretion to any such portion.
6. Rights and easements for navigation and fishery which may exist over that portion of said land lying beneath the waters of Carbonero Creek.
7. Any rights in favor of the public which may exist on said land if said land or portions thereof are or were at any time used by the public.
8. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Coast Counties Gas and Electric Company
Purpose: Single line of poles and wires
Recorded: April 6, 1949, Book 715, Page 249, of Official Records
Affects: Said easement cannot be located from the record

9. Easement(s) for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract.

Purpose: Drainage, road and rights of way
Affects: As shown on said map

10. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document.

Purpose: Pipe, flume, sewer, light, power and telephone lines
Recorded: April 8, 1952, Book 864, Page 17, of Official Records
Affects: Exact location is not disclosed for record
11. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Alfred B. Charles, et ux
Purpose: A right of way
Recorded: September 26, 1951, Book 839, Page 610, of Official Records
Affects: The most Easterly corner of Parcel VIII;
12. Any private easements/rights in favor of the owners of other lots within the subdivision, which the herein described property is a part of, lying within the former lines of Parkway (now known as Gaston Circle).

Said matters affect Parcel V;
13. Waiver of any claims for damages to said property by reason of the location, construction, landscaping or maintenance of the freeway adjoining said property, as contained in the deed to the State of California, recorded June 12, 1960, Book 1330, Page 29, of Official Records.
14. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Scotts Valley County Water District
Purpose: Pipe lines and existing water supply system
Recorded: July 22, 1965, Book 1707, Page 600, of Official Records
Affects: Parcels I, II, VII, VIII AND XIV;
15. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Scotts Valley County Water District
Purpose: Ingress and egress over a strip of land 20 feet in width and Pipe line and appurtenances
Recorded: July 26, 1965, Book 1707, Page 609, of Official Records
Affects: A portion of Parcels VI AND VII;
16. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Pacific Gas and Electric Company, a California corporation
Purpose: Gas pipelines
Recorded: May 25, 1966, Book 1766, Page 277, of Official Records
Affects: A portion of Parcel I;

17. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: City of Scotts Valley
Purpose: Sewer mains
Recorded: August 3, 1972, Book 2226, Page 45, of Official Records
Affects: Portions of Parcels I, II, IV AND IX;
And recorded: August 3, 1972, Book 2226, Page 49, of Official Records
And recorded: August 3, 1972, Book 2226, Page 52, of Official Records

18. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Pacific Gas and Electric Company
Purpose: Underground conduits, pipes and cables
Recorded: July 25, 1975, Book 2523, Page 270, of Official Records
Affects: Parcel I

19. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: City of Scotts Valley
Purpose: Storm drains and drainage releases
Recorded: October 22, 1980, Book 3253, Page 532, of Official Records
Affects: Parcels I, II, IV AND IX

20. Matters contained in that certain document entitled "Notice of Approval of Parcel Merger" dated (not shown), executed by City of Scotts Valley recorded January 7, 1988, Instrument No. 075093, Book 4428, Page 19, of Official Records, which document, among other things, contains or provides for: Merger to Lots 151 through 159, inclusive, of Parcel One into one single legal parcel.

Reference is hereby made to said document for full particulars.

21. Matters contained in that certain document entitled "Notice of Approval of Parcel Merger" dated (not shown), executed by City of Scotts Valley recorded March 22, 1989, Instrument No. 018201, Book 4476, Page 421, of Official Records, which document, among other things, contains or provides for: Merger to Parcel Eleven and Lots 196 through 198, inclusive, and 215 and 216 of Parcel One into one single legal parcel.

Reference is hereby made to said document for full particulars.

22. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: David N. Sondeno, et ux
Purpose: Non-exclusive easement for public storm drain purposes
Recorded: April 3, 1989, Instrument No. 020797, Book 4482, Page 113, of Official Records
Affects: A portion of Parcel IX;

23. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Pacific Gas and Electric Company, a California corporation
 Purpose: Gas pipelines
 Recorded: July 7, 1989, Instrument No. 043526, Book 4529, Page 316, of Official Records
 Affects: Portions of Parcels I AND X

24. Matters contained in that certain document entitled "Landscape Maintenance Agreement" dated June 2, 1999, executed by City of Scotts Valley, a municipal corporation executed by and between Bethany College recorded September 2, 1999, Instrument No. 1999-0058999, of Official Records.

Reference is hereby made to said document for full particulars.

Affects: Said Matters affect Parcel IX;

25. Matters contained in that certain document entitled "Landscape Maintenance Agreement" dated October 26, 1999, executed by City of Scotts Valley, a municipal corporation executed by and between Bethany College recorded December 28, 1999, Instrument No. 1999-0080425, of Official Records.

Reference is hereby made to said document for full particulars.

Affects: Said matters affect Parcels I, II AND IV;

26. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby

Amount: \$6,436,006.00
 Dated: August 30, 2001
 Trustor: Bethany College of the Assemblies of God, a nonprofit corporation
 Trustee: Santa Cruz Title Company, a California Corporation
 Beneficiary: Assemblies of God Financial Services Group, a nonprofit corporation

Loan No.:
 Recorded: August 31, 2001, Instrument No. 2001-0055042, of Official Records
 Affects: Said matters affect Parcels I through XII, inclusive, and other property.

A Substitution of Trustee under said deed of trust which names as the substituted trustee, the following

Trustee: Assemblies of God Financial Services Group, a nonprofit corporation
 Recorded: October 12, 2012, Instrument No. 2012-0050018, of Official Records
 Amendment to Deed of Trust and Security Agreement Recorded January 17, 2014, Instrument No. 2014-0001861, of Official Records.

27. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: David Reginald Colbert, et ux
Purpose: Sanitary sewer and storm drain pipelines
Recorded: August 6, 2002, Instrument No. 2002-0055419, of Official Records
Affects: Southerly portion of Parcel III

28. An encroachment of existing structures or improvements situated on the land adjoining on the North onto said land, as disclosed by Memorandum of Agreement, recorded November 18, 2002 of Official Records under Recorder's Series Number 2002-0084777

29. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: City of Scotts Valley
Purpose: Ingress and egress, a sanitary sewer pump station, and sanitary sewer Lines

Recorded: December 5, 2002, Instrument No. 2002-0090138, of Official Records
Affects: Portions of Parcels II, IV AND IX

30. Matters as shown on the map filed for record June 6, 2003 in Volume 58 of Parcel Maps, at Page 6, Santa Cruz County Records

Affects: Parcel XVII

31. Matters contained in that certain document entitled "Notice of Consent to Use Land" dated July 16, 2004, executed by Bethany College recorded July 16, 2004, Instrument No. 2004-0051907, of Official Records.

Reference is hereby made to said document for full particulars.

32. Matters contained in that certain document entitled "Notice of Consent to Use Land" dated September 14, 2004, executed by Bethany College recorded September 14, 2004, Instrument No. 2004-0066291, of Official Records.

Reference is hereby made to said document for full particulars.

33. Matters contained in that certain document entitled "Notice of Consent to Use Land" dated September 25, 2006, executed by Bethany College recorded September 27, 2006, Instrument No. 2006-0056610, of Official Records, which document, among other things, contains or provides for: License to use a portion of Parcel III.

Reference is hereby made to said document for full particulars.

34. Matters contained in that certain document entitled "Notice of Consent to Use Land" dated March 19, 2009, executed by Bethany University recorded April 1, 2009, Instrument No. 2009-0013861, of Official Records.

Reference is hereby made to said document for full particulars.

Affects: Lot 126 of Parcel XVIII;

35. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: David V. Fletcher, a single man
Purpose: An exclusive easement for ingress, egress, parking, use and enjoyment
Recorded: August 9, 2012, Instrument No. 2012-0037661, of Official Records
Affects: As set forth in said document
Affects: Parcel III;

36. Matters contained in that certain document entitled "Grant of Easement" dated August 2, 2012, executed by Bethany University of the Assemblies of God, a California nonprofit corporation, as successor to Bethany College of the Assemblies of God, a California non-profit corporation and David V. Fletcher, a single man recorded August 9, 2012, Instrument No. 2012-0037661, of Official Records.

Reference is hereby made to said document for full particulars.

Affects: Parcel III;

37. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose and which are riot shown by the public records.

As to Parcels VI, VII, VIII, IX, XVII and XVIII

38. Parcel V of the legal description does not mathematically close, A was determined by holding 25' from the Northwestern corner of Lot 175, B was established per clear intent to hold projected sidelines of Bethany Drive.

39. A deed of trust to secure an indebtedness in the amount shown below,

Amount: \$4,375,000.00
Dated: June 30, 2014
Trustor/Grantor: 1440 DEVCO LLC, a California limited liability company
Trustee: Chicago Title Company
Beneficiary: University of the Assemblies of God, a California non-profit religious corporation

Recording Date: _____

Recording No.: _____

EXHIBIT B

THE ROADWAY

LEGAL DESCRIPTION

SITUATE IN THE CITY OF SCOTTS VALLEY, RANCHO SAN AUGUSTINE, COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

PARCEL 1:

BEING A PORTION OF LOT 225, AS SHOWN ON THE MAP ENTITLED "TRACT NO. 77, BETHANY PARK ASSEMBLIES OF GOD CAMPGROUND", FILED FOR RECORD ON JANUARY 12, 1948 IN VOLUME 28 OF MAPS, AT PAGE 71, SANTA CRUZ COUNTY RECORDS, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERLY SIDELINE OF BETHANY DRIVE, A 50.00 FOOT WIDE RIGHT OF WAY, AS SHOWN ON SAID TRACT MAP, FROM WHICH THE MOST NORTHERLY CORNER OF SAID LOT 225 BEARS NORTH $56^{\circ} 31' 00''$ EAST, 6.37 FEET DISTANT; THENCE SOUTHWESTERLY ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 125.00 FEET AND A RADIAL BEARING OF SOUTH $63^{\circ} 08' 35''$ EAST, THROUGH A CENTRAL ANGLE OF $27^{\circ} 47' 45''$, AN ARC LENGTH OF 60.64 FEET TO A POINT ON THE EASTERLY SIDELINE OF SAID BETHANY DRIVE; THENCE NORTHEASTERLY ALONG THE EASTERLY SIDELINE OF SAID BETHANY DRIVE, NORTH $30^{\circ} 58' 00''$ EAST, A DISTANCE OF 37.82 FEET AND NORTH $56^{\circ} 31' 00''$ EAST, A DISTANCE OF 23.67 FEET TO THE POINT OF BEGINNING.

AND CONTAINING 340 SQUARE FEET, MORE OR LESS.

PARCEL 2:

BEING A PORTION OF LOT 177, LOT 178 AND LOT 179, AS SHOWN ON THE MAP ENTITLED "TRACT NO. 77, BETHANY PARK ASSEMBLIES OF GOD CAMPGROUND", FILED FOR RECORD ON JANUARY 12, 1948 IN VOLUME 28 OF MAPS, AT PAGE 71, SANTA CRUZ COUNTY RECORDS, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WESTERLY SIDELINE OF SAID BETHANY DRIVE, FROM WHICH THE MOST NORTHEASTERLY CORNER OF SAID LOT 179 BEARS NORTH $30^{\circ} 58' 00''$ EAST, 7.53 FEET DISTANT; THENCE SOUTHWESTERLY ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 75.00 FEET AND A RADIAL BEARING OF SOUTH $28^{\circ} 18' 00''$ EAST, THROUGH A CENTRAL ANGLE OF $09^{\circ} 53' 50''$, AN ARC LENGTH OF 12.96 FEET TO A POINT OF REVERSE CURVATURE; THENCE ON A CURVE TO THE LEFT, HAVING A RADIUS OF 225.00 FEET, THROUGH A CENTRAL ANGLE OF $17^{\circ} 30' 58''$, AN ARC LENGTH OF 68.78 FEET TO A POINT OF COMPOUND CURVATURE; THENCE ON A CURVE TO THE LEFT, HAVING A RADIUS OF 1025.00 FEET, THROUGH A CENTRAL ANGLE OF $03^{\circ} 53' 32''$, AN ARC LENGTH OF 69.64 FEET TO A POINT OF COMPOUND CURVATURE; THENCE ON A CURVE TO THE LEFT, HAVING A RADIUS OF 225.00 FEET, THROUGH A CENTRAL ANGLE OF $12^{\circ} 25' 48''$, AN ARC LENGTH OF 48.81 FEET TO A POINT ON THE NORTHERLY SIDELINE OF SAID BETHANY DRIVE; THENCE EASTERLY AND NORTHEASTERLY ALONG THE NORTHERLY AND WESTERLY SIDELINE OF SAID BETHANY DRIVE, SOUTH $76^{\circ} 55' 00''$ EAST, A DISTANCE OF 21.32 FEET TO THE MOST SOUTHERLY CORNER OF SAID LOT 177; THENCE ALONG THE WESTERLY SIDELINE OF SAID BETHANY DRIVE, NORTH $61^{\circ} 44' 00''$ EAST, A DISTANCE OF 116.39 FEET TO THE MOST SOUTHEASTERLY CORNER OF SAID LOT 179; THENCE CONTINUING ALONG THE WESTERLY SIDELINE OF SAID BETHANY DRIVE, NORTH $30^{\circ} 58' 00''$ EAST, A DISTANCE OF 74.53 FEET TO THE POINT OF BEGINNING.

AND CONTAINING 5,470 SQUARE FEET, MORE OR LESS.

PARCEL 3:

BEING A PORTION OF LOT 228, AS SHOWN ON THE MAP ENTITLED "TRACT NO. 77, BETHANY PARK ASSEMBLIES OF GOD CAMPGROUND", FILED FOR RECORD ON JANUARY 12, 1948 IN VOLUME 28 OF MAPS, AT PAGE 71, SANTA CRUZ COUNTY RECORDS AND A PORTION OF PARCEL IV OF THE LANDS CONVEYED TO 1440 DEVCO LLC, FILED FOR RECORD ON JUNE 30, 2014, AT DOCUMENT NUMBER 2014-0020976, OFFICIAL RECORDS OF SANTA CRUZ COUNTY, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHERLY SIDELINE OF SAID BETHANY DRIVE, FROM WHICH THE NORTHEASTERLY CORNER OF SAID LOT 228, BEARS SOUTH 76° 55' 00" EAST, 5.13 FEET DISTANT; THENCE SOUTHWESTERLY ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 175.00 FEET AND A RADIAL BEARING OF NORTH 62° 22' 39" WEST, THROUGH A CENTRAL ANGLE OF 08° 31' 17", AN ARC LENGTH OF 26.02 FEET TO A POINT OF REVERSE CURVATURE; THENCE ON A CURVE TO THE RIGHT, HAVING A RADIUS OF 315.00 FEET, THROUGH A CENTRAL ANGLE OF 59° 09' 36", AN ARC LENGTH OF 325.24 FEET TO A POINT OF REVERSE CURVATURE; THENCE ON CURVE TO THE LEFT, HAVING A RADIUS OF 75.00 FEET, THROUGH A CENTRAL ANGLE OF 27° 39' 10", AN ARC LENGTH OF 36.20 FEET; THENCE SOUTH 50° 36' 30" WEST, A DISTANCE OF 28.68 FEET TO THE EASTERLY SIDELINE OF SAID BETHANY DRIVE; THENCE NORTHEASTERLY ALONG THE EASTERLY SIDELINE OF BETHANY DRIVE, NORTH 29° 41' 00" EAST, A DISTANCE OF 95.88 FEET; THENCE LEAVING THE EASTERLY SIDELINE OF SAID BETHANY DRIVE, NORTHEASTERLY ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 265.00 FEET AND A RADIAL BEARING OF SOUTH 12° 26' 09" EAST, THROUGH A CENTRAL ANGLE OF 58° 27' 47", AN ARC LENGTH OF 270.40 FEET TO A POINT OF REVERSE CURVATURE; THENCE ON A CURVE TO THE RIGHT, HAVING A RADIUS OF 225.00 FEET, THROUGH A CENTRAL ANGLE OF 05° 14' 30", AN ARC LENGTH OF 20.58 FEET TO THE SOUTHERLY SIDELINE OF SAID BETHANY DRIVE; THENCE SOUTHEASTERLY ALONG THE SOUTHERLY SIDELINE OF SAID BETHANY DRIVE, SOUTH 76° 55' 00" EAST, A DISTANCE OF 51.27 FEET TO THE POINT OF BEGINNING.

AND CONTAINING 17, 352 SQUARE FEET, MORE OR LESS.

SEE EXHIBIT A, PAGE 3 OF 3, ATTACHED HERETO, AND BY THIS REFERENCE MADE A PART HEREOF.
END OF DESCRIPTION



APN 023-031-19 (PORTION)
APN 023-033-05 (PORTION)
APN 023-041-09 (PORTION)
PREPARED BY IFLAND SURVEY
JOB # G13033, MARCH 9, 2017



IFLAND SURVEY

Surveying - Mapping - GPS

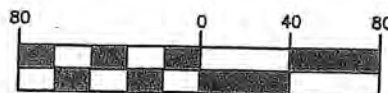
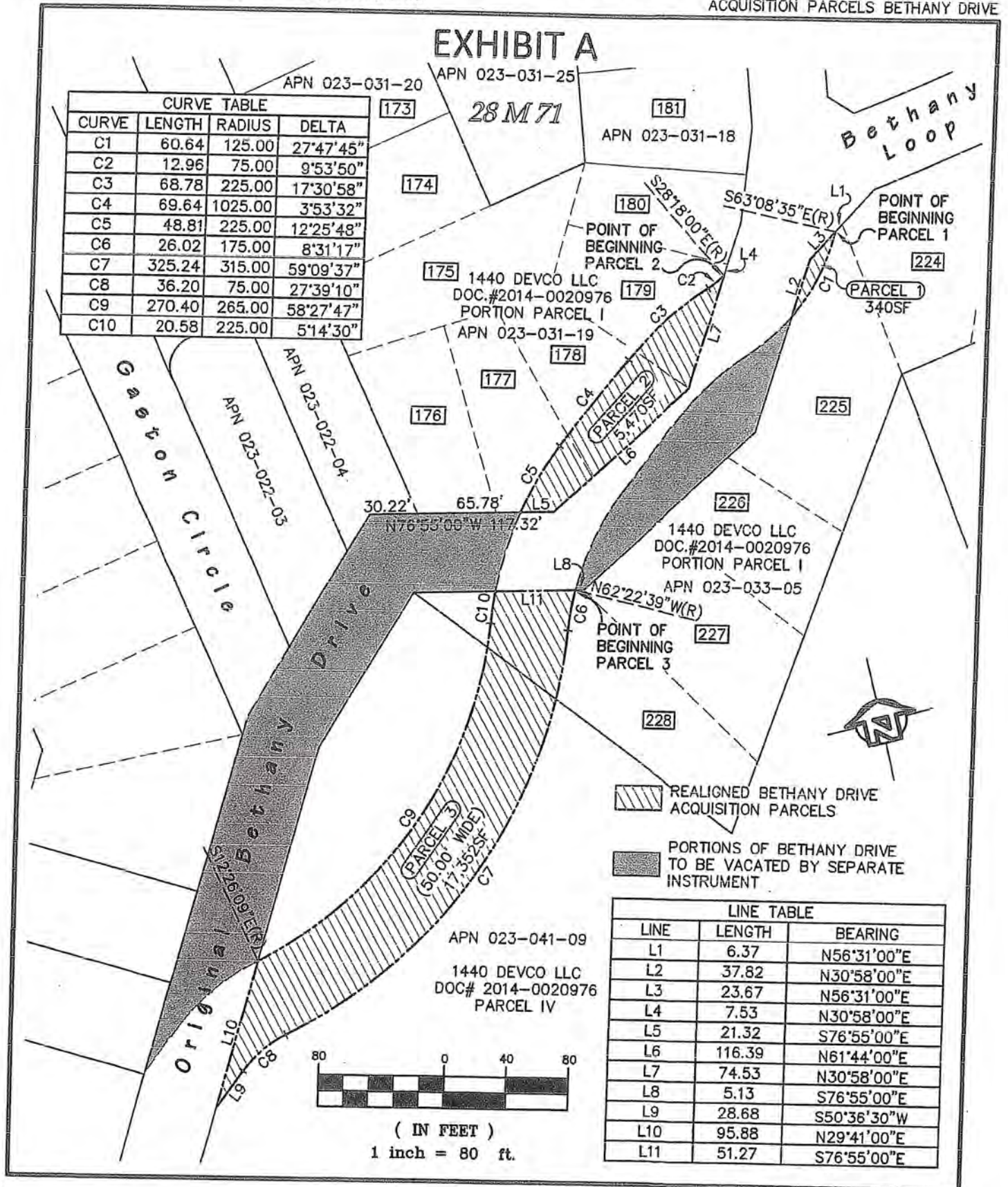
303 Potrero Street, Suite 43-108, Santa Cruz, CA 95060
Tel 831.426.7941 Fax 831.426.6266

JOB NO. G13033
SHEET NO. 3 OF 3
CALCULATED BY JLB DATE 03/09/17
SCALE: 1" = 80'

ACQUISITION PARCELS BETHANY DRIVE

EXHIBIT A

CURVE TABLE			
CURVE	LENGTH	RADIUS	DELTA
C1	60.64	125.00	27°47'45"
C2	12.96	75.00	9°53'50"
C3	68.78	225.00	17°30'58"
C4	69.64	1025.00	3°53'32"
C5	48.81	225.00	12°25'48"
C6	26.02	175.00	8°31'17"
C7	325.24	315.00	59°09'37"
C8	36.20	75.00	27°39'10"
C9	270.40	265.00	58°27'47"
C10	20.58	225.00	5°14'30"



(IN FEET)
1 inch = 80 ft.

LINE TABLE		
LINE	LENGTH	BEARING
L1	6.37	N56°31'00"E
L2	37.82	N30°58'00"E
L3	23.67	N56°31'00"E
L4	7.53	N30°58'00"E
L5	21.32	S76°55'00"E
L6	116.39	N61°44'00"E
L7	74.53	N30°58'00"E
L8	5.13	S76°55'00"E
L9	28.68	S50°36'30"W
L10	95.88	N29°41'00"E
L11	51.27	S76°55'00"E

**City of Scotts Valley
CITY COUNCIL STAFF REPORT**

DATE: June 20, 2018
TO: Honorable Mayor and City Council
FROM: Ken D. Anderson, City Engineer
APPROVED: Jenny D. Haruyama, City Manager
**SUBJECT: APPROVAL OF RESOLUTION ACCEPTING OFFER OF
DEDICATION FOR REALIGNED BETHANY DRIVE**

SUMMARY OF ISSUE

1440 Foundation redeveloped the former Bethany University campus into an educational learning center. As part of that redevelopment, 1440 Foundation realigned a portion of Bethany Drive. The realigned portion is complete and it is appropriate to accept the offer of dedication of the relocated right-of-way as.

Attached is Resolution 1895.21, a resolution accepting the offer of dedication. Upon recording at the Santa Cruz County Recorder's Office, the described right-of-way will become the new portion of the public street, Bethany Drive.

FISCAL IMPACT

No additional fiscal impact. They City was previously maintaining the old alignment of Bethany Drive.

STAFF RECOMMENDATION

It is recommended that the City Council approve Resolution No. 1895.21 a resolution accepting the offer of dedication for the realigned Bethany Drive.

<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
Resolution No. 1895.21.....	2

RESOLUTION NO. 1895.21

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF SCOTTS VALLEY ACCEPTING AN OFFER
OF DEDICATION OF THE REALIGNED BETHANY DRIVE**

WHEREAS, 1440 DEVCO, LLC redeveloped the former Bethany University Campus;
and

WHEREAS, as part of that redevelopment 1440 DEVCO, LLC realigned a portion of
Bethany Drive; and

WHEREAS, construction of the realigned portion of Bethany Drive is complete; and

WHEREAS, 1440 DEVCO, LLC has offered the newly realigned Bethany Drive and
right-of-way;

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Scotts Valley
(The "City") that the offer at dedication, a copy of which is attached hereto as Exhibit A
and incorporated herein by reference, which was offered to the City by 1440 DEVCO
LLC, a California Limited Liability Company, is hereby accepted.

BE IT FURTHER RESOLVED, that the City Clerk is directed to certify said acceptance
and have the same recorded in the Office of the County Recorder of the County of
Santa Cruz.

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 20th day of June, 2018 by
the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Jim Reed, Mayor

ATTEST:

Tracy Ferrara, City Clerk

EXHIBIT A

ACQUISITION PARCELS FOR BETHANY DRIVE REALIGNMENT

LEGAL DESCRIPTION

SITUATE IN THE CITY OF SCOTTS VALLEY, RANCHO SAN AUGUSTINE, COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

PARCEL 1:

BEING A PORTION OF LOT 225, AS SHOWN ON THE MAP ENTITLED "TRACT NO. 77, BETHANY PARK ASSEMBLIES OF GOD CAMPGROUND", FILED FOR RECORD ON JANUARY 12, 1948 IN VOLUME 28 OF MAPS, AT PAGE 71, SANTA CRUZ COUNTY RECORDS, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERLY SIDELINE OF BETHANY DRIVE, A 50.00 FOOT WIDE RIGHT OF WAY, AS SHOWN ON SAID TRACT MAP, FROM WHICH THE MOST NORTHERLY CORNER OF SAID LOT 225 BEARS NORTH 56° 31' 00" EAST, 6.37 FEET DISTANT; THENCE SOUTHWESTERLY ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 125.00 FEET AND A RADIAL BEARING OF SOUTH 63° 08' 35" EAST, THROUGH A CENTRAL ANGLE OF 27° 47' 45", AN ARC LENGTH OF 60.64 FEET TO A POINT ON THE EASTERLY SIDELINE OF SAID BETHANY DRIVE; THENCE NORTHEASTERLY ALONG THE EASTERLY SIDELINE OF SAID BETHANY DRIVE, NORTH 30° 58' 00" EAST, A DISTANCE OF 37.82 FEET AND NORTH 56° 31' 00" EAST, A DISTANCE OF 23.67 FEET TO THE POINT OF BEGINNING.

AND CONTAINING 340 SQUARE FEET, MORE OR LESS.

PARCEL 2:

BEING A PORTION OF LOT 177, LOT 178 AND LOT 179, AS SHOWN ON THE MAP ENTITLED "TRACT NO. 77, BETHANY PARK ASSEMBLIES OF GOD CAMPGROUND", FILED FOR RECORD ON JANUARY 12, 1948 IN VOLUME 28 OF MAPS, AT PAGE 71, SANTA CRUZ COUNTY RECORDS, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WESTERLY SIDELINE OF SAID BETHANY DRIVE, FROM WHICH THE MOST NORTHEASTERLY CORNER OF SAID LOT 179 BEARS NORTH 30° 58' 00" EAST, 7.53 FEET DISTANT; THENCE SOUTHWESTERLY ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 75.00 FEET AND A RADIAL BEARING OF SOUTH 28° 18' 00" EAST, THROUGH A CENTRAL ANGLE OF 09° 53' 50", AN ARC LENGTH OF 12.96 FEET TO A POINT OF REVERSE CURVATURE; THENCE ON A CURVE TO THE LEFT, HAVING A RADIUS OF 225.00 FEET, THROUGH A CENTRAL ANGLE OF 17° 30' 58", AN ARC LENGTH OF 68.78 FEET TO A POINT OF COMPOUND CURVATURE; THENCE ON A CURVE TO THE LEFT, HAVING A RADIUS OF 1025.00 FEET, THROUGH A CENTRAL ANGLE OF 03° 53' 32", AN ARC LENGTH OF 69.64 FEET TO A POINT OF COMPOUND CURVATURE; THENCE ON A CURVE TO THE LEFT, HAVING A RADIUS OF 225.00 FEET, THROUGH A CENTRAL ANGLE OF 12° 25' 48", AN ARC LENGTH OF 48.81 FEET TO A POINT ON THE NORTHERLY SIDELINE OF SAID BETHANY DRIVE; THENCE EASTERLY AND NORTHEASTERLY ALONG THE NORTHERLY AND WESTERLY SIDELINE OF SAID BETHANY DRIVE, SOUTH 76° 55' 00" EAST, A DISTANCE OF 21.32 FEET TO THE MOST SOUTHERLY CORNER OF SAID LOT 177; THENCE ALONG THE WESTERLY SIDELINE OF SAID BETHANY DRIVE, NORTH 61° 44' 00" EAST, A DISTANCE OF 116.39 FEET TO THE MOST SOUTHEASTERLY CORNER OF SAID LOT 179; THENCE CONTINUING ALONG THE WESTERLY SIDELINE OF SAID BETHANY DRIVE, NORTH 30° 58' 00" EAST, A DISTANCE OF 74.53 FEET TO THE POINT OF BEGINNING.

AND CONTAINING 5,470 SQUARE FEET, MORE OR LESS.

PARCEL 3:

BEING A PORTION OF LOT 228, AS SHOWN ON THE MAP ENTITLED "TRACT NO. 77, BETHANY PARK ASSEMBLIES OF GOD CAMPGROUND", FILED FOR RECORD ON JANUARY 12, 1948 IN VOLUME 28 OF MAPS, AT PAGE 71, SANTA CRUZ COUNTY RECORDS AND A PORTION OF PARCEL IV OF THE LANDS CONVEYED TO 1440 DEVCO LLC, FILED FOR RECORD ON JUNE 30, 2014, AT DOCUMENT NUMBER 2014-0020976, OFFICIAL RECORDS OF SANTA CRUZ COUNTY, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHERLY SIDELINE OF SAID BETHANY DRIVE, FROM WHICH THE NORTHEASTERLY CORNER OF SAID LOT 228, BEARS SOUTH 76° 55' 00" EAST, 5.13 FEET DISTANT; THENCE SOUTHWESTERLY ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 175.00 FEET AND A RADIAL BEARING OF NORTH 62° 22' 39" WEST, THROUGH A CENTRAL ANGLE OF 08° 31' 17", AN ARC LENGTH OF 26.02 FEET TO A POINT OF REVERSE CURVATURE; THENCE ON A CURVE TO THE RIGHT, HAVING A RADIUS OF 315.00 FEET, THROUGH A CENTRAL ANGLE OF 59° 09' 36", AN ARC LENGTH OF 325.24 FEET TO A POINT OF REVERSE CURVATURE; THENCE ON CURVE TO THE LEFT, HAVING A RADIUS OF 75.00 FEET, THROUGH A CENTRAL ANGLE OF 27° 39' 10", AN ARC LENGTH OF 36.20 FEET; THENCE SOUTH 50° 36' 30" WEST, A DISTANCE OF 28.68 FEET TO THE EASTERLY SIDELINE OF SAID BETHANY DRIVE; THENCE NORTHEASTERLY ALONG THE EASTERLY SIDELINE OF SAID BETHANY DRIVE, NORTH 29° 41' 00" EAST, A DISTANCE OF 95.88 FEET; THENCE LEAVING THE EASTERLY SIDELINE OF SAID BETHANY DRIVE, NORTHEASTERLY ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 265.00 FEET AND A RADIAL BEARING OF SOUTH 12° 26' 09" EAST, THROUGH A CENTRAL ANGLE OF 58° 27' 47", AN ARC LENGTH OF 270.40 FEET TO A POINT OF REVERSE CURVATURE; THENCE ON A CURVE TO THE RIGHT, HAVING A RADIUS OF 225.00 FEET, THROUGH A CENTRAL ANGLE OF 05° 14' 30", AN ARC LENGTH OF 20.58 FEET TO THE SOUTHERLY SIDELINE OF SAID BETHANY DRIVE; THENCE SOUTHEASTERLY ALONG THE SOUTHERLY SIDELINE OF SAID BETHANY DRIVE, SOUTH 76° 55' 00" EAST, A DISTANCE OF 51.27 FEET TO THE POINT OF BEGINNING.

AND CONTAINING 17, 352 SQUARE FEET, MORE OR LESS.

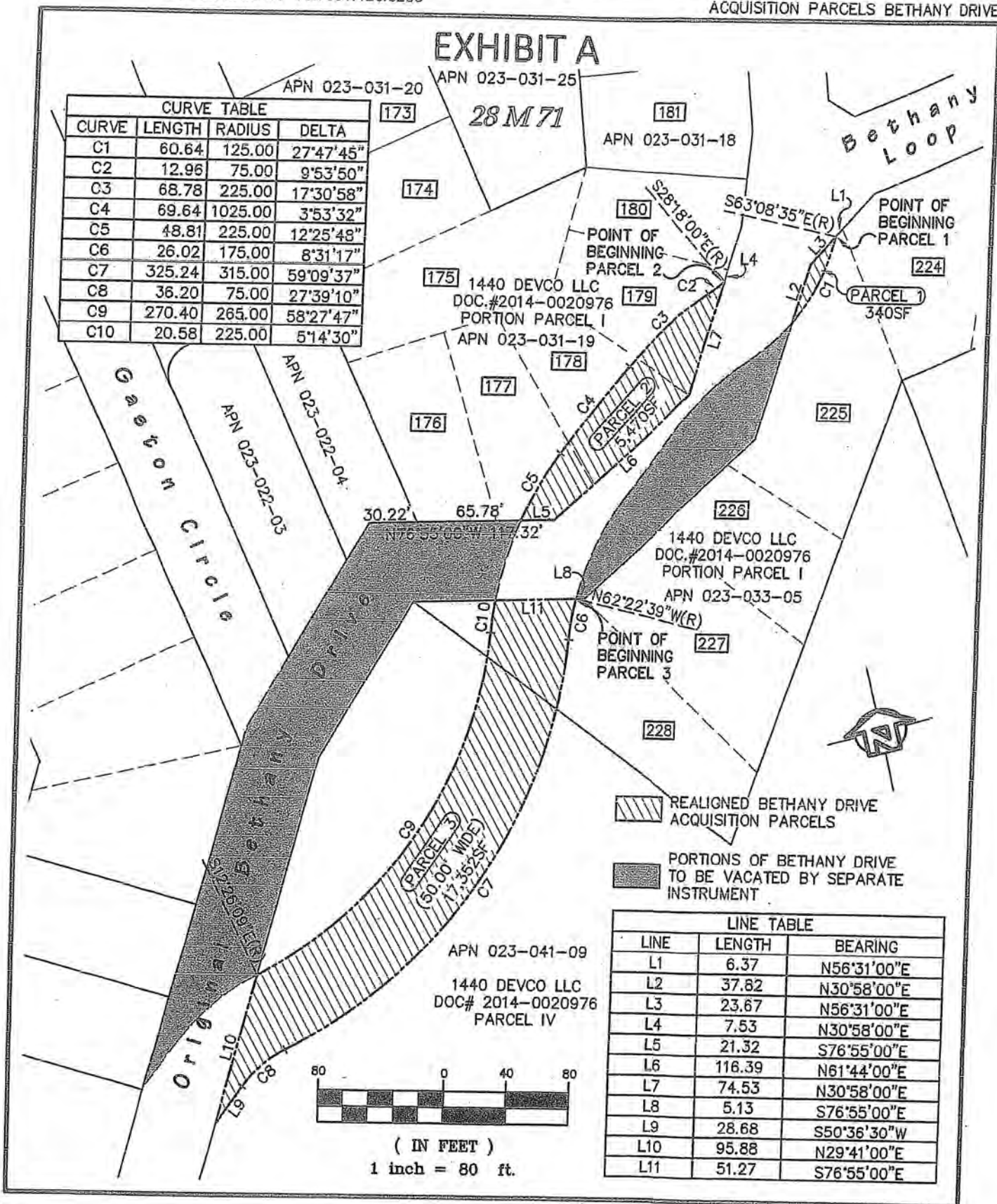
SEE EXHIBIT A, PAGE 3 OF 3, ATTACHED HERETO, AND BY THIS REFERENCE MADE A PART HEREOF.
END OF DESCRIPTION



APN 023-031-19 (PORTION)
APN 023-033-05 (PORTION)
APN 023-041-09 (PORTION)
PREPARED BY IFLAND SURVEY
JOB # G13033, MARCH 9, 2017

EXHIBIT A

CURVE	LENGTH	RADIUS	DELTA
C1	60.64	125.00	27°47'45"
C2	12.96	75.00	9°53'50"
C3	68.78	225.00	17°30'58"
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C5	48.81	225.00	12°25'48"
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C8	36.20	75.00	27°39'10"
C9	270.40	265.00	58°27'47"
C10	20.58	225.00	5°14'30"



City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: June 20, 2018

TO: Honorable Mayor and City Council

FROM: Jessica Kahn, Civil Engineer

APPROVED: Jenny D. Haruyama, City Manager

SUBJECT: APPROVAL OF MEASURE D 5-YEAR PROGRAM OF PROJECTS

SUMMARY OF ISSUE

Measure D, the transportation ballot measure passed by Santa Cruz County voters on November 8, 2016, provides funding for efforts related to maintaining and improving local roads, including pavement, bicycle, and pedestrian infrastructure for a period of ten years. The Regional Transportation Commission (RTC) is responsible for implementation and administration of the measure.

As established in the Measure D Ordinance, all entities receiving Measure D funds are required to develop a five-year program of projects, identifying how each agency plans to use Measure D funds in the upcoming 5 years. The 5-year project list will be updated annually and must be approved following a public hearing.

Projects eligible to be funded by Measure D were reviewed by the Council in consideration of the Five-Year Capital Improvement Plan on April 18, and again as part of the preliminary Annual Budget review on May 16. The City identified four projects to be funded using Measure D funds:

CIP #	Description	Fiscal Year	Amount Funded by Measure D
18	Sidewalk Improvements on Kings Village Road	2018/19	35,000
17	Rehabilitation of Glenwood Drive	2018/19-20	470,000
20	Pavement Rehabilitation – Bean Creek Road	2020/21	500,000
37	Glenwood Open Space Preserve East Trails	2018/19-20	130,000
Total			\$1,135,000

FISCAL IMPACT

Approximately four capital projects totaling \$1.135 million will be funded with Measure D

funds. It is anticipated that in FY 2018/19, the City will receive approximately \$266,000 in Measure D funds.

STAFF RECOMMENDATION

It is recommended that the City Council approve Resolution No. 1923.3 approving the FY 2018/19 to FY 2022/23 five-year program of projects to be funded with Measure D revenues and the Measure D: 5-Year Program of Projects (FY18/19 – FY22/23) for the City of Scotts Valley.

<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
Resolution No. 1923.3 approving Measure D Five Year Program of Projects.....	3
Measure D Five Year Program of Projects	5

RESOLUTION NO. 1923.3

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY APPROVING THE FY 2018/19 TO FY 2022/23 FIVE-YEAR PROGRAM OF PROJECTS TO BE FUNDED WITH MEASURE D REVENUES

WHEREAS, on November 8, 2016, the voters of Santa Cruz County adopted an ordinance approving the Santa Cruz County Transportation Improvement Plan Measure (“Measure D”), authorizing the Santa Cruz County Regional Transportation Commission (“RTC”) to administer the proceeds from a retail transaction and use tax of one-half of one percent (0.5%); and,

WHEREAS, sales tax proceeds from Measure D will be collected for 30 years beginning April 1, 2017, which are to be used to pay for the programs and projects outlined in the Measure D Expenditure Plan and Ordinance; and,

WHEREAS, the Master Funding Agreement between RTC and the City of Scotts Valley articulates the terms and conditions of RTC’s administration and direct allocation of proceeds to the City as authorized in the Measure D Expenditure Plan; and,

WHEREAS, the Master Funding Agreement requires that the City Council annual adopt an annual report that includes a five-year program of projects including information about each of the projects to be funded with Measure D revenues after holding a public hearing; and,

WHEREAS, the five-year program of projects is considered part of the City’s Five-Year Capital Improvement and Purchase Plan, which was published for public review on the City’s website on April 18, 2018 and reviewed during a public hearing of the proposed FY 2018/19 Annual Budget at the City Council’s regular meeting on May 16, 2018; and,

WHEREAS, the five-year program of projects, attached hereto and incorporated herein, lists the projects proposed by the City that are consistent with the Measure D Expenditure Plan.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the FY 2018/19 to FY 2022/23 Five-Year Program of Projects to be funded with Measure D revenues, attached hereto and incorporated herein, is approved.

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 20th day of June, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: _____
Jim Reed, Mayor

Attest: _____
Tracy A. Ferrara, City Clerk



Measure D

5 - Year Program of Projects

Fiscal Year 2018/2019



Prepared by:
City of Scotts Valley Public Works
701 Lundy Lane
Scotts Valley, CA 95066

Table of Contents

1	5-year Project List.....	3
2	Major Projects.....	4
2.1	Glenwood Drive	5
2.2	Bean Creek Road.....	6
3	Public Process	7
3.1	5- Year Plan.....	7
3.2	Project List.....	8
3.2.1	Glenwood Drive	8
3.2.2	Kings Village Road Sidewalk.....	8
3.2.3	Bean Creek Road	8
3.2.4	Glenwood Open Space Preserve East Trails.....	8
4	Maintenance of Effort.....	9
4.1	Baseline Maintenance of Effort.....	9
4.2	FY 2015/16 - 2018/19 Expenditures	10
	Attachments	10
	Complete Street Project Review Checklist for Major Projects	10

1 5-year Project List

Measure D: 5-Year Program of Projects (FY17/18-FY22/23)

Agency: City of Scotts Valley

Expenditure Plan Category: Neighborhood Projects

			Measure D Revenues									
			FY18/19	FY19/20	FY20/21	FY21/22	FY22/23					
Estimated Annual Measure D Allocations			\$245,351	\$270,174	\$274,011	\$277,898	\$281,836					
			Amount of Measure funds to be used									
Name/Road/ limits	Description, complete streets components	Total Measure D	FY18/19	FY19/20	FY20/21	FY21/22	FY22/23	Total cost estimate	Other Funds \$	Other fund sources	Est. Construction start date	Major project? * (yes/no)
Kings Village Road (Mt. Hermon Road to Bluebonnet Lane)	Improve sidewalks on both sides of the street on Kings Village Road from Mt. Hermon Road to Bluebonnet Lane.	\$ 35,000	\$ 35,000					\$ 306,000	\$ 271,000	RTC RTIP Grant	Summer 2018	No
Glenwood Drive (Casa Way and the City limit)	Widen Glenwood Drive to accommodate bike lanes between Casa Way and the City limits. Construction would include reworking the subgrade, asphalt overlaying, drainage improvements, and restriping to include bike lanes and/or sharrows.	\$ 470,000	\$ 100,000	\$ 370,000				\$ 1,445,000	\$ 975,000	CTC LPP Grant RTC RTIP Grant	Summer 2019	Yes
Bean Creek Road (Montevelle to the City limit)	Rework subgrade, asphalt overlaying, drainage improvements, and restriping	\$ 500,000			\$ 500,000			\$ 500,000	\$ -		Summer 2020	Yes
Glenwood Open Space Preserve East Trails	Construction of the east side trail system of the Glenwood Open Space Preserve inclusive of parking facilities and a fully accessible path of travel from the Siltanen Park parking lot to the main trailhead.	\$ 130,000	\$ 130,000					\$ 640,000	\$ -	CTC LPP Grant City CIP Funds Private donations	Fall 2018	No
Estimated Annual Measure D Expenditures			\$ 265,000	\$ 370,000	\$ 500,000	\$ -	\$ -	Note 1				
Carry over to next fiscal year			(\$19,649)	(\$119,475)	(\$345,513)	(\$67,914)	\$213,058					
Annual Interest Earnings on Measure D Revenues				(\$49)	(\$299)	(\$864)	(\$170)					

*For Major Projects (e.g. require CEQA, over \$1M, and/or lots of public interest), provide separate one-page summary with longer description, describe consistency with the Complete Streets Act; Cost/Funding/schedule by phase)

Footnotes

Note 1 - The City of Scotts Valley will provide temporary cash flow as necessary to ensure the projects are completed on a timely basis and in anticipation of annual Measure D revenues to be remitted to the City

2 Major Projects

2.1 Glenwood Drive

2.2 Bean Creek Road

2.1 Glenwood Drive

MEASURE D: MAJOR PROJECT INVESTMENTS **Category: Neighborhood Projects**

Rehabilitation on Glenwood Drive

Implementing Agency: City of Scotts Valley

Description/Scope:

This project would widen Glenwood Drive to accommodate bike lanes between Casa Way and the City limits. Construction would include reworking the subgrade, asphalt overlaying, drainage improvements, and restriping to include bike lanes and/or sharrows.

Project Location/Limits:

Glenwood Drive is a local/rural from Scotts Valley Drive extending from Scotts Valley Drive to the City/County boundary and continuing to the intersection of Highway 17 in the County of Santa Cruz.

Glenwood Drive from Casa Lane to the City/County becomes rural serving several low density residential parcels to the City limit. Beyond the City limit the roadway continues rural in nature serving low density Santa Cruz County residential parcels.

Project Purpose/Need/Benefits:

The portion of Glenwood Drive from Scotts Valley Drive to Casa Way is fronted by Scotts Valley High School and medium density residential. This portion was widened to add bicycle lanes and sidewalk in 1999 and 2003.

Past this High School the roadway is deteriorating and lacks any bicycle facilities.

Complete Streets consistency:

Will be completed prior to preliminary design.

Cost/Funding/Schedule Information:

Total funding for this project is \$1,445,000. Primary source of funding would be Measure D Sales Tax revenues, grant from the Regional Transportation Commission – Regional Transportation Improvement Program (RTC-RTIP), and a grant from the California Transportation Commission 2018 Local Partnership Program.

Estimated project schedule:

Preliminary Design	Spring 2018
Final Design	Summer 2018
Develop Bid Specs	Winter 2018/2019
Issue Bids for Construction	Spring 2019
Construction	Summer/Fall 2019

Public Outreach

The following stakeholder groups will be asked to provide input in future on project scope and design: Scotts Valley School District, Santa Cruz Metro, County of Santa Cruz, RTC Bicycle and Elderly and Disabled Committees.

Project Contact:

Jessica Kahn, Civil Engineer
(831) 438-5854
jkahn@scottsvally.org

2.2 Bean Creek Road

MEASURE D: MAJOR PROJECT INVESTMENTS

Category: Neighborhood Projects

Bean Creek Road Rehabilitation

Implementing Agency: City of Scotts Valley

Description/Scope:

This project would improve Bean Creek Road, between Monteville to the City limits, by reworking the subgrade, asphalt overlaying, drainage improvements, and restriping.

Project Location/Limits:

Bean Creek Road is a local/rural from Scotts Valley Drive extending from Scotts Valley Drive to the City/County boundary and continuing to the intersection of Glenwood Drive in the County of Santa Cruz.

Bean Creek Road from Bluebonnet Lane to the City/County limit is .6 miles of 22', 2 lane road fronting medium high density residential and the Monteville Senior Mobile Home Park. The roadway becomes rural serving several low density residential parcels to the City limit. Beyond the City limit the roadway continues rural in nature serving low density Santa Cruz County residential parcels.

Project Purpose/Need/Benefits:

The portion of Bean Creek Road from Scotts Valley Drive to Bluebonnet Lane is fronted by Scotts Valley Middle School and medium high density residential. This portion was widened to add bicycle lanes and sidewalk, and overlaid using various grant funds in 2009.

Bean Creek Road is heavily used by recreational cyclists as well as a more limited number of pedestrians again as recreation because of its rural, forested nature. Recent complaints by both communities about the poor condition of the roadway surface (poor drainage, potholes, and uneven pavement surfaces) have raised the priority by the City for rehabilitation. City Council directed staff to proceed to seek funds for rehabilitation of the roadway.

Complete Streets consistency:

See attached Complete Street Project Review Checklist.

Cost/Funding/Schedule Information:

Total funding for this project is \$500,000. Primary source of funding would be Measure D Sales Tax revenues. Alternative funding sources could include grant funding from federal and/or state resources and Gas Tax revenues.

Estimated project schedule:

Develop Bid Specs	Spring 2020
Issue Bids for Construction	Summer 2020
Construction	Summer/Fall 2020

Public Outreach

Recent complaints by cyclist and pedestrian communities about the poor condition of the roadway surface have raised the priority by the City for rehabilitation. City Council discussed the concerns at the City Council Meeting on October 16, 2013.

The following stakeholder groups will be asked to provide input in future on project scope and design: Neighborhood Group, County of Santa Cruz, RTC Bicycle and Elderly and Disabled Committees.

Project Contact:

Jessica Kahn, Civil Engineer
(831) 438-5854
jkahn@scottsvally.org

3 Public Process

3.1 5- Year Plan

Throughout the fiscal year, City staff members continually monitor the functional status and performance of all of the City's physical plant. Maintenance activities supporting City infrastructure are documented and analyzed to determine if rehabilitation or replacement is necessary. In addition, throughout the year, policy direction from the City Council may be received to construct, enhance or rehabilitate City facilities. Staff makes note of these projects and begins to define the scope, nature and extent of projects as may be required.

Each project is assigned a priority category based on staff's professional judgment using the factors and priority levels identified below:

- **Priority A** – project is *essential/critical* to health and safety or legal/regulatory requirements
- **Priority B** – project is *important* to maintaining health and safety or maintaining quality of life, *but not critical*.
- **Priority C** – project is *deferrable* and would only be implemented to the extent that higher priority projects are first funded.

The Measure D 5-Year plan is completed concurrently with the City's Capital Improvements Program (CIP). Prior to or concurrent with the completion of the draft CIP plan, staff will meet with representatives from various city commissions as appropriate to gain input from those bodies relative to CIP projects for which they may have input. Two commissions in particular that have discussions on the City's CIP plans are the ADA Accessibility Committee and the Parks & Recreation Commission.

Starting in FY 2017/18, once the draft plan is created, it is presented to the City Council in a Study Session held in late March or early April. Council then provides direction on each of the projects within the plan and any changes are incorporated into a revised Five Year CIP Plan. Any updates requiring further discussion are provided once again to the City Council at its May Budget Study Session. The CIP Plan is also provided to the Planning Commission in May for their review and concurrence that the proposed five-year plan is consistent with the City's General Plan.

The Council then holds a Public Hearing on the budget, which includes the Five Year CIP Plan, normally the first Wednesday in June. Subject to any public testimony and final Council direction, the final Five Year CIP Plan is prepared, and the project costs associated with any projects which are funded in the next fiscal year are appropriated by the City Council as part of the adoption of the Annual Budget. Project costs are adjusted annually based on updated project schedule and cost information, as well as information on any grants and other funds the City may secure for projects.

Additional public participation has been or will be solicited for the current 5-year program of projects as described below.

3.2 Project List

3.2.1 Glenwood Drive

The following stakeholder groups will be asked to provide input in future on project scope and design: Scotts Valley School District, Santa Cruz Metro, County of Santa Cruz, RTC Bicycle and Elderly and Disabled Committees.

3.2.2 Kings Village Road Sidewalk

The Sidewalk Master Plan prepared in 1996 has been used as the basis for implementation of various sidewalk improvements. Discussion about this length of sidewalk has been brought up repeatedly by the City's ADA committee and has been included for funding in several un-awarded grant applications. There is currently no direct assessable path from Mount Hermon Road to the US Post Office via Kings Village Road.

The following stakeholder groups will be asked to provide input in future on project scope and design: Santa Cruz Metro and Elderly and Disabled Committees.

3.2.3 Bean Creek Road

Complaints by cyclist and pedestrian communities about the poor condition of the roadway surface have raised the priority by the City for rehabilitation. City Council discussed the concerns at the City Council Meeting on October 16, 2013.

The following stakeholder groups will be asked to provide input in future on project scope and design: Neighborhood Groups, County of Santa Cruz, RTC Bicycle and Elderly and Disabled Committees.

3.2.4 Glenwood Open Space Preserve East Trails

In 2003, the City Council approved the development of the 170 acre Glenwood Open Space area and an accompanying Open Space Management Plan. The Plan has recently been completed and embodies a collaborative effort between the City of Scott Valley and the Land Trust of Santa Cruz County to steward the Glenwood Open Space Preserve with concurrence from the US Fish and Wildlife Service. The City held two public meetings in addition to the regularly scheduled Council and Parks and Recreation Commission meetings to develop a Final Trail Access Plan. A variety of other methods have also been used to ensure the public has had an opportunity to submit comments on this project. In addition to the local paper, social media tools were used to engage residents and interested stakeholders. These efforts include the City's website and Facebook, Instagram, and Nextdoor accounts, private social media sites (e.g. My Scotts Valley), and other interested groups such as Scotts Valley School District and Scotts Valley High School Cross Country team

The following stakeholder groups have provided input on project scope and design: Neighborhood Groups, Scotts Valley School District, Scotts Valley Fire Protection District, Land Trust of Santa Cruz County.

4 Maintenance of Effort

The maintenance of effort calculation includes the following:

Revenues: local discretionary revenues, formula funds received for transportation purposes (e.g. gas tax, state transit assistance, FTA5311, etc.). Revenues from special, non-formula, competitive grants, and/or past revenues carried over for special projects and/or emergencies are not part of maintenance of effort calculation but are identified below.

Expenditures: breakdown by transportation purpose, such as ongoing operations, maintenance, transit service type, major projects, street sweeping, pavement, bicycle projects, walkways, as well as outside transportation programs the City has contributed funds to, and agency staffing, overhead and indirect costs.

4.1 Baseline Maintenance of Effort

The baseline “maintenance of effort” was calculated based on the average of revenues and expenditures for transportation purposes in the five fiscal years prior to the start of Measure D allocations.

		MOE Baseline
		FY12/13-16/17
REVENUES:		
Gas Tax		310,166
Traffic Mitigation Impact Fees		79,909
Drainage Construction Impact Fees		17,605
Investment Income		5,308
TOTAL REVENUES		412,988
EXPENDITURES:		
On-going Operations: Admin & Engineering		(275,150)
Street Maintenance		(353,427)
Street Repairs		(74,372)
Equipment Purchase		(5,000)
Street Signs & Lighting		(50,732)
Major Projects		(100,703)
TOTAL EXPENDITURES		(812,134)

4.2 FY 2015/16 - 2018/19 Expenditures

The table below summarizes revenues and expenditures for transportation purposes in past 3 years and budgeted in current/upcoming fiscal year (FY15/16, FY16/17, FY17/18, FY18/19).

	Budgeted FY 2018/19	Projected FY 2017/18	FY 2016/17	FY 2015/16
REVENUES:				
Gas Tax	300,000	281,700	237,289	261,455
Gas Tax - RMRA Act 2017	215,000	43,000	-	-
Traffic Mitigation Impact Fees	600,000	47,000	95,003	81,216
Drainage Construction Impact Fees	11,500	12,000	9,825	4,730
RSTPX Exchange Funds	100,000	462,300	-	-
Investment Income	7,300	6,500	7,319	6,351
TOTAL REVENUES	1,233,800	852,500	349,436	353,752
EXPENDITURES:				
On-going Operations: Admin & Engineering	(346,000)	(327,500)	(301,337)	(307,668)
Street Maintenance	(450,000)	(500,000)	(396,283)	(364,570)
Street Repairs	(235,000)	(475,000)	(88,510)	(78,194)
Equipment Purchase-Backhoe				(25,000)
Street Signs & Lighting	(30,000)	(35,000)	(32,845)	(87,318)
Drainage Master Plan		(75,000)		
Major Projects:				
Mt. Hermon Rd/Scotts Valley Dr Intersection	(300,000)	(650,000)	(130,165)	(58,429)
Granite Creek Overpass			(206,224)	
Mt. Hermon Road Slurry Seal			(286,032)	
Green Hills Stabilization		(40,000)	(44,151)	
Sunset Terrace Storm Drain		(55,000)		
ADA Street Improvements	(24,000)	(25,000)		
Glenwood Open Space	(190,000)	(650,000)	(130,165)	(58,429)
TOTAL EXPENDITURES	(1,361,000)	(2,062,500)	(1,485,547)	(921,179)

Attachments

Complete Street Project Review Checklist for Major Projects

City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: June 20, 2018

TO: Honorable Mayor and City Council

FROM: Brenda Stevens, Assistant Planner

APPROVED: Jenny D. Haruyama, City Manager

SUBJECT: **A PUBLIC HEARING TO CONSIDER THE PLANNING COMMISSION'S RECOMMENDATION OF APPROVAL FOR THE SUBDIVISION OF TWO EXISTING LOTS TOTALING 30,536 SQUARE FEET INTO THREE PARCELS IN THE R-M-6 ZONING DISTRICT**

SUMMARY OF ISSUE

The project site consists of two parcels totaling 30,536 square feet located southwest of Nashua Drive and Grace Way (Attachment 1 - Location Map). The applicant is proposing to subdivide the existing two parcels into three lots as follows:

Lot 1	13,533 sf
Lot 2	9,180 sf
Lot 3	7,821sf

Each of the proposed lots meets the minimum required lot size (6,000 sf) for the R-M-6 zoning district (Attachment 2 - Tentative Map). No development is proposed at this time. The project is exempt from the requirements of the California Environmental Quality Act.

FISCAL IMPACT

There is no fiscal impact associated with the recommended action.

PLANNING COMMISSION REVIEW

On May 10, 2018, the Planning Commission reviewed the proposed project plans and recommended approval of the project to the City Council. A discussion of the project is attached in the Planning Commission meeting minutes, resolution and staff report (Attachments 3, 4 & 5 - Planning Commission Minutes, Resolution, and Staff Report).

PUBLIC NOTICE & COMMENT

The project site was posted; Public Hearing Notices were posted at City Hall, the Scotts Valley Branch Public Library and the Scotts Valley Senior Center and were mailed to surrounding property owners located within 300 feet of the subject property, pursuant to the city's Municipal Code and State law. To date, no comments have been received.

STAFF RECOMMENDATION

It is recommended that the City Council adopt Resolution No. 1950, approving Minor Land Division No. MLD17-001 to create three parcels from two existing parcels totaling 30,536 square feet into three parcels located southwest of Nashua Drive and Grace Way in the R-M-6 Zoning District, APN's 023-171-05 and 023-171-06.

TABLE OF CONTENTS

PAGE

Resolution No. 1950 Approving Minor Land Division No. MLD17-001.....	3-9
Location Map.....	10
Planning Commission Minutes (5/10/18).....	11
Planning Commission Staff Report (5/10/18).....	15

RESOLUTION NO. 1950

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SCOTTS VALLEY APPROVING A MINOR LAND DIVISION
NO. MLD17-001 TO CREATE THREE PARCELS FROM TWO
EXISTING PARCELS TOTALING 30,536 SQUARE FEET INTO
THREE PARCELS LOCATED SOUTHWEST OF NASHUA DRIVE
AND GRACE WAY IN THE R-M-6 ZONING DISTRICT
(APN 023-171-05 and 06)**

WHEREAS, the Planning Department of the City of Scotts Valley has received the application filed by David Dauphin, for a Minor Land Division MLD17-001 to create three parcels from two existing parcels totaling 30,536 square feet located southwest of Nashua Drive and Grace Way in the R-M-6 zoning district (APN 023-171-05,06); and,

WHEREAS, the application was reviewed for completeness and is determined to be a “project” as defined by the California Environmental Quality Act (CEQA); and,

WHEREAS, the project is determined to have a Class 15 exemption (Minor Land Division) pursuant to Section 15315 of CEQA; and,

WHEREAS, the Planning Commission held a public hearing on May 10, 2018 to consider the application and after consideration of public testimony, the staff report, and evidence submitted to support the application, the Planning Commission recommended approval of the application to the City Council; and

WHEREAS, a public hearing on the proposed project was held by the City Council on June 20, 2018, and such hearing was noticed pursuant to the requirements of the Scotts Valley Municipal Code and State Law.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Scotts Valley as follows:

SECTION 1: The City Council of the City of Scotts Valley does hereby make the following findings, as further clarified in the staff report dated June 20, 2018:

1. *The Minor Land Division will meet the design standards for the City of Scotts Valley, because the design was developed considering the City’s General Plan and related zoning ordinances.* The land division will create three parcels, each conforming to the General Plan designation of Medium High Density, and the development standards of the R-M-6 zoning district.
2. *The Minor Land Division will be carried out in a manner which is not detrimental to the surrounding uses and will be consistent with the overall planning goals of the City.* The new parcels will be similar in size and use of the surrounding parcels. The density of development will remain consistent with the General Plan.

AGENDA ITEM 1
DATE: 6-20-2018

3. *The design of the subdivision will not cause substantial environmental damage or substantially and unavoidably injure fish or wildlife or their habitat.* The project site is not within any known critical fish or wildlife habitat. The surrounding parcels have been developed; therefore, the project site is not expanding the boundaries of urban development.
4. *The design of the subdivision will not cause serious public health problems.* The use proposed for the new parcel is single family residential, which would not have adverse health effects on the surrounding single family residential uses.
5. *The design of the subdivision will not conflict with easements, acquired by the public at large, for access through or use of property within the subdivision.* All necessary easements shall be obtained prior to issuance of a Final Map.
6. *The proposed road is adequate for the use of the subdivision.* The proposed road will be in compliance with the City's regulations; the road will be adequate to serve the existing homes in the area.

NOW THEREFORE, BE IT FURTHER RESOLVED that, after careful consideration of the application and related materials, plans, maps, facts, exhibits, staff report, testimony and other evidence submitted in this matter, and incorporated herein by this reference, the City Council approves Minor Land Division No. MLD17-001 to create three parcels from two existing parcels totaling 30,536 square feet located southwest of Nashua Drive and Grace Way in the R-M-6 zoning district (APN 023-171-05, 06) pursuant to the conditions set forth in the attached Exhibit A, which are incorporated herein by this reference.

MINOR LAND DIVISION MLD18-002 shall lapse and shall become void two (2) years after the date of this resolution unless prior to the expiration date, the Final Map is recorded.

THE ABOVE AND FOREGOING RESOLUTION was duly and regularly passed by the City Council of the City of Scotts Valley at a meeting held on the 20th day of June, 2018, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Approved: _____
Jim Reed, Mayor

Attest: _____
Tracy A. Ferrara, City Clerk

EXHIBIT A

CONDITIONS OF APPROVAL (Nos. 1-37)

STANDARD

1. Developer has agreed to and shall defend, indemnify and hold harmless the City of Scotts Valley, its officers, agents and employees from any claim, action or proceeding against the City or its officers, agents or employees to attach, set aside, void or annul any action of the City in connection with approvals under the California Environmental Quality Act or with respect to approval of the project, which action is brought within the time period(s) prescribed by law. The City shall promptly notify the developer of any such claim, action or proceeding and shall fully cooperate in defense.
2. After City Council approval, the property owner shall sign the Conditions of Approval (Exhibit A) agreeing to the Conditions of Approval prior to the issuance of any building permits, transfer of title, or within 30 days of approval of this application, whichever occurs first.
3. After City Council approval, the property owner shall have a signed and notarized copy of the Notice of Conditions of Approval recognizing this application (provided by the City) recorded at the County Recorder's Office prior to issuance of any building permits or operation of the use.
4. All required building permits shall be obtained and the applicant shall pay all appropriate fees prior to commencement of any construction on the property.

PLANNING DEPARTMENT

5. The design of the improvements shall match the approved plans. Modifications to the approved project may require approval by the Planning Commission or City Council at the discretion of the Community Development Director.
6. The newly created lots shall have a maintenance agreement for all property owners who will have legal access to the roadway prior to Final Map approval. Such agreement shall be reviewed and approved by the City Attorney, time to be paid by the applicant.
7. Driveways shall be an all-weather surface (i.e. concrete or asphalt).

AGENDA ITEM 1

DATE: 6-20-2018

MLD17-001

Nashua Drive / Grace Way
Bergman

8. An additional foot of width shall be added to the road for a total of 30 feet as 24 feet is a standard road width and a 30 foot width will allow for parking on one side of the roadway.
9. A maintenance agreement for all property owners who have legal access to the roadway shall be established prior to Final.

Archaeology

10. The project is located in an area of moderate sensitivity for archaeological resources and monitoring by a qualified archaeologist shall be conducted during all grading activities of four cubic yards or more.

Trees

11. All required permits shall be obtained prior to the removal of any protected trees.
12. The existing Eucalyptus tree (#5) shall be removed prior to completion of the proposed Nashua Road improvements.

BUILDING DEPARTMENT

13. A soils/civil engineer shall approve site grading, drainage, erosion control and foundation plans.

WASTEWATER DEPARTMENT

14. Each parcel shall have its own separate sanitary sewer lateral.

DEPARTMENT OF PUBLIC WORKS

Site Specific

15. The applicant shall work with Public Works Department staff to ensure the correct language is on the title pages so that the City can accept dedication of the road as a public street at a later time if needed.
16. Existing and new driveways shall be to City of Scotts Valley Standards and Specifications.
17. Driveway approach shall be per City of Scotts Valley Standards and Specifications.

18. Encroachment permits will be required prior to construction.
19. Storm water technical guide requirements must be met.

Standard

20. A final subdivision or parcel map in conformance with the California Government Code, Section 66410 *et seq*, and with the City Subdivision Ordinance, and including the conditions of the tentative subdivision map, shall be filed to the satisfaction of the Public Works Director/City Engineer.
21. All required documents, final or parcel map sheets, covenants, developer and city improvement agreements and bonds, shall be provided to the satisfaction of the Public Works Director/City Engineer prior to the recordation of any final map or application for any building permit. (Applicant should be advised that officials of Santa Cruz County, such as the Auditor-Controller, Recorder and Clerk of the Board have requirements, such as payment of taxes and present title guarantee, which precede recordation of the map.)
22. Engineered Improvement Plans shall be submitted for all on site and off site work and will be approved by the Public Works Director/City Engineer. On-site and off-site (encroachment) civil engineering permits must be issued by the City prior to commencing any work. Improvement Plans shall include any necessary grading, drainage, masonry retaining walls, driveway, utilities, utility pole relocation, frontage improvement and/or repair of sidewalk, curb and gutter or similar facilities required satisfying tentative map conditions to the satisfaction of the Public Works Director/City Engineer. All improvements shall conform to the design standards contained in text and illustration in the "City of Scotts Valley Standard Details", latest revision adopted by the City Council.
23. Pursuant to City Council action on March 3, 2010, the Applicant shall modify the Traffic Impact Study to address the Mount Hermon Road/Scotts Valley Drive and Mount Hermon Road /La Madrona Drive intersections to determine the additional peak hour trips through the intersections. Specifically AM and PM peak hour trips for Mount Hermon Road /Scotts Valley Drive and PM only peak hour trips for Mount Hermon Road /La Madrona Drive. The study will also determine if the additional trips will degrade the Level of Service (LOS) of the intersections. The findings of the study will determine the amount owed for the Mount Hermon Road traffic mitigations fair share contribution. The Applicant shall conclude this study and pay any associated fees at the time of tentative map submittal.

24. Applicant shall construct street improvements for the full parcel frontage in accordance with the City of Scotts Valley Standard Details, latest revision, adopted by the City Council.
25. Engineered improvement plans for all work, signed and prepared under the direction of a registered civil engineer, shall be approved by the Public Works Director/City Engineer prior to commencing work.
26. All work in the public right-of-way will require an encroachment permit application made to the satisfaction of the Public Works Director/City Engineer. The civil on-site work, as plan reviewed by the Public Works Department, will require an on-site civil engineering permit and inspection.
27. All public improvements shall be guaranteed by written Agreement with the city, Faithful Performance Bond, and Labor and Material men's Bond, to the satisfaction of the Public Works Director/City Engineer.
28. All signing and striping shall be approved and completed as required by the Public Works Department, and shall be in conformance with current editions of Transportation and Traffic Engineering Handbook, by the Institute of Transportation Engineers, and the State Department of Transportation "Standard Specifications".
29. The project shall connect to the sanitary sewer system and existing septic systems, if any, shall be properly abandoned.
30. Applicant shall construct storm drain facilities in conformance with data and analysis in the adopted City of Scotts Valley Storm Drain Master Plan, December 1989 and in accordance with the city's SWMP Ordinance No. 184.1.
31. Applicant shall pay the cost to accomplish the utility design and construction to underground the telephone, electric power, and television cables in each project contained easement, private or public road frontage. This under grounding of utilities to remove utility poles comes in addition to the state required under grounding of transmission for the project and any new service connections.
32. The final map shall be submitted to the City's Public Works Department on an AutoCAD drawing up to version 2004 electronic version prior to recording.
33. Applicant shall submit a completed "segregation of assessment" form for each assessment district in which the subdivision participates.

34. Prior to the filing of the final/parcel map, applicant shall contact the Santa Cruz County Assessor's Office or the Local Agency Formation Commission (LAFCO) to ensure that the subdivided property is within a single tax code.
35. The applicant shall repair any damage caused to the City streets [or the private roadway] by applicant or its contractors, consultants, and/or employees prior to issuance of a certificate of occupancy. A videotape log, DVD format, clearly showing the existing condition of [the applicable street] to the project site shall be presented to the Department of Public Works prior to the start of construction. Applicant is advised that, absent clear video evidence to the contrary, road damage must be repaired to the satisfaction of the City prior to issuance of a certificate of occupancy. Damage assessment will be at the sole discretion of the City.

FIRE DISTRICT

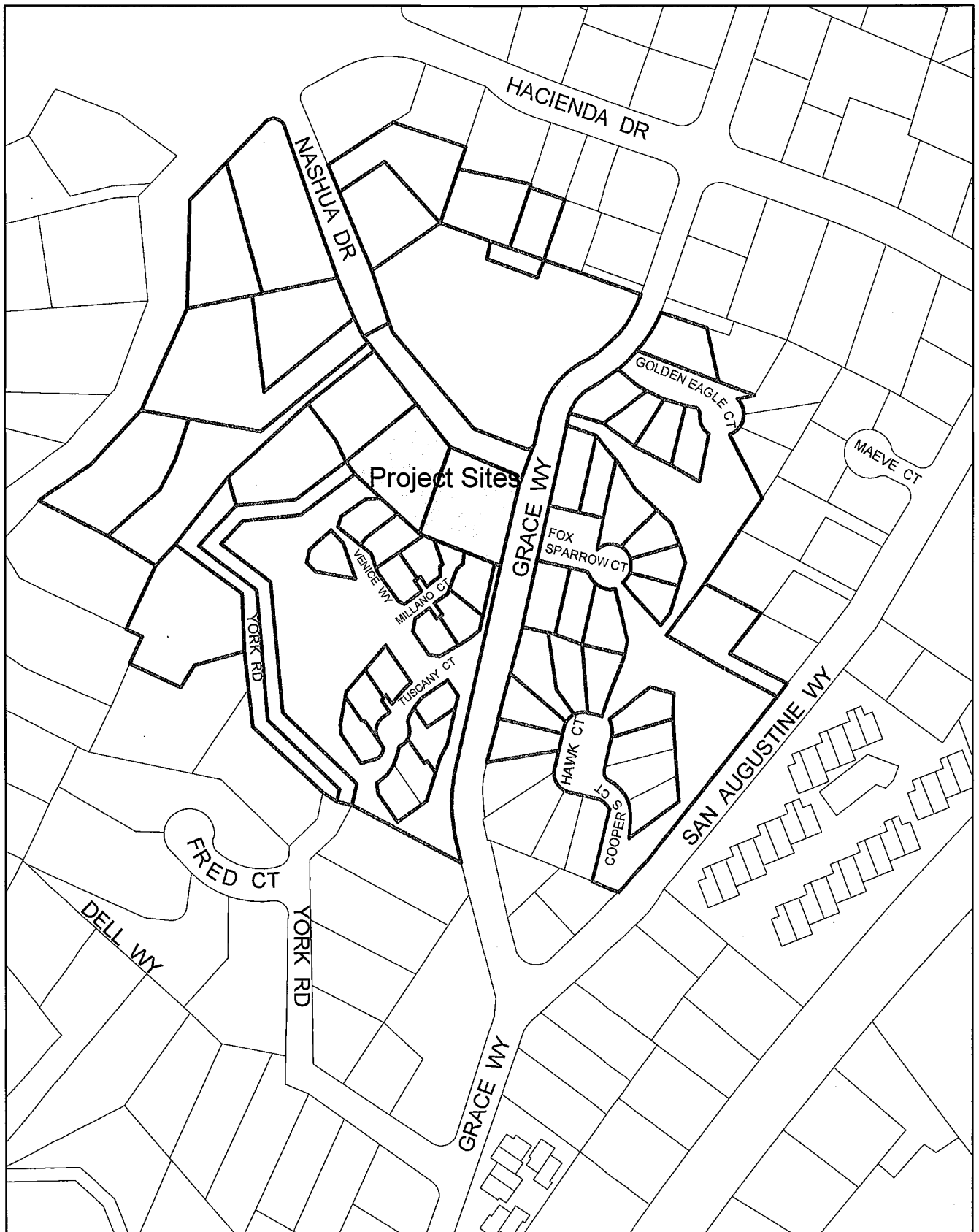
36. Project shall comply with all SVFPD code requirements.
37. The roadway shall connect with the existing improved section of Nashua in a manner that allows emergency vehicle traffic thru access from Grace Way to Hacienda Drive without obstructions.

Property Owner Signature

Date

Property Owner Name Printed

300-foot public hearing notification map



Nashua Drive (2 vacant parcels) for MLD
PCPH May 10, 2018



Minutes

Meeting of the
Scotts Valley Planning Commission

Date: May 10, 2018
Time: 6:00 PM

CITY OF SCOTTS VALLEY 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5630	MEETING LOCATION City Council Chambers 1 Civic Center Drive Scotts Valley, CA 95066	POSTING: The agenda was posted at City Hall, SV Senior Center, SV Library and on the Internet at www.scottsvally.org .
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Appointed Officials	City Staff Members
Derek Timm, Chair Carlos Arcangeli, Vice Chair Robin Donovan, Commissioner Rosanna Herrera, Commissioner Deborah Muth, Commissioner	Taylor Bateman, Community Development Dir. Michelle Edwards, Senior Planner Brenda Stevens, Assistant Planner

CALL TO ORDER: Meeting called to order at 6:05 p.m.

PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE: The Planning Commission Chair led the pledge of allegiance.

ROLL CALL: Present: Arcangeli, Donovan, Herrera, Muth, and Timm.

PUBLIC COMMENT: None.

ALTERATIONS TO CONSENT AGENDA: None.

CONSENT AGENDA: The Commission approved the minutes.

A. Action Meeting Minutes from the April 12, 2018 meeting.

M/S: Muth/Herrera

To approve the Consent Agenda.

Carried: 5/0/0 (AYES: Arcangeli, Donovan, Herrera, Muth, and Timm **NOES: None;**
ABSENT: None

ALTERATIONS TO REGULAR AGENDA: The Commission decided to rearrange the order of the items being heard to the following order: Item #6, Item #1, Item #2, Item #3, Item #5 and Item #4.

REGULAR AGENDA:

6. **Address/APN:** 2980 El Rancho Drive
Applicant /Property Owner: Jeff Bettencourt / Michael Coulson
Planning Permit Application Nos: DR18-004, EA-18-004
Project Description: Consideration of a Design Review application to allow one new monument sign for a commercial business known as Sutter health Palo Alto Medical Foundation.
Staff: Brenda Stevens, Assistant Planner, bstevens@scottsvalley.org, 440-5635

Commissioner Arcangeli recused himself due to a possible conflict of interest.

M/S: Muth/Donovan

To approve Resolution No.1729 to allow for one new monument sign.

Carried: 4/0/1 AYES: Donovan, Herrera, Muth, and Timm; **NOES:** None;

ABSENT: Arcangeli (recused)

PUBLIC HEARING:

1. **Project Name:** "Four Points by Sheraton - Restaurant and Bar"
Address: 5030 Scotts Valley Drive / APN 022-091-61
Applicant: Katki Patel, Lotus Management Inc.
Property Owner: Scotts Valley Hotel LP, Atascadero Hotel LP, Judy Jacobson
Planning Permit Application No.: U18-001
Project Description: Consideration of a Use Permit to allow a restaurant and bar in the Four Points (hotel) by Sheraton (formerly Lexington Hotel), which are a required guest amenity of the hotel brand. Restaurant hours will be 6:00-10:00AM and 4:00-10:00PM daily, while the bar will be open 4:00-10:00PM daily. The proposed restaurant kitchen (480 sq. ft.), lobby eating area (1,830 sq. ft.), and bar (237 sq. ft.) will be primarily intended for hotel guests, but open to the public.
Staff: Michelle Edwards, Sr. Planner, medwards@scottsvalley.org, 440-5632
- M/S: Arcangeli/Herrera**
To approve Resolution No.1730 to allow a restaurant and bar in the Four Points hotel, subject to conditions of approval.
Carried: 5/0/0 (AYES: Arcangeli, Donovan, Herrera, Muth, and Timm **NOES:** None; **ABSENT:** None

2. **Project Name:** “Chapman Annexation”
Addresses: 54 Cumbre Lane / APN 023-161-04 (City of Scotts Valley), and 374 Hacienda Drive / APN 070-331-09 (County of Santa Cruz)
Applicant: Ken Hart, Swift Consulting
Property Owners: Chapman Family Trust (City of Scotts Valley) and Boetzer Family Trust (County of Santa Cruz)
Planning Permit Application Nos: GPA17-002, PRE-ZC17-002, A17-001
Project Description: Consideration of a Planning Commission recommendation of approval to the City Council of a General Plan Amendment, Pre-zoning, and Annexation of vacant land (1.52 acres) from a developed County residential parcel (20 acres) into an adjacent developed City residential parcel (0.849 acre).
Staff: Michelle Edwards, Sr. Planner, medwards@scottsvalley.org, 440-5632

M/S: Donovan/Muth

To approve Resolution No. 1731 to recommend approval to the City Council for a General Plan Amendment, Pre-zoning and annexation of vacant land, subject to conditions of approval and amended Condition #5.

Carried: 5/0/0 (AYES: Arcangeli, Donovan, Herrera, Muth, and Timm **NOES:** None; **ABSENT:** None

3. **Address/APN:** Nashua Drive and Grace Way
Applicant /Property Owner: David Dauphin (C2G Consultants)/David Bergman
Planning Permit Application Nos: MLD17-001, EA-17-009
Project Description: Consideration of a Minor Land Division requesting to subdivide two existing lots in the R-M-6 zoning district into three lots.
Staff: Brenda Stevens, Assistant Planner, bstevens@scottsvalley.org, 440-5635

M/S: Herrera/Arcangeli

To approve Resolution No. 1732 for recommendation to the City Council to approve a request to subdivide two existing lots in the R-M-6 zoning district into three lots.

Carried: 5/0/0 (AYES: Arcangeli, Donovan, Herrera, Muth, and Timm **NOES:** None; **ABSENT:** None

REGULAR AGENDA:

5. **Title:** Capital Improvement Program for 2018 - 2022 Consistency Report with the City's General Plan
Address: City-wide
Applicant: City of Scotts Valley
Property Owner: City of Scotts Valley
Project Description: State law requires cities to adopt a Capital Improvement Program (CIP) to implement the City's General Plan. The CIP is a list of the proposed public works projects. The City's Public Works Department develops the CIP as a 5-year program and updates the program each year. By law, the Planning Commission must review the CIP for consistency with the General Plan.

Staff Contact: Steve Hammack, Interim Public Works Director,
shammack@scottsvally.org, 438-5854

M/S: Muth/Donovan

The Commission reviewed the CIP and determined it was consist with the City's General Plan.

Carried: 5/0/0 AYES: Arcangeli, Donovan, Herrera, Muth, and Timm; **NOES:** None; **ABSENT:** None

PUBLIC HEARING:

4. **Address/APN:** Scotts Valley Drive / 022-082-34, 35
Applicant /Property Owner: Larry Abitbol
Planning Permit Application Nos: GPA17-001, ZC17-001, PD17-001, DR16-006, and EA17-002
Project Description: Consideration of a General Plan Amendment, Zone Change, Planned Development Zoning and Permit, and Design Review application proposing the construction of 19 new residential apartment units in two buildings on a 0.93-acre site in the C-S, Service Commercial General Plan and Zoning District. The project proposes four units in a two-story building facing Scotts Valley Drive and 15 units in a three-story building centrally located on site.
Consulting Planner: Scott Harriman, sharriman@rqs.ca.gov 650-587-7300x66

Action: The item was continued to the next regularly scheduled Planning Commission meeting for further discussion and action.

DISCUSSION ITEMS AND FUTURE AGENDA ITEMS: None.

WRITTEN COMMUNICATIONS – FOR INFORMATION ONLY: None.

DIRECTOR UPDATES: None.

ADJOURNMENT: 9:30 p.m.

STAFF REPORT

Applicant: David Dauphin / C2G Civil Consultants Group, Inc.

Owner: David Bergman

Application: Minor Land Division No. MLD17-001

Location: Nashua Drive / Grace Way // APN 023-171-05,06

General Plan/Zoning: Medium Density (R-1-10)

Environmental Status: Categorically Exempt from CEQA (15315)

Request: Consideration for recommendation to the Scotts Valley City Council the subdivision of two existing lots totaling 30,536 square foot into three parcels in the R-M-6 zoning district.

Staff Planner: Brenda Stevens, Assistant Planner

RECOMMENDATION

It is recommended that the Planning Commission recommend approval of the Minor Land Division Application MLD17-001 to the City Council by adoption of the attached resolution, subject to the Conditions of Approval in Exhibit A.

PROJECT DESCRIPTION

The project site consists of two parcels totaling 30,536 square feet located southwest of Nashua Drive and Grace Way (Attachment 1 - Location Map). The applicant is proposing to subdivide the existing two parcels into three lots as follows:

Lot 1	13,533 sf
Lot 2	9,180 sf
Lot 3	7,821sf

Each of the proposed lots meets the minimum required lot size (6,000 sf) for the R-M-6 zoning district (Attachment 2 - Tentative Map).

PROJECT DISCUSSION

Below is a discussion of the project's compliance with the City's General Plan and Zoning Regulations.

Site Access

The site is located on Nashua Drive between and connecting to both Grace Way to the east and Hacienda Drive to the west. York Road abuts the proposed Lot 3.

Nashua Drive is a private street approximately 757 feet in length. The upper or west end of the road is paved, the lower portion or the east end is comprised of a dilapidated road surface in need of reconstruction. The project plans call for reconstruction of the damaged lower portion of the road so that it blends with the existing road on the upper portion of Nashua Drive. The end result would allow for a drivable surface the entire 757 foot length of Nashua Drive.

In addition to the improvements made to the road surface, the applicant has proposed a 24 foot wide road with a five foot wide gravel shoulder. Staff has conditioned the project to add an additional foot of width for a total of 30 feet (Conditional No. 8), the reason being that 24 feet is a standard road width and a 30 foot width allows for parking on one side of the roadway. All proposed driveway aprons are shown within 200 feet of each of the three parcel boundaries. An additional driveway apron is shown for York Road for a future possible road extension.

A Road Maintenance Agreement will be shared between four lots that will ultimately benefit from the extension of Nashua Drive. Three of the lots are the proposed lots of this application, the fourth lot is adjacent to Lot 3, across from York Road (Attachment 2 Sheet C0.1).

While Nashua Road is private now and most likely will continue to be, the project is conditioned so that the Public Works Department will work with the applicant to ensure the correct language is on the title pages so that the City can accept dedication of the road as a public street at a later time if necessary (Condition No. 15).

Trees

The site contains vegetation consisting of a dense coverage of tall weeds, scattered shrubs and trees. No trees are proposed for removal at this time. However, one 15 inch Eucalyptus tree, is being conditioned to be removed due to the nuisance issues it will pose for roadway construction (Condition No. 12). Although a "Tree Removal Schedule" is listed on Sheet C1.1, this is shown only for possible future removal of trees at a

potential later development phase. All future development will be subject to the City's Tree Protection Regulations.

Future Development

The site is currently vacant and no development plans are proposed with this application. The R-M-6 zoning district allows for both single-family dwellings and multifamily dwellings. Proposed Lot 1 would have the necessary square footage to develop two dwellings, which require Design Review, potential single-family dwellings on Lots 2 and 3 do not require Design Review. The applicant has noted that the intention is to develop each lot as a single-family dwelling.

Due to the topography of the proposed parcels, each lot is subject to the City's HR Hillside Residential Combining District Regulations (Chapter 17.40). Such regulations will include the potential of increased setbacks as per Section 17.40.060.A.6 which states: "One foot shall be added to each side yard for each one foot of height above which the top plate line exceeds 15 feet in height". This would be evaluated at the time of a development proposal.

PUBLIC NOTICE & COMMENT

On April 27, 2018, Public Hearing Notices were posted at City Hall, the Scotts Valley Branch Public Library, and the Scotts Valley Senior Center, and were mailed to surrounding property owners located within 300 feet of the subject property, pursuant to the City's Municipal Code and State law. To date, no comments have been received.

ATTACHMENTS

PAGE No.

Resolution to recommend approval of MLD17-001 (Action Item)

- | | | |
|----|--|----------|
| 1. | Location Map. | 11 |
| 2. | Tentative Parcel Map and Site Plan.. . . . | Attached |
| 3. | Preliminary Geotechnical Evaluation letter (5/11/17).. . . . | Attached |
| 4. | Geotechnical Report prepared by Quantum Geotechnical, Inc (1/24/18). | Attached |

RESOLUTION NO. _____

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SCOTTS VALLEY RECOMMENDING APPROVAL TO THE CITY COUNCIL OF MINOR LAND DIVISION NO. MLD17-001 TO CREATE THREE PARCELS FROM TWO EXISTING PARCELS TOTALING 30,536 SQUARE FEET INTO THREE PARCELS LOCATED SOUTHWEST OF NASHUA DRIVE AND GRACE WAY IN THE R-M-6 ZONING DISTRICT (APN 023-171-05,06).

WHEREAS, the Planning Department of the City of Scotts Valley has received the application filed by David Dauphin, for a Minor Land Division MLD17-001 to create three parcels from two existing parcels totaling 30,536 square feet located southwest of Nashua Drive and Grace Way in the R-M-6 zoning district(APN 023-171-05,06); and,

WHEREAS, the application was reviewed for completeness and is determined to be a "project" as defined by the California Environmental Quality Act (CEQA); and,

WHEREAS, the project is determined to have a Class 15 exemption (Minor Land Division) pursuant to Section 15315 of CEQA; and,

WHEREAS, the project was reviewed by the Planning Commission at a duly noticed public hearing on May 10, 2018,

NOW THEREFORE, the Planning Commission of the City of Scotts Valley hereby resolves as follows:

SECTION 1: The environmental determination represents the independent judgement of the City.

SECTION 2: The categorical exemption is hereby recommended for approval to the City Council.

SECTION 3: The Planning Commission of the City of Scotts Valley does hereby specifically make the following findings, as further clarified in the staff report dated May 10, 2018:

1. *The Minor Land Division will meet the design standards for the City of Scotts Valley, because the design was developed considering the City's General Plan and related zoning ordinances. The land division will create three parcels, each conforming to the General Plan designation of Medium High Density, and the development standards of the R-M-6 zoning district.*

2. *The Minor Land Division will be carried out in a manner which is not detrimental to the surrounding uses and will be consistent with the overall planning goals of the City.* The new parcels will be similar in size and use of the surrounding parcels. The density of development will remain consistent with the General Plan.
3. *The design of the subdivision will not cause substantial environmental damage or substantially and unavoidably injure fish or wildlife or their habitat.* The project site is not within any known critical fish or wildlife habitat. The surrounding parcels have been developed, therefore, the project site is not expanding the boundaries of urban development.
4. *The design of the subdivision will not cause serious public health problems.* The use proposed for the new parcel is single family residential, which would not have adverse health effects on the surrounding single family residential uses.
5. *The design of the subdivision will not conflict with easements, acquired by the public at large, for access through or use of property within the subdivision.* All necessary easements shall be obtained prior to issuance of a Final Map.
6. *The proposed road is adequate for the use of the subdivision.* The proposed road will be in compliance with the City's regulations, the road will be adequate to serve the existing homes in the area.

SECTION 4: After careful consideration of the application and related materials, plans, maps, facts, exhibits, staff report, testimony and other evidence submitted in this matter, and incorporated herein by this reference, the Planning Commission of the City of Scotts Valley does hereby recommend approval to the City Council of Minor Land Division No. MLD17-001 to create three new parcels from two existing parcels with a combined square footage of 30,536 located at Nashua Drive and Grace Way (023-171-05,06), subject to the conditions set forth in the attached Exhibit A, which are incorporated herein by this reference.

THE ABOVE AND FOREGOING RESOLUTION was duly adopted and passed by the Planning Commission of the City of Scotts Valley at a regularly scheduled meeting held on May 10, 2018 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Chair Derek Timm

Taylor Bateman, Community Development Director

EXHIBIT A

CONDITIONS OF APPROVAL (Nos. 1-XX)

STANDARD

1. Developer has agreed to and shall defend, indemnify and hold harmless the City of Scotts Valley, its officers, agents and employees from any claim, action or proceeding against the City or its officers, agents or employees to attach, set aside, void or annul any action of the City in connection with approvals under the California Environmental Quality Act or with respect to approval of the project, which action is brought within the time period(s) prescribed by law. The City shall promptly notify the developer of any such claim, action or proceeding and shall fully cooperate in defense.
2. After City Council approval, the property owner shall have a signed and notarized copy of the Notice of Conditions of Approval recognizing this application (provided by the City) recorded at the County Recorder's Office prior to issuance of any building permits or operation of the use.
3. After City Council approval, the property owner shall have a signed and notarized copy of the Notice of Conditions of Approval recognizing this application (provided by the City) recorded at the County Recorder's Office prior to issuance of any building permits or operation of the use.
4. All required building permits shall be obtained and the applicant shall pay all appropriate fees prior to commencement of any construction on the property.

PLANNING DEPARTMENT

5. The design of the improvements shall match the approved plans. Modifications to the approved project may require approval by the Planning Commission or City Council at the discretion of the Community Development Director.
6. The newly created lots shall have a maintenance agreement for all property owners who will have legal access to the roadway prior to Final Map approval. Such agreement shall be reviewed and approved by the City Attorney, time to be paid by the applicant.

7. Driveways shall be an all-weather surface (i.e. concrete or asphalt).
8. An additional foot of width shall be added to the road for a total of 30 feet as 24 feet is a standard road width and a 30 foot width will allow for parking on one side of the roadway.
9. A maintenance agreement for all property owners who have legal access to the roadway shall be established prior to Final

Archaeology

10. The project is located in an area of moderate sensitivity for archaeological resources and monitoring by a qualified archaeologist shall be conducted during all grading activities of four cubic yards or more.

Trees

11. All required permits shall be obtained prior to the removal of any protected trees.
12. The existing Eucalyptus (#5) tree shall be removed prior to completion of the proposed Nashua Road improvements.

BUILDING DEPARTMENT

13. A soils/civil engineer shall approve site grading, drainage, erosion control and foundation plans.

WASTEWATER DEPARTMENT

14. Each parcel shall have own its separate sanitary sewer lateral.

DEPARTMENT OF PUBLIC WORKS

Site Specific

15. The applicant shall work with Public Works Department staff to ensure the correct language is on the title pages so that the City can accept dedication of the road as a public street at a later time if needed.

16. Existing and new driveways shall be to City of Scotts Valley Standards and Specifications.
17. Driveway approach shall be per City of Scotts Valley Standards and Specifications.
18. Encroachment permits will be required prior to construction.
19. Storm water technical guide requirements must be met.

Standard

20. A final subdivision or parcel map in conformance with the California Government Code, Section 66410 *et seq*, and with the City Subdivision Ordinance, and including the conditions of the tentative subdivision map, shall be filed to the satisfaction of the Public Works Director/City Engineer.
21. All required documents, final or parcel map sheets, covenants, developer and city improvement agreements and bonds, shall be provided to the satisfaction of the Public Works Director/City Engineer prior to the recordation of any final map or application for any building permit. (Applicant should be advised that officials of Santa Cruz County, such as the Auditor-Controller, Recorder and Clerk of the Board have requirements, such as payment of taxes and present title guarantee, which precede recordation of the map.)
22. Engineered Improvement Plans shall be submitted for all on site and off site work and will be approved by the Public Works Director/City Engineer. On-site and off-site (encroachment) civil engineering permits must be issued by the City prior to commencing any work. Improvement Plans shall include any necessary grading, drainage, masonry retaining walls, driveway, utilities, utility pole relocation, frontage improvement and/or repair of sidewalk, curb and gutter or similar facilities required satisfying tentative map conditions to the satisfaction of the Public Works Director/City Engineer. All improvements shall conform to the design standards contained in text and illustration in the "City of Scotts Valley Standard Details", latest revision adopted by the City Council.
23. Pursuant to City Council action on March 3, 2010, the Applicant shall modify the Traffic Impact Study to address the Mount Hermon Road/Scotts Valley Drive and Mount Hermon Road /La Madrona Drive intersections to determine the additional

peak hour trips through the intersections. Specifically AM and PM peak hour trips for Mount Hermon Road /Scotts Valley Drive and PM only peak hour trips for Mount Hermon Road /La Madrona Drive. The study will also determine if the additional trips will degrade the Level of Service (LOS) of the intersections. The findings of the study will determine the amount owed for the Mount Hermon Road traffic mitigations fair share contribution. The Applicant shall conclude this study and pay any associated fees at the time of tentative map submittal.

24. Applicant shall construct street improvements for the full parcel frontage in accordance with the City of Scotts Valley Standard Details, latest revision, adopted by the City Council.
25. Engineered improvement plans for all work, signed and prepared under the direction of a registered civil engineer, shall be approved by the Public Works Director/City Engineer prior to commencing work.
26. All work in the public right-of-way will require an encroachment permit application made to the satisfaction of the Public Works Director/City Engineer. The civil on-site work, as plan reviewed by the Public Works Department, will require an on-site civil engineering permit and inspection.
27. All public improvements shall be guaranteed by written Agreement with the city, Faithful Performance Bond, and Labor and Material men's Bond, to the satisfaction of the Public Works Director/City Engineer.
28. All signing and striping shall be approved and completed as required by the Public Works Department, and shall be in conformance with current editions of Transportation and Traffic Engineering Handbook, by the Institute of Transportation Engineers, and the State Department of Transportation "Standard Specifications".
29. The project shall connect to the sanitary sewer system and existing septic systems, if any, shall be properly abandoned.
30. Applicant shall construct storm drain facilities in conformance with data and analysis in the adopted City of Scotts Valley Storm Drain Master Plan, December 1989 and in accordance with the city's SWMP Ordinance No. 184.1.

31. Applicant shall pay the cost to accomplish the utility design and construction to underground the telephone, electric power, and television cables in each project contained easement, private or public road frontage. This undergrounding of utilities to remove utility poles comes in addition to the state required undergrounding of transmission for the project and any new service connections.
32. The final map shall be submitted to the City's Public Works Department on an AutoCAD drawing up to version 2004 electronic version prior to recording.
33. Applicant shall submit a completed "segregation of assessment" form for each assessment district in which the subdivision participates.
34. Prior to the filing of the final/parcel map, applicant shall contact the Santa Cruz County Assessor's Office or the Local Agency Formation Commission (LAFCO) to ensure that the subdivided property is within a single tax code.
35. Applicant shall provide used motor oil reclamation services for the general public (applies to services stations).
36. The applicant shall repair any damage caused to the City streets [or the private roadway] by applicant or its contractors, consultants, and/or employees prior to issuance of a certificate of occupancy. A videotape log, DVD format, clearly showing the existing condition of [the applicable street] to the project site shall be presented to the Department of Public Works prior to the start of construction. Applicant is advised that, absent clear video evidence to the contrary, road damage must be repaired to the satisfaction of the City prior to issuance of a certificate of occupancy. Damage assessment will be at the sole discretion of the City.

FIRE DISTRICT

37. Project shall comply with all SVFPD code requirements.
38. The roadway shall connect with the existing improved section of Nashua in a manner that allows emergency vehicle traffic thru access from Grace way to Hacienda Drive without obstructions.

City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: June 20, 2018

TO: Honorable Mayor and City Council

FROM: Michelle Edwards, Senior Planner

APPROVED: Jenny D. Haruyama, City Manager

SUBJECT: **A PUBLIC HEARING TO CONSIDER THE PLANNING COMMISSION'S RECOMMENDATION OF APPROVAL FOR A GENERAL PLAN AMENDMENT, PRE-ZONING, AND ANNEXATION OF 1.52 ACRES INTO THE CITY**

SUMMARY OF ISSUE

The applicant proposes to annex 1.52 acres from a developed County residential property (Boetzer) into a developed City residential property (Chapman) (Attachment 1 – Location Map). The annexation will give the Chapmans a desired area to extend their back yard, which the Boetzers cannot easily access and use because of steep slopes (Attachment 2 – Project Plans). The proposal requires City approval of a change in General Plan Land Use Designation, Pre-zone, Annexation, and a subsequent Lot Line Adjustment. Although the Chapman's current objective is to obtain and preserve the wooded area, a guest house or accessory dwelling unit could be proposed in the future.

On May 10, 2018, the Planning Commission held a public hearing to review the proposal, heard public testimony, and recommended approval as proposed to the City Council, subject to Conditions of Approval (Attachment 3 – Planning Commission Action Meeting Minutes). More details about the proposal are provided in the Planning Commission Staff Report, applicant cover letter, and submitted information (Attachment 4a-d – Planning Commission Staff Report).

PUBLIC COMMENT

On June 8, 2018, Public Hearing Notices were posted at City Hall, the Scotts Valley Branch Public Library, and the Scotts Valley Senior Center, and were mailed to surrounding property owners located within 300 feet of the subject property, pursuant to the City's Municipal Code and State law. The City portion of the Chapman property has also been posted with a notice of development sign.

To date, five (5) comments have been received (Attachment 4e – Comments Received). Four comments are in support of the proposed annexation. One comment from an adjacent property owner is in opposition because of a lawsuit with the City and another property owner in the vicinity, about on-going drainage and erosion issues, located approximately 500-1,000 feet from the subject property at 54 Cumbre Lane. The concern is that future development on the proposed annexed land could cause further erosion problems. The City's Contract Plan Checker has confirmed that future development on the existing property or proposed annexation must meet City drainage requirements when a building permit is issued.

At the Planning Commission public hearing, the property owner opposed to the proposal requested an "Open Space" pre-zone instead of the proposed "Rural Residential" to limit future development on the 1.52 acres. The Planning Commission approved the proposed "Rural Residential" pre-zone in a unanimous vote.

For the Scotts Valley Water District to provide service to the 1.52 acres to be annexed, the applicant must amend the Water District's service map through the Santa Cruz Local Agency Formation Committee (LAFCO) process.

NEXT STEPS

Approval of the annexation request from LAFCO is also required. Once the City Council has acted on the pre-zoning and annexation application the applicant will then apply for LAFCO approval. After which, the matter will return to the City Council for approval of a negotiated exchange of property tax revenues, pursuant to California Revenue and Taxation Code Section 99.

FISCAL IMPACT

The existing City Chapman property is already developed with a single-family residence. Therefore, the annexation is anticipated to have a neutral fiscal impact on the City. However, future development of the 1.52 acres to be annexed will be subject to applicable permit fees and/or development impact fees in effect at the time of building permit issuance.

RECOMMENDATION

The Planning Commission recommends approval of General Plan Amendment, Pre-Zoning, and Annexation, per the three actions listed below:

1. Adopt Resolution No. 1951 to approve the General Plan Amendment;
2. Introduce for first reading Ordinance No. 16-ZC-227, to approve the Pre-Zone; and,

3. Adopt Resolution No. 1951.1 to approve the Annexation and to amend the City’s Sphere of Influence Map.

<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
Resolution No. 1951 Approving the General Plan Amendment	4
Exhibit A – General Plan Land Use Designation Map.....	6
Ordinance No. 16-ZC-227 Approving the Pre-Zoning.....	7
Exhibit A – Pre-Zone Map.....	9
Resolution No. 1951.1 Approving the Annexation.....	10
Exhibit A – Conditions of Approval.....	12
1. Location Map.....	13
2. Project Plans.....	14
3. Planning Commission Minutes, dated 05/10/18.....	16
4. Planning Commission Staff Report, dated 05/10/18	17
a. Applicant’s Transmittal, dated 10/12/17.....	21
b. Applicant’s Environmental Assessment Information.....	23
c. City’s Annexation Policy, dated 03/29/95.....	25
d. County of Santa Cruz Planning Dept. Letter, dated 03/19/18.....	27
e. Comments Received.....	28

RESOLUTION NO. 1951

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY APPROVING A GENERAL PLAN AMENDMENT (GPA17-002) TO CHANGE THE LAND USE DESIGNATION OF 1.52 ACRES AT 374 HACIENDA DRIVE (COUNTY BOETZER PROPERTY / APN 070-331-09) FROM MOUNTAIN RESIDENTIAL TO RURAL RESIDENTIAL TO BE ANNEXED INTO 54 CUMBRE LANE (CITY CHAPMAN PROPERTY / APN 023-161-04).

WHEREAS, the Planning Department of the City of Scotts Valley has received the General Plan Amendment, Pre-zoning, and Annexation applications filed by Ken Hart with Swift Consulting, on behalf of property owners Chapman Family Trust and Boetzer Family Trust to pre-zone 1.52 acres from 374 Hacienda Drive / APN 070-331-09 (in the County of Santa Cruz) into 54 Cumbre Lane / APN 023-161-04 (in the City of Scotts Valley); and,

WHEREAS, Ken Hart (referred to as “applicant”) has presented substantial evidence which supports the application; and

WHEREAS, the application is a “project” pursuant to the California Environmental Quality Act (“CEQA”); and

WHEREAS, the project is Categorically Exempt from the California Environmental Quality Act (CEQA) under Section 15319, Class 19, Annexations of Existing Facilities and Lots for Exempt Facilities; and

WHEREAS, the Planning Commission held a duly published and noticed public hearing on May 10, 2018, pursuant to the requirements of the Scotts Valley Municipal Code and State Law, to review and consider the requested planning permits (entitlements), hear public testimony, and provide comments and recommendations to the City Council; and, they recommended approval in a 5/0/0 vote, subject to Conditions of Approval in Exhibit A, via Planning Commission Resolution No. 1731; and

WHEREAS, the City Council held a duly published and noticed public hearing on the proposed project on June 20, 2018, pursuant to the requirements of the Scotts Valley Municipal Code and State Law, to review and consider the requested planning permits (entitlements), and hear public testimony.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Scotts Valley as follows:

SECTION 1: The City Council of the City of Scotts Valley does hereby make the following findings, as further clarified in the staff report dated June 20, 2018:

1. ***The change in the General Plan land use designation is consistent with the General Plan.*** The project meets the requirements of this finding in that the project will change the existing General Plan Land Use Designation (GPLUD) of the 1.52 acres from Residential Mountain to Rural Residential to match the existing City Chapman property's GPLUD of Rural-Residential for consistency.
2. ***That the density is compatible with adjacent uses and densities.*** The project meets the requirements of this finding in that the allowed density in the Rural Residential GPLUD, of one dwelling unit per 2.5-acres, will remain the same after the annexation; because, after which, the resulting size of the City Chapman property will be 2.369 acres, which will be less nonconforming than the existing size of 0.849 of an acre.

NOW THEREFORE, BE IT FURTHER RESOLVED that, after careful consideration of the application and related materials, plans, maps, facts, exhibits, staff report, testimony and other evidence submitted in this matter, and incorporated herein by this reference, the City Council of the City of Scotts Valley does hereby approve General Plan Amendment GPA17-002 filed by Ken Hart with Swift Consulting, on behalf of property owners Chapman Family Trust and Boetzer Family Trust to change the GPLUD of the 1.52 acres from 374 Hacienda Drive / APN 070-331-09 (in County of Santa Cruz) from Residential Mountain to Rural Residential at 54 Cumbre Lane / APN 023-161-04 (in City of Scotts Valley), subject to General Plan Land Use Designation Map in Exhibit A, which is attached hereto and incorporated herein by this reference.

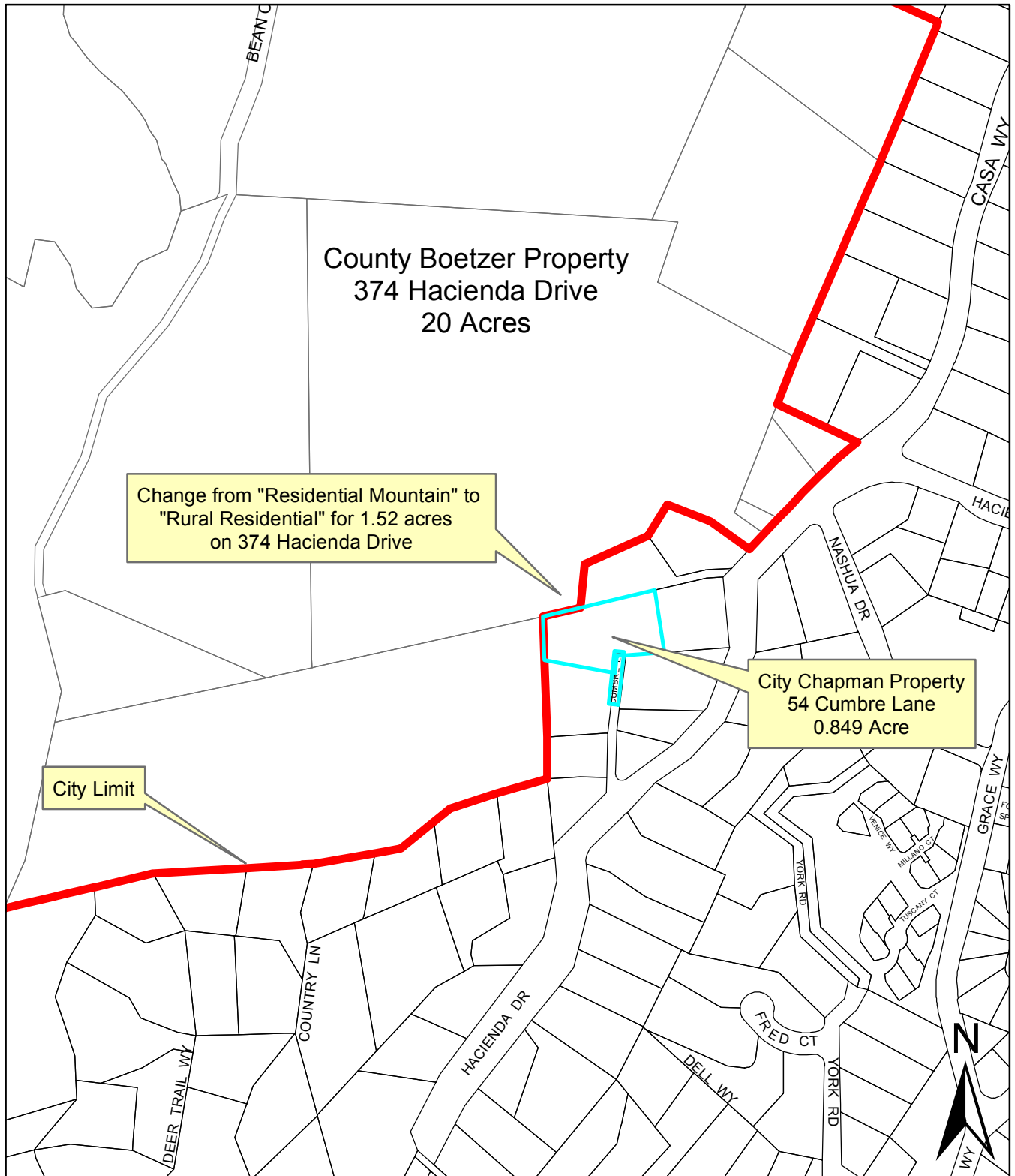
THE ABOVE AND FOREGOING RESOLUTION No. 1951 was duly and regularly passed by the City Council of the City of Scotts Valley at a meeting held on the 20th day of June 2018, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Jim Reed, Mayor

Tracy Ferrara, City Clerk

City of Scotts Valley City Council Resolution No. 1951
Exhibit A - General Plan Land Use Designation Map



General Plan Amendment GPA17-002
for Annexation A17-001 of 1.52 acres from
374 Hacienda Dr (APN 070-331-09) into 54 Cumbre Lane (APN 023-161-04)

ORDINANCE NO. 16-ZC-227

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY APPROVING: 1) PRE-ZONE NO. PRE-ZC17-002 TO PRE-ZONE 1.52 ACRES AT 374 HACIENDA DRIVE (COUNTY BOETZER PROPERTY / APN 070-331-09) FROM A MOUNTAIN RESIDENTIAL ZONE (R-MT) TO A RURAL RESIDENTIAL ZONE (R-R-2.5) TO BE ANNEXED INTO 54 CUMBRE LANE (CITY CHAPMAN PROPERTY / APN 023-161-04), AND 2) AMENDMENT TO THE CITY'S SPHERE OF INFLUENCE MAP TO INCLUDE THE 1.52 ACRES TO BE ANNEXED.

WHEREAS, the Planning Department of the City of Scotts Valley has received the General Plan Amendment, Pre-zoning, and Annexation applications filed by Ken Hart with Swift Consulting, on behalf of property owners Chapman Family Trust and Boetzer Family Trust to pre-zone 1.52 acres from 374 Hacienda Drive / APN 070-331-09 (in the County of Santa Cruz) into 54 Cumbre Lane / APN 023-161-04 (in the City of Scotts Valley); and,

WHEREAS, Ken Hart (referred to as "applicant") has presented substantial evidence which supports the application; and

WHEREAS, the application is a "project" pursuant to the California Environmental Quality Act ("CEQA"); and

WHEREAS, the project is Categorically Exempt from the California Environmental Quality Act (CEQA) under Section 15319, Class 19, Annexations of Existing Facilities and Lots for Exempt Facilities; and

WHEREAS, the Planning Commission held a duly published and noticed public hearing on May 10, 2018, pursuant to the requirements of the Scotts Valley Municipal Code and State Law, to review and consider the requested planning permits (entitlements), hear public testimony, and provide comments and recommendations to the City Council; and, they recommended approval in a 5/0/0 vote, subject to Conditions of Approval via Planning Commission Resolution No. 1731; and

WHEREAS, the City Council held a duly published and noticed public hearing on the proposed project on June 20, 2018, pursuant to the requirements of the Scotts Valley Municipal Code and State Law, to review and consider the requested planning permits (entitlements), hear public testimony; and, they approved General Plan Amendment GPA17-002, subject to a General Plan Land Use Designation Map in Exhibit A, via City Council Resolution No. 1951.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Scotts Valley as follows:

SECTION 1: The City Council of the City of Scotts Valley does hereby make the following findings, as further clarified in the staff report dated January 20, 2010:

1. ***The property is within the City's Sphere of Influence and is designated on the City of Scotts Valley General Plan Map as Rural Residential.*** The project complies with this finding in that the existing developed City Chapman residential property is located within the City limits, and therefore the existing Sphere of Influence. The proposal will require amending the City's Sphere of Influence Map to include the 1.52 acres to be annexed. Also, the Rural Residential zone (R-R-2.5) is consistent with the City's General Plan Land Use Designation of Rural Residential.

NOW THEREFORE, BE IT FURTHER RESOLVED that, after careful consideration of the application and related materials, plans, maps, facts, exhibits, staff report, testimony and other evidence submitted in this matter, and incorporated herein by this reference, the City Council approves Pre-Zoning application No. PRE-ZC17-002 to change the zone of the 1.52 acres from 374 Hacienda Drive (County Boetzer Property / APN 070-331-09) from a Mountain Residential zone (R-MT) to a Rural Residential zone (R-R-2.5) at 54 Cumbre Lane (City Chapman Property / APN 023-161-04), subject to a Pre-zone Map, set forth in Exhibit A, which is attached hereto and incorporated herein by this reference, effective upon annexation into the City.

This Ordinance No. 16-ZC-227 was introduced on the 20th day of June, 2018, and passed and adopted on the 1st day of August, 2018, at a duly held meeting of the City Council of the City of Scotts Valley by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Approved: _____

Jim Reed, Mayor

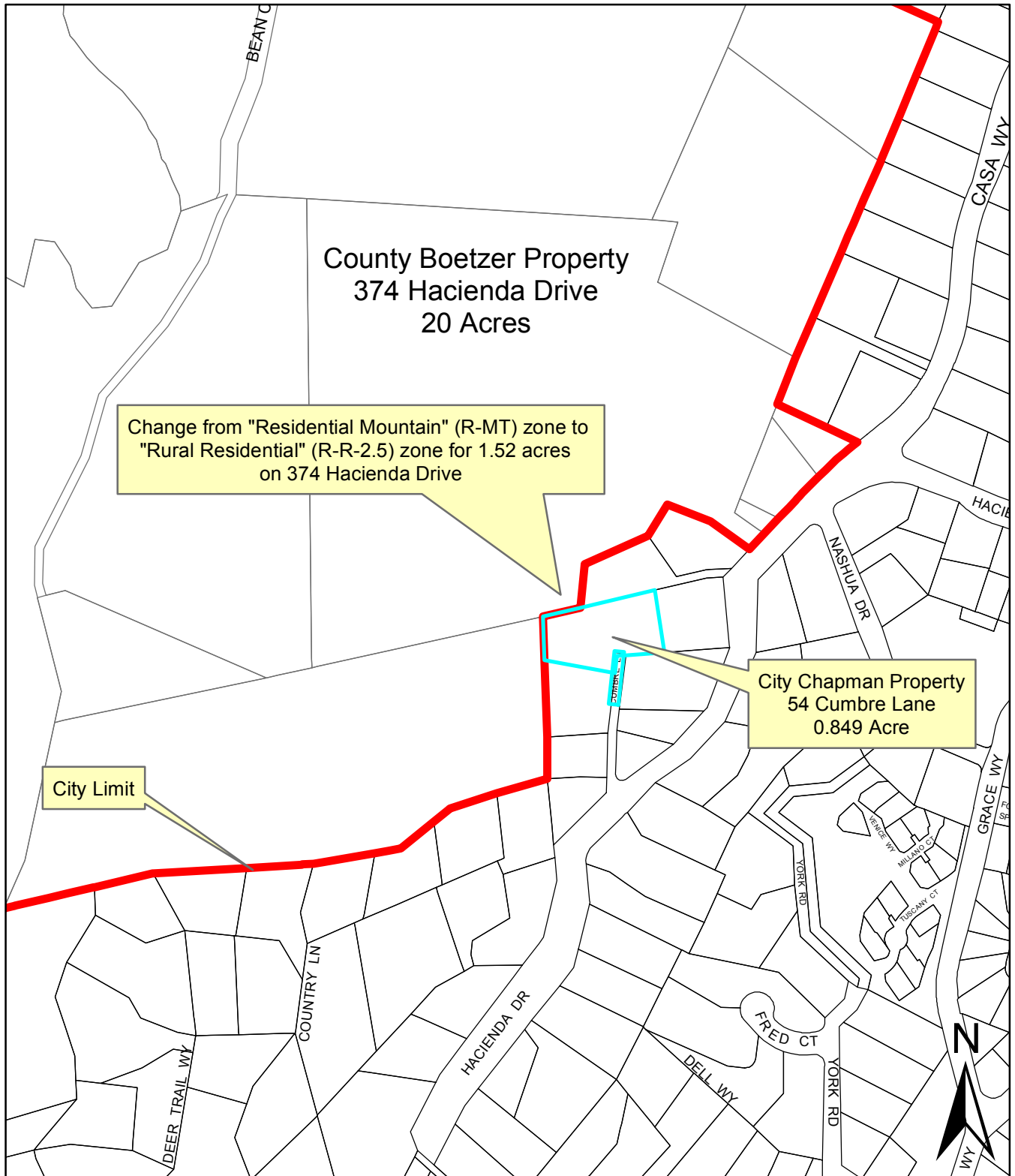
ATTEST:

Tracy Ferrara, City Clerk

APPROVED AS TO FORM:

Kirsten Powell, City Attorney

City of Scotts Valley City Council Ordinance No. 16-ZC-227
Exhibit A - Pre-zone Map



Pre-zone PRE-ZC17-002
for Annexation A17-001 of 1.52 acres from
374 Hacienda Dr (APN 070-331-09) into 54 Cumbre Lane (APN 023-161-04)

RESOLUTION NO. 1951.1

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY APPROVING AN ANNEXATION (A17-001) OF 1.52 ACRES FROM 374 HACIENDA DRIVE (COUNTY BOETZER PROPERTY / APN 070-331-09) INTO 54 CUMBRE LANE (CITY CHAPMAN PROPERTY / APN 023-161-04) INTO THE CITY OF SCOTTS VALLEY.

WHEREAS, the Planning Department of the City of Scotts Valley has received the General Plan Amendment, Pre-zoning, and Annexation applications filed by Ken Hart with Swift Consulting, on behalf of property owners Chapman Family Trust and Boetzer Family Trust to pre-zone 1.52 acres from 374 Hacienda Drive / APN 070-331-09 (in the County of Santa Cruz) into 54 Cumbre Lane / APN 023-161-04 (in the City of Scotts Valley); and,

WHEREAS, Ken Hart (referred to as “applicant”) has presented substantial evidence which supports the application; and

WHEREAS, the application is a “project” pursuant to the California Environmental Quality Act (“CEQA”); and

WHEREAS, the project is Categorically Exempt from the California Environmental Quality Act (CEQA) under Section 15319, Class 19, Annexations of Existing Facilities and Lots for Exempt Facilities; and

WHEREAS, the Planning Commission held a duly published and noticed public hearing on May 10, 2018, pursuant to the requirements of the Scotts Valley Municipal Code and State Law, to review and consider the requested planning permits (entitlements), hear public testimony, and provide comments and recommendations to the City Council; and, they recommended approval in a 5/0/0 vote, subject to Conditions of Approval, via Planning Commission Resolution No. 1731; and

WHEREAS, the City Council held a duly published and noticed public hearing on the proposed project on June 20, 2018, pursuant to the requirements of the Scotts Valley Municipal Code and State Law, to review and consider the General Plan Amendment GPA17-002, hear public testimony; and, they approved GPA17-002, subject to a General Plan Land Use Designation Map in Exhibit A, via City Council Resolution No. 1951; and

WHEREAS, the City Council at the same duly published and noticed public hearing approved Pre-zoning PRE-ZC17-002, subject to a Pre-zone Map in Exhibit A, via Ordinance No. 16-ZC-227.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Scotts Valley as follows:

SECTION 1: The City Council of the City of Scotts Valley does hereby make the following findings, as further clarified in the staff report dated June 20, 2018:

1. ***Maintain consistency with the Mission Statement of the City and further the goals of the General Plan.*** The project complies with this finding in that the existing City Chapman property is currently vacant and will help reduce the existing nonconforming Chapman property regarding parcel size, of the General Plan Land Use Designation of Rural Residential.
2. ***All developed areas proposed for annexation to the City shall demonstrate a positive financial contribution to the City.*** The project complies with this finding in that the existing City Chapman property is already developed with a single-family residence. The property has a septic system; therefore, the annexation is anticipated to have a neutral fiscal impact on the City.
3. ***Areas proposed for annexation shall demonstrate orderly planning and development, as well as efficient utilization of City services and utilities.*** The project complies with this finding in that the existing City Chapman property is adjacent to the City Limit on two sides. The property is in both the Scotts Valley Water District and the Scotts Valley Fire Protection District service areas.
4. ***Protect open space and conservation areas, with special attention given to groundwater recharge areas.*** The project complies with this finding in that the existing City Chapman property is already developed with a single-family residence. General Plan Figure OS-5, Hydrological Resources, does not identify the Chapman property or the 1.52 acres as having potential or high protection of recharge areas.

NOW THEREFORE, BE IT FURTHER RESOLVED that, after careful consideration of the application and related materials, plans, maps, facts, exhibits, staff report, testimony and other evidence submitted in this matter, and incorporated herein by this reference, the City Council of the City of Scotts Valley does hereby approve Annexation to pre-zone 1.52 acres from 374 Hacienda Drive / APN 070-331-09 (in County of Santa Cruz) into 54 Cumbre Lane / APN 023-161-04 (in City of Scotts Valley), subject to Conditions of Approval set forth in Exhibit A, which is attached hereto and incorporated herein by this reference.

THE ABOVE AND FOREGOING RESOLUTION No. 1951.1 was duly and regularly passed by the City Council of the City of Scotts Valley at a meeting held on the 20th day of June 2018, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Jim Reed, Mayor

Tracy Ferrara, City Clerk

Exhibit A - Conditions of Approval (#1 - #8)

LEGAL

1. Developer has agreed to and shall defend, indemnify and hold harmless the City of Scotts Valley, its officers, agents and employees from any claim, action or proceeding against the City or its officers, agents or employees to attach, set aside, void or annul any action of the City in connection with approvals under the California Environmental Quality Act or with respect to approval of the project, which action is brought within the time period(s) prescribed by law. The City shall promptly notify the developer of any such claim, action or proceeding and shall fully cooperate in defense.
2. After City Council approval, the property owner shall sign the Conditions of approval (Exhibit A) agreeing to the Conditions of Approval prior to the issuance of any building permits, transfer of title, or within 30 days of approval of this application, whichever occurs first.
3. All required building permits shall be obtained and the application shall pay all appropriate fees prior to commencement of any construction on the property.

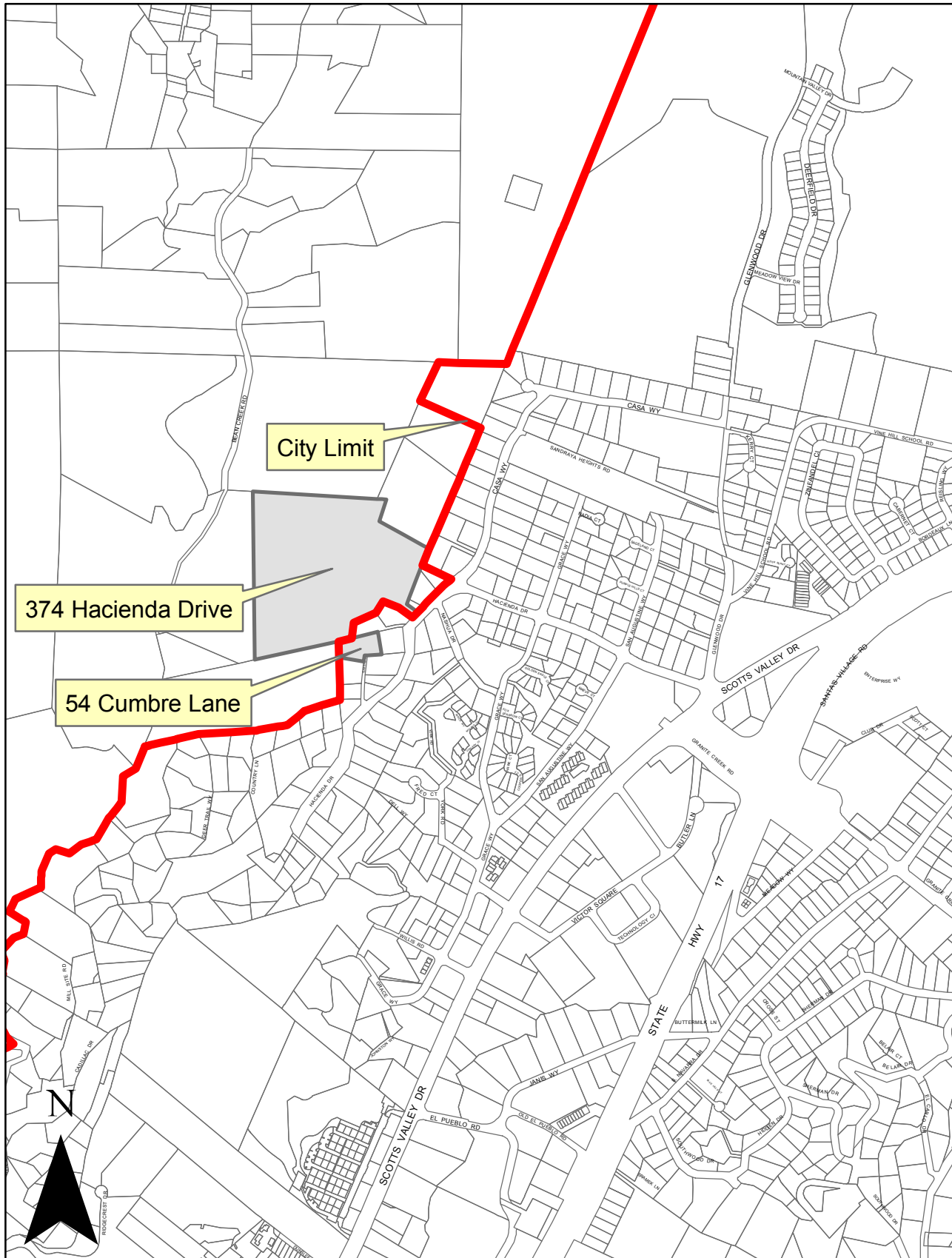
PLANNING DEPARTMENT

4. The applicant shall obtain Lot Line Adjustment approval by the City by 05/10/19.
5. To ensure that the re-configured parcel will not be split by the municipal boundary, or that the public agency boundaries will be shifted without the lot line adjustment being recorded, the applicant shall record the approval document for the future lot line adjustment (corresponding to the legal description for the subject reorganization proposal) concurrently with the certificate of completion for this reorganization.
6. In the event the City of Scotts Valley and the County of Santa Cruz are unable to reach a property tax sharing agreement within 24 months of final City and LAFCO approval the annexation shall be null and void.
7. The property owner shall pay all costs to update the City's General Plan Map and Zoning Map for the subject property within 30 days of final City and LAFCO approval, including amending the City's Sphere of Influence Map.
8. Future development of the property shall comply with all development standards in effect at that time.

Signature of Chapman Family Trust, Property Owner of 54 Cumbre Lane / Date

Signature of Boetzer Family Trust, Property Owner of 374 Hacienda Drive / Date

Location Map



**Address/APN: 54 Cumbre Lane/023-161-04 & 374 Hacienda Drive/070-331-09.
General Plan Amendment (GPA17-001), Pre-zoning application (PRE-ZC17-002),
Annexation application (A17-001), & Use Permit application (U18-001)**

(S 87°35'20" E, 882.88')

PROPOSED LOT LINE ADJUSTMENT
BETWEEN ASSESSOR PARCEL NUMBERS 023-161-04 AND 070-331-09

OWNERS A.P.N. 023-161-04:
MATTHEW CHAPMAN
DIANA CHAPMAN
OWNERS A.P.N. 070-331-09:
KENNETH D. BOETZER
LISA J. JENKINS

PREPARED BY:
LUKE R. BEAUTZ, C.E., L.S.
608 CABRILLO AVENUE
SANTA CRUZ, CA 95065
(831) 475-8695 Ph.
lukebeautz@gmail.com Email

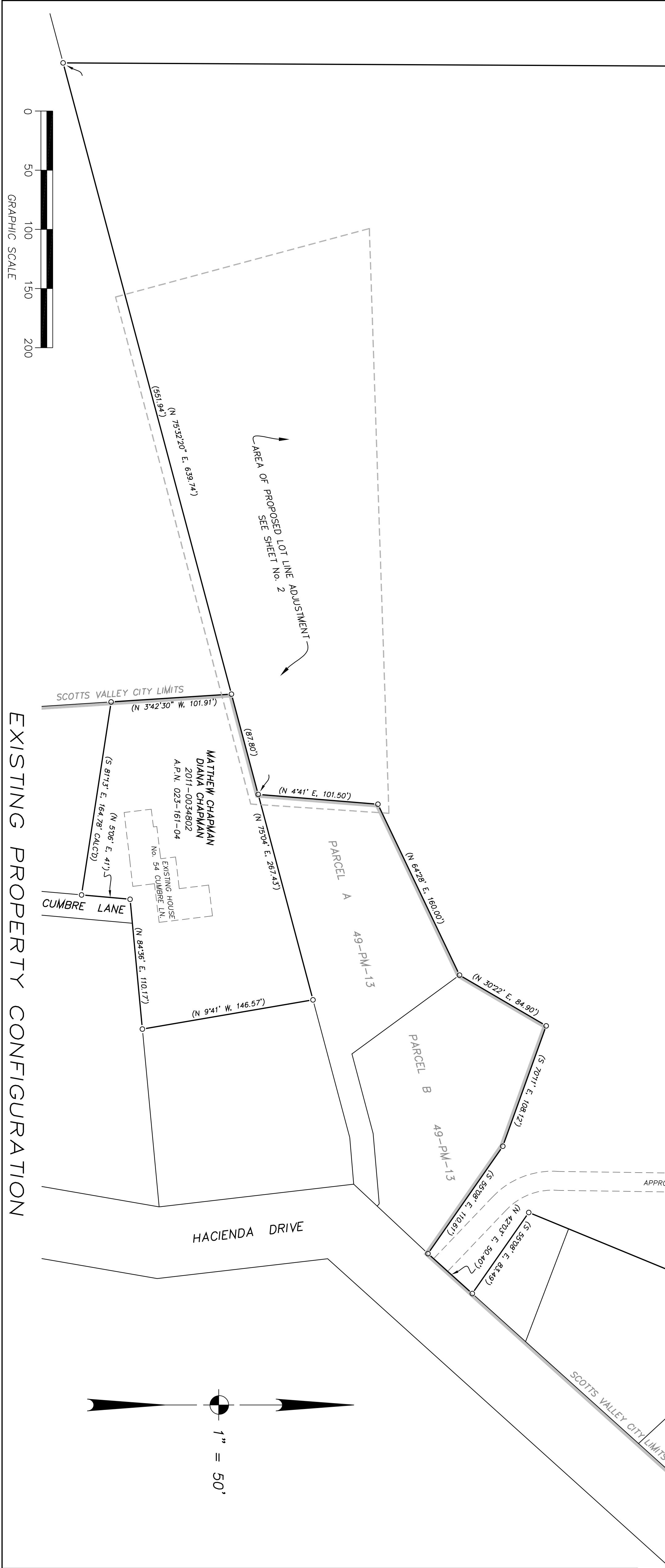
LEGEND

- () Indicates record data based on deeds or recorded maps.
- Indicates Scotts Valley city limits

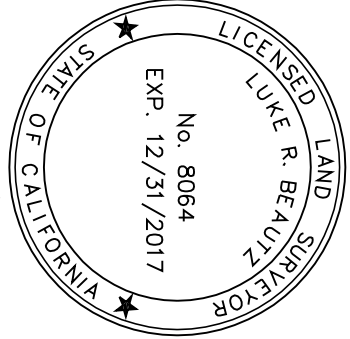
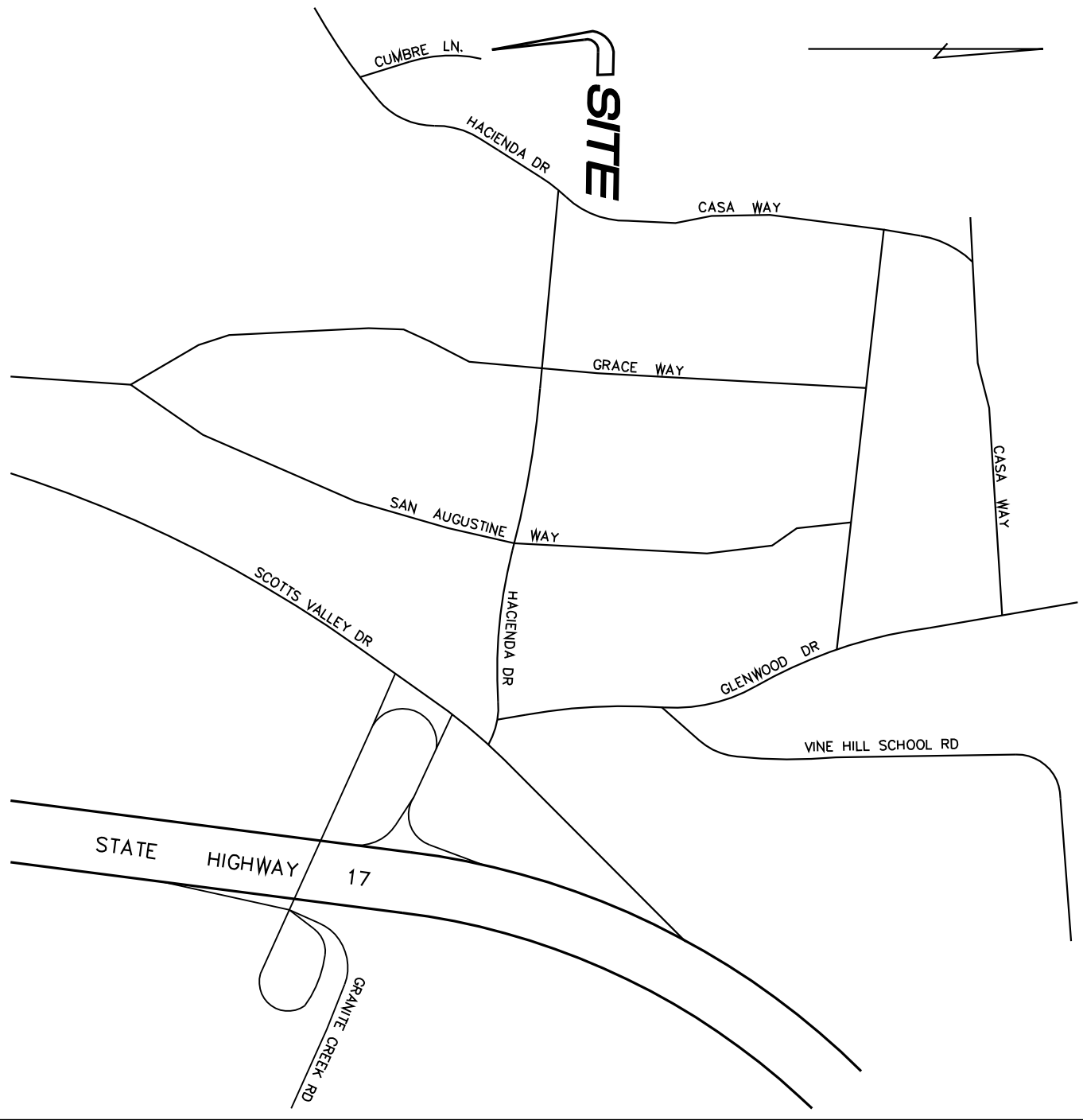
KENNETH D. BOETZER
LISA J. JENKINS
TRUSTEES
5929 O.R. 145
A.P.N. 070-331-09
PARCEL A 35-PM-13

(N 0°18' E, 1086.59')

EXISTING PROPERTY CONFIGURATION



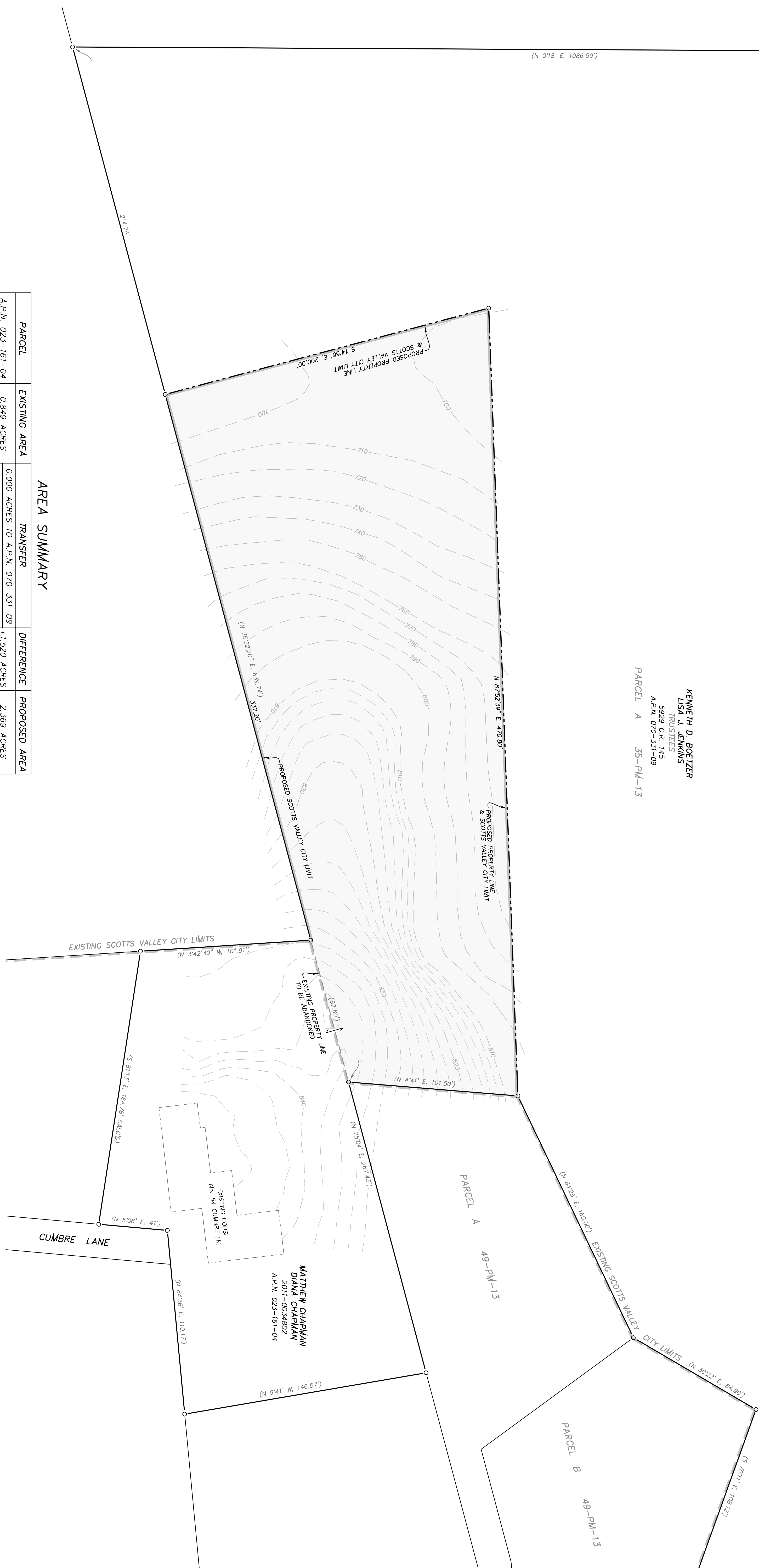
VICINITY MAP



SURVEYOR'S MAP
SHOWING A PROPOSED LOT LINE ADJUSTMENT
BETWEEN ASSESSOR PARCEL NUMBERS
023-161-04 AND 070-331-09
SANTA CRUZ COUNTY, CALIFORNIA
SCALE: 1" = 50'
PREPARED FOR MATTHEW & DIANA CHAPMAN
BY: LUKE R. BEAUTZ, C.E., L.S. SHEET 1 OF 2

- | | |
|---|--|
| () | Indicates record data based on deeds or recorded maps. |
| ———— | Indicates existing property line. |
| —— — | Indicates existing property line to be abandoned. |
| — · — · — | Indicates proposed property line. |
| ===== | Indicates existing Scotts Valley city limits |
| ===== | Indicates proposed Scotts Valley city limits |
|  | Indicates area to be transferred from A.P.N. 070-331-09 to A.P.N. 023-161-04 and annexed into the city of Scotts Valley. |

KENNETH D. BOETZER
LISA J. JENKINS
TRUSTEES
5929 O.R. 145
A.P.N. 070-331-09
PARCEL A 35-PM-13

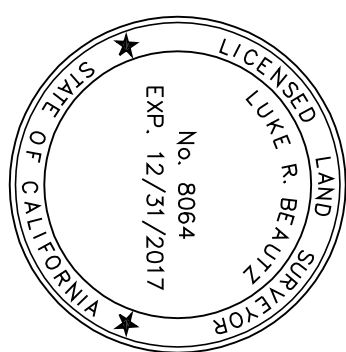
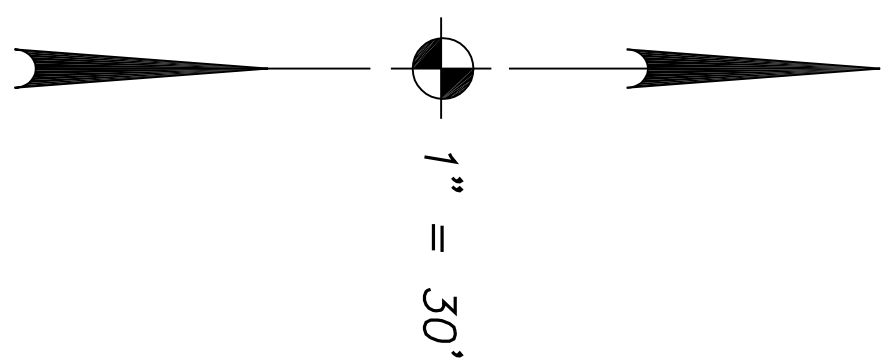


PARCEL	EXISTING AREA	TRANSFER	DIFFERENCE	PROPOSED AREA
A.P.N. 023-161-04	0.849 ACRES	0.000 ACRES TO A.P.N. 070-331-09 1,520 ACRES FROM A.P.N. 070-331-09	+1,520 ACRES	2,369 ACRES
A.P.N. 070-331-09	20,000 ACRES	1,520 ACRES TO A.P.N. 023-161-04 0.000 ACRES FROM A.P.N. 023-161-04	-1,520 ACRES	18,480 ACRES

NOTE:
NO NEW PARCELS WILL BE CREATED AS A RESULT OF THE PROPOSED LOT LINE ADJUSTMENT.

AREA SUMMARY

PROPOSED LOT LINE ADJUSTMENT



Take Back

SURVEYOR'S MAP

SHOWING A PROPOSED LOT LINE ADJUSTMENT
BETWEEN ASSESSOR PARCEL NUMBERS

SANTA CRUZ COUNTY, CALIFORNIA

SCALE: 1" = 30'

PREPARED FOR MATTHEW & DIANA CHAPMAN
BY: LUKE R. BEAUTZ, C.E., L.S. SHEET 2 OF 2

→ 2.

Project Name: "Chapman Annexation"

Addresses: 54 Cumbre Lane / APN 023-161-04 (City of Scotts Valley), and 374 Hacienda Drive / APN 070-331-09 (County of Santa Cruz)

Applicant: Ken Hart, Swift Consulting

Property Owners: Chapman Family Trust (City of Scotts Valley) and Boetzer Family Trust (County of Santa Cruz)

Planning Permit Application Nos: GPA17-002, PRE-ZC17-002, A17-001

Project Description: Consideration of a Planning Commission recommendation of approval to the City Council of a General Plan Amendment, Pre-zoning, and Annexation of vacant land (1.52 acres) from a developed County residential parcel (20 acres) into an adjacent developed City residential parcel (0.849 acre).

Staff: Michelle Edwards, Sr. Planner, medwards@scottsvally.org, 440-5632

M/S: Donovan/Muth

To approve Resolution No. 1731 to recommend approval to the City Council for a General Plan Amendment, Pre-zoning and annexation of vacant land, subject to conditions of approval and amended Condition #5.

Carried: 5/0/0 (AYES: Arcangeli, Donovan, Herrera, Muth, and Timm **NOES:** None; **ABSENT:** None

3. **Address/APN:** Nashua Drive and Grace Way

Applicant /Property Owner: David Dauphin (C2G Consultants)/David Bergman

Planning Permit Application Nos: MLD17-001, EA-17-009

Project Description: Consideration of a Minor Land Division requesting to subdivide two existing lots in the R-M-6 zoning district into three lots.

Staff: Brenda Stevens, Assistant Planner, bstevens@scottsvally.org, 440-5635

M/S: Herrera/Arcangeli

To approve Resolution No. 1732 for recommendation to the City Council to approve a request to subdivide two existing lots in the R-M-6 zoning district into three lots.

Carried: 5/0/0 (AYES: Arcangeli, Donovan, Herrera, Muth, and Timm **NOES:** None; **ABSENT:** None

REGULAR AGENDA:

5. **Title:** Capital Improvement Program for 2018 - 2022 Consistency Report with the City's General Plan

Address: City-wide

Applicant: City of Scotts Valley

Property Owner: City of Scotts Valley

Project Description: State law requires cities to adopt a Capital Improvement Program (CIP) to implement the City's General Plan. The CIP is a list of the proposed public works projects. The City's Public Works Department develops the CIP as a 5-year program and updates the program each year. By law, the Planning Commission must review the CIP for consistency with the General Plan.

**City of Scotts Valley
PLANNING COMMISSION
STAFF REPORT**

Date: May 10, 2018

Applicant: Ken Hart, with Swift Consulting

Property Owners: Chapman Family Trust (in City of Scotts Valley)
Boetzer Family Trust (in County of Santa Cruz)

Applications:

General Plan Amendment	GPA17-002
Pre-zoning	PRE-ZC17-002
Annexation	A17-001
Environmental Assessment	EA17-012

Location: 54 Cumbre Lane / APN 023-161-04 (City of Scotts Valley)
374 Hacienda Drive / APN 070-331-09 (County of Santa Cruz)

General Plan/Zoning: Rural Residential / R-R-2.5 (City of Scotts Valley)
Mountain-Residential / MT (County of Santa Cruz)

Environmental Status: Applications qualify for a Categorical Exemption from the California Environmental Quality Act (CEQA) under Section 15319, Class 19, Annexations of Existing Facilities and Lots for Exempt Facilities.

Request: Consideration of a Planning Commission recommendation of approval to the City Council of a General Plan Amendment, Pre-zoning, and Annexation of vacant land (1.52 acres) from a developed County residential parcel (20 acres) into an adjacent developed City residential parcel (0.849 acre).

Staff Planner: Michelle Edwards, Senior Planner, (831) 440-5632, and medwards@scottsvally.org

STAFF RECOMMENDATION

It is recommended that the Planning Commission recommend to the City Council approval of the General Plan Amendment, Pre-zoning, and Annexation applications, subject to the Conditions of Approval in Exhibit A, in the attached Resolution.

PROJECT DESCRIPTION

The Chapman single-family residential property (0.849 acre) is located at 54 Cumbre Lane, within the City of Scotts Valley. The adjacent Boetzer single-family residential property (20 acres) is located at 374 Hacienda Drive, within the County of Santa Cruz. Both properties abut the City Limit (Attachment 1 - Location Map). The surrounding neighborhood is zoned for single-family dwellings.

The applicant proposes to annex 1.52 acres from the County Boetzer property into the City Chapman property. The annexation will give the Chapmans a desired area to extend their yard, which the Boetzers cannot easily access and use because of steep slopes (Attachment 2 - Site Plan). There are currently no plans for development on the proposed additional land. The main objective is to obtain and preserve the wooded area behind this property, or a guest house or accessory dwelling unit may be proposed in the future.

The applicant proposes to complete a subsequent lot line adjustment after project approval. For more details, see submitted information from the applicant (Attachment 3 - Cover letter, and Attachment 4 - Chapman and Boetzer Environmental Assessment Information).

PROJECT DISCUSSION

Below is a discussion of the project's compliance with the City's General Plan, Zoning Requirements and Policies.

General Plan Amendment

In the City's "Sphere of Influence" and General Plan Map, the County Boetzer property has a General Plan Land Use Designation (GPLUD) of Mountain-Residential, although the County's GPLUD is Agriculture. The existing GPLUD of the City Chapman property is Rural-Residential. Therefore, for consistency, the proposed General Plan Amendment will change the Mountain-Residential GPLUD of the 1.52 acres to match the existing Rural-Residential GPLUD of the Chapman property.

Pre-zoning

The County Boetzer property is currently zoned Mountain-Residential. The applicant is requesting that the City pre-zone the 1.52 acres to Rural-Residential (R-R-2.5), which will be consistent with the R-R-2.5 zone of the City Chapman property. In the R-R-2.5 zone, the minimum lot size for the creation of new parcels is 2.50 acres. The annexation will result in an increased parcel size of the City Chapman property (0.849 acre + 1.52 acres = 2.369 acres). Therefore, the annexation will reduce the existing nonconforming size of City Chapman property. Once the property is pre-zoned, the 1.52 acres may be annexed into the City of Scotts Valley and the pre-zoning designation would become effective.

The County of Santa Cruz Planning Department has confirmed that the reconfigured Boetzer property will conform with County zoning requirements (Attachment 5 - County of Santa Cruz Planning Department letter).

Annexation

In 1995, the City Council adopted an Annexation Policy that provides principals and requirement for the City to consider while reviewing annexation applications (Attachment 6 - Annexation Policy). The four main annexation Policies are listed below in *italics*, followed by staff's analysis:

1. *Maintain consistency with the Mission Statement of the City and further the goals of the General Plan.* The existing City Chapman property is currently vacant and will help reduce the existing nonconforming Chapman property regarding parcel size.
2. *All developed areas proposed for annexation to the City shall demonstrate a positive financial contribution to the City.* The existing City Chapman property is already developed with a single-family residence. The property has a septic system; therefore, the annexation is anticipated to have a neutral fiscal impact on the City.
3. *Areas proposed for annexation shall demonstrate orderly planning and development, as well as efficient utilization of City services and utilities.* The City Chapman property is adjacent to the City Limit on two sides. The property is in both the Scotts Valley Water District and the Scotts Valley Fire Protection District service areas.
4. *Protect open space and conservation areas, with special attention given to groundwater recharge areas.* The City Chapman property is already developed with an existing single-family residence. General Plan Figure OS-5, Hydrological Resources, does not identify the Chapman property or the 1.52-acres as having potential or high protection of recharge areas. The Chapmans intend to leave the annexation area vacant as a vista for personal use.

PUBLIC NOTICE AND COMMENT

On April 27, 2018, Public Hearing Notices were posted at City Hall, the Scotts Valley Branch Public Library, and the Scotts Valley Senior Center, and were mailed to surrounding property owners located within 300 feet of the subject property, pursuant to the City's Municipal Code and State law. The City Chapman property was also posted with a notice of development sign.

To date, five (5) comments have been received (Attachment 7 - Comments Received). Four comments are in support of the proposed annexation. One comment is in opposition because of a lawsuit with the City and another property owner in the vicinity, about on-going drainage and erosion issues, located approximately 500-1,000 feet from the subject property at 54 Cumbre Lane. The concern is that future development on the proposed annexed land could cause further erosion problems. The City's Plan Checker has confirmed that future development on the existing property or area proposed to be annexed must meet City drainage requirements at the time a building permit is issued.

CONCLUSION

Approval of the annexation request from the Santa Cruz Local Agency Formation Committee (LAFCO) is also required. Once the City Council has acted on the pre-zoning and annexation application the applicant will then apply for LAFCO approval. After which, the matter will return to the City Council for approval of a negotiated exchange of property tax revenues, pursuant to California Revenue and Taxation Code Section 99.

FINDINGS

Based upon the submitted information and staff analysis, staff believes that the required findings in the attached resolution can be made to approve the requested planning permit applications for the project, subject to the Conditions of Approval in Exhibit A.

ATTACHMENTS

PAGE No.

Resolution No. ____ to Approve General Plan Amendment GPA17-002, Pre-zoning PRE-ZC17-001, and Annexation A17-001 (Action Item), subject to:	5
Exhibit A - conditions of Approval	8
1. Location Map	9
2. Site Plan	* Attached
3. Applicant's Cover Letter	10
4. Chapman and Boetzer Environmental Assessment Information	12
5. Annexation Policy, as amended March 29, 1995	14
6. County of Santa Cruz Planning Department letter, dated March 19, 2018	16
7. Comments Received, dated May 1-3, 2018	17

* *Please note that the project plans are only provided to the Planning Commission. However, the project plans, application, correspondence, and file are available for public review in the Planning Department at City Hall, Monday-Thursday 8:00AM-12:00PM, or by appointment by calling (831) 440-5630.*

Swift Consulting Services

500 Chestnut Street, Ste. 100
Santa Cruz, CA 95060

TRANSMITTAL

Date: October 12, 2017

To: Michelle Edwards

From: Ken Hart
459-9992
ken@swiftconsultingservice.com

Subject: Lot Line Adjustment, Rezone, General Plan Amendment, and
Annexation Application (APN 023-161-04)

This application involves a Lot Line Adjustment, Rezoning, General Plan Amendment, and an Annexation. Parcel 023-161-04 (Chapman) is a 0.849 acre property located at 54 Cumbre Lane in the City of Scotts Valley. Its western property line and a portion of its northern property line define the municipal boundary of the City of Scotts Valley. The areas to the west and north of these parcel lines are located within the unincorporated area of the County of Santa Cruz.

Parcel 070-331-09 (Boetzer) is a 20 acre property that is accessed off Hacienda Drive (374 Hacienda Drive) and is located in the unincorporated area of Santa Cruz County. This property shares a small portion of its southern boundary with 023-161-04 (Chapman).

There is no development being proposed as part of this application. The project primarily consists of a Lot Line Adjustment between APN's 023-161-04 and 070-331-09. Approximately 1.520 acres is proposed to be transferred from 070-331-09 (Boetzer) to 023-161-04 (Chapman). Because the Chapman property lies within the City of Scotts Valley and the Boetzer parcel is in the unincorporated area of the County, this boundary change will also require an annexation. In addition, the project will require a Rezoning and a General Plan Amendment in order to result in land use designations of the 1.520 acres that are consistent with those currently in place for the Chapman parcel. The current and proposed Zoning and General Plan designations are as follows:

Existing

023-161-04 (Chapman)

1.520 Acre Portion of 070-331-09 (Boetzer)

General Plan
Rural Residential

General Plan
Mountain Residential

Zoning
R-R 2.5 Acres

Zoning
A Agriculture

Proposed

023-161-04 (Chapman)

1.520 Acre Portion of 070-331-09 (Boetzer)

General Plan
Rural Residential

General Plan
Rural Residential

Zoning
R-R 2.5 Acres

Zoning
R-R 2.5 Acres

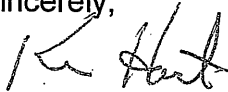
The Chapman parcel (.849 acres) is non-conforming with the minimum parcel size of the zone district (R-R 2.5 acres). The Lot Line Adjustment will result in a larger parcel size that is in greater conformance with the zoning designation.

Both parcels are currently developed with single family residences. Access to the area of the Boetzer property to be combined to the Chapman property is inaccessible from the residence on the Boetzer Parcel. The area is separated from the home by a steep slope. This area to be added to the Chapman property will be a natural extension of the ridge on which their parcel is located and will allow them to enjoy this beautiful natural area.

The proposed new boundary will not result in an unusual or irregular boundary line. The City boundary will be a logical extension of the northern property line of APN 023-252-04. In addition, there will be not be any extension of City or Special District services associated with this boundary change.

We have reviewed the required Findings for the Lot Line Adjustment, Rezone, General Plan Amendment, and Annexation and all Findings can be made. Please do not hesitate to contact our office if you have any questions about the application.

Sincerely,



Ken Hart

Chapman (023-161-04) and Boetzer (070-331-09) Environmental Assessment Information

Parcel 023-161-04 (Chapman) is a 0.849 acre property located at 54 Cumbre Lane in the City of Scotts Valley. Its western property line and a portion of its northern property line define the municipal boundary of the City of Scotts Valley. The areas to the west and north of these parcel lines are located within the unincorporated area of the County of Santa Cruz.

Parcel 070-331-09 (Boetzer) is a 20 acre property that is accessed off Hacienda Drive (374 Hacienda Drive) and is located in the unincorporated area of Santa Cruz County. This property shares a small portion of its southern boundary with 023-161-04 (Chapman).

There is no development being proposed as part of this application. The project primarily consists of a Lot Line Adjustment between APN's 023-161-04 and 070-331-09. Approximately 1.520 acres is proposed to be transferred from 070-331-09 (Boetzer) to 023-161-04 (Chapman). Because the Chapman property lies within the City of Scotts Valley and the Boetzer parcel is in the unincorporated area of the County, this boundary change will also require an annexation. In addition, the project will require a Rezoning and a General Plan Amendment in order to result in land use designations of the 1.520 acres that are consistent with those currently in place for the Chapman parcel. The current and proposed Zoning and General Plan designations are as follows:

Existing

023-161-04 (Chapman)

1.520 Acre Portion of 070-331-09 (Boetzer)

General Plan
Rural Residential

General Plan
Mountain Residential

Zoning
R-R 2.5 Acres

Zoning
A Agriculture

Proposed

023-161-04 (Chapman)

1.520 Acre Portion of 070-331-09 (Boetzer)

General Plan
Rural Residential

General Plan
Rural Residential

Zoning
R-R 2.5 Acres

Zoning
R-R 2.5 Acres

There are currently no plans for development on the portion of the property proposed to be added to the parcel. The primary objective of the applicant is to obtain and preserve the wooded area behind his property and, while a guest house or ADU may be proposed at a future date, these kinds of structures could be constructed on the Chapman parcel without the need for the Lot Line Adjustment and would receive a Categorical Exemption from CEQA (Ministerial Project).

Properties in the vicinity of the subject parcel are all located in the R-R 2.5 zone district and range in size from .30 to .84 acres.

There are no mapped sensitive resources in the vicinity of either parcel involved in this application and the project will not result in any impacts listed on the Environmental Assessment Information Sheet.



CITY OF SCOTTS VALLEY

PLANNING DEPARTMENT

One Civic Center Drive • Scotts Valley • California • 95066
Phone (831) 440-5630 • Facsimile (831) 438-2793 • www.scottsvally.org

Annexation Policy

As amended on March 29, 1995

The City will aggressively pursue annexations only when it is clearly stated as a General Plan policy to do so. Further, the City will consider applications from property owners in accordance with the principles and requirements set forth in this Annexation Policy.

I. Maintain consistency with the Mission Statement of the City and further the goals of the General Plan

- A. Annexation will be considered only if the area or development proposed for annexation supports one or more of the objectives in the Mission Statement of the City Government adopted by the City Council on July 10, 1991, which includes the following:
 - 1. Protecting the hillside forest which provides the essential character of the valley,
 - 2. Developing the urban core near major transportation corridors,
 - 3. Fostering a healthy business community which can provide most of the goods and services we need within our own City,
 - 4. Ensuring a broadly based housing supply,
 - 5. Establishing a variety of parks which enhance recreational opportunities and allow us to enjoy the forest around us.
 - 6. Improving pedestrian accessibility to and through the forest around us,
 - 7. Providing an environment in which we feel safe enough to freely enjoy life,
 - 8. Providing efficient, courteous, fiscally sound government service which we all trust.
- B. Annexations requiring a General Plan Amendment will be considered only when the City Council deems it to be in the public interest and when the City Council deems it to be in the public interest and when the City finds it to be beneficial to proceed with annexation and to change the General Plan.

II. All developed areas proposed for annexation to the City shall demonstrate a positive financial contribution to the City

- C. Areas annexed to the City will pay all costs associated with providing and/or extending City utilities, including a contribution to cover a proportionate share of system capacity that has already been constructed.

- D. Areas annexed to the City will pay a fee equivalent to current development impact fees to cover the cost of providing City services other than utilities (i.e., police, recreation, streets, library, etc.). Dedication of lands or other "non-cash" contributions may be considered in lieu of fee payments. The City may at its discretion allow for the formation of special assessment and/or benefit assessment districts to cover these costs.
- E. Fees may be adjusted or waived to encourage annexations where positive financial return to the City can be demonstrated.
- F. Annexation requests involving already developed land may be required to bring streets, utilities, etc. to City standards. The City Council may at its discretion allow for the formation of an assessment district to accomplish this prior to final acceptance of the annexation.

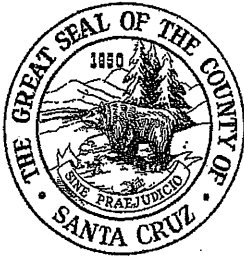
III. Areas proposed for annexation shall demonstrate orderly planning and development, as well as efficient utilization of City services and utilities

- G. Annexation requests which would result in peninsulas, or other irregular boundaries, will be discouraged. Where such annexations have been requested, an effort will be made to include additional land or modify the proposed boundaries in order to correct the irregularity.
- H. Annexation requests which are not served by special districts such as the Scotts Valley Water or Fire Districts will be discouraged. Where such annexations to special districts are requested, the applicant shall apply for and pay all costs associated with annexation to the designated special district(s).
- I. Annexation requests which are not within the adopted Sphere of Influence of the City shall apply for and pay all costs associated with an amendment to the Sphere of Influence.

IV. Protect open space and conservation areas, with special attention given to groundwater recharge areas

- J. Annexation requests will be considered only when the development proposal which accompanies the annexation request complies with the City's water recharge policies.

4/4/95 per 3/29/95 City Council meeting



COUNTY OF SANTA CRUZ

PLANNING DEPARTMENT

701 OCEAN STREET - 4TH FLOOR, SANTA CRUZ, CA 95060
(831) 454-2580 FAX: (831) 454-2131 TDD: (831) 454-2123

KATHLEEN MOLLOY PREVISICH, PLANNING DIRECTOR

March 19, 2018

Ken Hart
500 Chesnut Street, Suite 100
Santa Cruz, Ca 95060

Subject: Proposed annexation and lot line adjustment
Application #: PA181006
APN #: 070-331-09, 023-161-04
Owners: Kenneth Boetzer, Matthew Chapman

Dear Ken Hart:

The Planning Department has completed its review of the materials submitted regarding the proposed annexation and subsequent lot line adjustment of a 1.52 acre portion of assessor's parcel number (APN) 070-331-09. The portion of land would be annexed from unincorporated Santa Cruz County to the City of Scotts Valley. In pre-application discussions, it was determined between the applicant and planning staff that the City of Scotts Valley would process the lot line adjustment while County staff would review the project to ensure compliance the County's policies and regulations. The materials submitted were not transmitted to additional agencies for review. The proposed project meets County requirements for both boundary and lot line adjustments and is supported by planning staff.

The project proposes a transfer of approximately 1.52 acres from parcel 070-331-09 (located within the unincorporated County) to parcel 023-161-04 (located in the City of Scotts Valley) via a boundary adjustment. To facilitate the adjustment, annexation of the parcel into the City of Scotts Valley is proposed. The parcel proposed to remain in the County's jurisdiction would be an 18.4 acre Agricultural zoned parcel with a Mountain Residential General Plan Designation. This parcel meets the County's development standards, both before and after the boundary adjustment, including the 10 acre minimum parcel size allowed by its General Plan designation. Additionally, the project meets the findings required to approve a lot line adjustment in that there are just two parcels involved in the boundary adjustment, both sites are developed, and no additional development is proposed as part of the application. Further, the area subject to transfer is located well away from the septic system and existing improvements on the property.

Should you have further questions concerning this application, please contact me at:
(831) 454-3227 or e-mail: evan.ditmars@santacruzcounty.us

Sincerely,

Evan Ditmars
Project Planner
Development Review

From: Scott Beam [mailto:sbeam@ridefox.com]

Sent: Tuesday, May 01, 2018 4:25 PM

To: Michelle Edwards

Cc: Amy Beam

Subject: Chapman Annexation

Michelle Edwards,

Thank you for taking the time to review the proposed "Chapman Annexation" with me today. I wanted to let you know that I am opposed to the annexation of the County land into the City.

My property is a 12-acre parcel that is located in the County with an address of 1540 Bean Creek Road. My parcel is adjacent to both the Chapman and the Boetzer properties.

Currently the 1.52 acres of land in question would not allow for development as it resides in the County. Annexing the property into the City will allow for development. The City has no means to control storm water runoff in this area if and when the property is developed. This is of great concern to me due to erosion that will adversely affect my property.

In April I filed a lawsuit against the City of Scotts Valley and a nearby property owner because both parties are dumping storm water runoff onto my property. I had participated with the City for 3-1/2 years, in a cooperative effort to resolve the problem. We were unable to find a solution that the City would pursue. This is a situation that has caused several hundred thousand dollars in damages to my property.

The proposed annexation could cause further erosion problems. I would strongly encourage the Planning Commission to not recommend approval of this project. At the very least any decision should be postponed until the Court has made a decision in the above matter.

Thank you,
Scott Beam
1540 Bean Creek Road
Scotts Valley, CA 95066

This e-mail message is intended only for individual(s) to whom it is addressed and may contain information that is privileged, confidential, proprietary, or otherwise exempt from disclosure under applicable law. If you believe you have received this message in error, please advise the sender by return e-mail and delete it from your mailbox.

May 2, 2018

Ms. Michelle Edwards
Scotts Valley Planning Department
1 Civic Center Dr.
Scotts Valley, CA 95066

Re: proposed Chapman annexation of land on Cumbre Lane

Dear Ms. Edwards:

I reside at 21 Cumbre Lane and submit this letter in support of The Chapman's proposed purchase of roughly one acre of land. My home of twenty seven years sits adjacent to the Chapman's home and one lot over from the proposed annexed land. The land which would be annexed from the county to the city is and has always been undeveloped. It is simply an extension of the ridge on which the Chapman's home and my home are situated.

Matt Chapman has spoken to me about the project and given me his assurance that the property, which is too steep for building, will remain undeveloped. I trust Matt as a man of his word. The purchase will enhance their views and allow them better enjoy their home.

I urge the Planning Department's approval of the proposed change in city property line and the annexation of this small parcel.

Sincerely,

Barbara A. Mendenhall
21 Cumbre Lane
Scotts Valley

Michelle Edwards

From: John Swift [john@swiftconsultingservice.com]
Sent: Thursday, May 03, 2018 8:44 AM
To: Michelle Edwards
Subject: 54 Cumbre Ln.

Michelle,

Below is a letter of support from a neighbor on Cumbre Ln.

John Swift
john@swiftconsultingservice.com

Swift Consulting Services, Inc.

500 Chestnut St., Ste. 100
Santa Cruz, CA 95060
(831) 459-9992
(831) 459-9998 fax

From: Matt Chapman [mailto:matt@matt-chapman.com]
Sent: Wednesday, May 02, 2018 5:18 PM
To: John Swift; Ken Hart
Subject: Fwd: Letting you know about a big sign at our home.

See below

Matt Chapman
Cell: 831-325-3460
Assistant:
Lia Adams - lia@matt-chapman.com

Begin forwarded message:

From: Chuckk Gerwig <chuckk@elevationsc.org>
Date: May 2, 2018 at 2:23:14 PM PDT
To: Matt & Diana Chapman -neighbor cumbre <matt@matt-chapman.com>
Subject: Re: Letting you know about a big sign at our home.

To Whom it may concern,

As The Chapman's neighbors on Cumbre Lane we're fully supportive and in favor of their proposed land purchase here on this beautiful hill. They have worked hard to make the neighborhood more a beautiful and peaceful locale to live in. We hope that they will be allowed to acquire the land they are seeking. If we can answer questions or be of service please feel free to call us.

Signed,

Chuck and Andrea Gerwig
11 Cumbre Lane,
Scotts Valley,

Michelle Edwards

From: Tobias Yeh [tobyandtomo@sbcglobal.net]
Sent: Thursday, May 03, 2018 11:19 AM
To: Michelle Edwards
Cc: matt@matt-chapman.com; Tobias Yeh
Subject: Proposed Lot Line Adjustment - Chapmans

May 3, 2018

Michelle Edwards
Senior Planner
Scotts Valley City Planning Dept

RE: Proposed Project - Chapman Annexation
54 Cumbre Lane

Dear Ms. Edwards,

Thank you for your letter informing residents in our neighborhood of the proposed lot line adjustment of the Chapman's property.

We live at 20 Cumbre Lane and have no reason to protest the proposed project to add an acre to the Chapman's property. It will not negatively affect our property in any way.

Sincerely,

Dr. & Mrs. Tobias Yeh

Michelle Edwards

From: Laura Beraut [laura@beraut.com]
Sent: Thursday, May 03, 2018 12:21 PM
To: Michelle Edwards
Subject: Letter of Support for Chapman Plans on Cumbre Drive

Michelle Edwards
Scotts Valley City Planning Dept.

Hi Michelle,

I reside at 22 Cumbre Ln. I have reviewed the Chapman's plans to combine a roughly one acre area of their neighbor's property with their own. This property is inaccessible and unusable by their neighbor due to steep slopes. However this area is a natural extension of the Chapman's property along the ridge and will allow the expansion of their beautiful yard.

We support this proposed Lot Line Adjustment and hope that the City will approve it .

Signed,

Laura Beraut
831-359-2386

City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: June 20, 2018

TO: Honorable Mayor and City Council

FROM: Steve Hammack, Interim Public Works Director

APPROVED: Jenny D. Haruyama, City Manager

**SUBJECT: SKYPARK OPEN SPACE MAINTENANCE ASSESSMENT
DISTRICT NO. 1 PUBLIC MEETING**

SUMMARY OF ISSUE

In 1995, the City Council formed the Skypark Open Space Maintenance Assessment District No. 1 and subsequently authorized the levy and collection of an assessment to maintain the open space district. The revenue collected to maintain the district includes linear park, two greenbelt areas, and a self-insurance fund in the event of a slope failure. The assessment district is formed pursuant to the Landscaping and Lighting Act of 1972 and must be renewed annually.

Each year, an Annual Engineer's Report is filed, which includes an estimate of expenses to be paid by the district, a description of the work to be performed or improvements to be made, and benefit assessment, outlining the proposed budget for the cost of maintaining, repairing, and operating any public improvements. The FY 2018/19 assessment is \$219.74 per unit, the same as last year's. The total assessment revenue is estimated to be \$41,750.60. At the time the assessment was established, an annual inflator was not included; therefore, the per unit assessment has remained the same since 1995.

Revenue generated by the assessment covers expenses related landscape services such as cultivation, trimming, spraying, fertilizing, or treating of disease, and removal of trimmings, debris, and other solid waste; repair, reconstruction, removal, and/or replacement of items related to the maintenance of vegetation and open space, including but not limited to: irrigation systems, lighting, infrastructure (curbs, gutters, sidewalks); and utilities (water and electricity). The assessment also requires that funds be set aside in the event of a slope failure within the assessment area. A slope evaluation was completed, October 2017. The study showed the drainage culvert outfall on the south side is showing signs of being compromised causing inadequately controlled erosion at toe of slope. This will require continued annual inspection, and repair. The remainder and majority of the slope shows no active erosion.

The table below reflects the proposed FY 2018/19 budget, estimated year-end for FY 2017/18 and FY 2016/17 actuals:

	Proposed FY 18/19	Estimated FY 17/18	Actual FY16/17
Total Revenue	\$41,751	\$41,751	41,751
Expenses			
Utilities	\$12,000	\$11,390	\$ 7,716
Landscape Maintenance/Repairs*	25,000	27,285	\$25,859
<i>Expense Subtotal</i>	<i>\$37,000</i>	<i>\$38,675</i>	<i>\$33,575</i>
Self Insurance Fund – Slope Stability	\$9,000	\$9,000	\$9,000
Total Expenses	\$46,000	\$47,675	\$42,575

*also includes estimated city staff time

The assessor's role is used to obtain the current name and address of each property owner to be notified of the proceedings. As required, all 190 owners were notified of the June 6, 2018 public meeting and the June 20, 2018 public hearing via mail.

The purpose of the public meeting on June 6, 2018 was to receive public testimony from the affected property owners regarding the assessment. No other action was required.

This public hearing is being held to receive additional testimony from property owners, approve the FY 2018-19 Annual Engineer's Report, and adopt Resolution No. 1555-SP-30.

FISCAL IMPACT

Costs associated with maintaining, repairing, and operating the assessment district is funded through an annual assessment levy, which generates an estimated \$41,750.60.

STAFF RECOMMENDATION

It is recommended that City Council hold a public hearing, approve the FY 2018-19 Annual Engineer's Report, and approve Resolution No. 1555-SP-30 ordering and authorizing the levy and collection of assessments therein pursuant to the Landscaping and Lighting Act of 1972 for the Skypark Open Space Maintenance District.

TABLE OF CONTENTS

PAGE

Resolution No. 1555-SP-30	3
Annual Engineer's Report	6

RESOLUTION NO. 1555-SP-30

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY ORDERING AND AUTHORIZING THE LEVY AND COLLECTION OF ASSESSMENTS THEREIN PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972

SKYPARK OPEN SPACE MAINTENANCE DISTRICT

RESOLVED, by the City Council of the City of Scotts Valley, California, that,

WHEREAS, pursuant to Resolution No. 1555-SP-07, ordering formation of territory into an Open Space Maintenance Assessment District and authorizing the levy and collection of assessments, adopted on the 6th day of December 1995 by the City Council pursuant to the Landscaping and Lighting Act of 1972, as amended, the Engineer of Work of said City has filed with the City Clerk the written report called for under said Act and by said Resolution No. 1555-SP-07, which report has been presented by said Engineer of Work to this Council and this Council has preliminarily approved and confirmed said report by its Resolution No. 1555-SP-03, adopted October 18, 1995, and ordered that the same stand as the report for the purpose of all subsequent proceedings pursuant to said Resolution No. 1555-SP-03; and

WHEREAS, June 6, 2018 at the hour of 6:00 o'clock p.m. and June 20, 2018 at the hour of 6:30 o'clock p.m., in the regular meeting place of said Council, Council Chambers, One Civic Center Drive, Scotts Valley, California, was appointed and fixed as the time and place of public hearings to act upon the Engineer's Report and Resolution No. 1555-SP-30; and

WHEREAS, the City Clerk gave notice of said hearings by publication once a week for two weeks in the local newspaper published and circulated in said City, and by mailing or causing to be mailed notice of the adoption of said Resolution and of the filing of said report, postage prepaid, at least ten days before the date set for hearings of said protests, to all persons owning real property to be assessed, whose names and addresses appear on the last equalized assessment roll for County taxes prior thereto or as known to the City Clerk, which notice contained a statement of the time, place and purpose of the hearings and a statement of the total estimated cost of said proposed maintenance and improvements, the amount as shown by said report to be assessed against the particular parcel covered by the notice, together with a statement that any person interested may file a protest in writing as provided in said Act; and

WHEREAS, all written protests and other written communications were read by the Council and are on file with the Clerk and all persons desiring to be heard were fully heard.

NOW, THEREFORE, IT IS ORDERED, as follows:

1. That protests against said maintenance of improvements and levy of assessments were not signed by the owners of a majority or more of the area of the lands within the assessment district assessed for the costs and expenses of said work.
2. That said protests be, and each of them are, hereby overruled.
3. That the owners of one-half (1/2) or more of the area to be assessed for the cost of the project did not, at or prior to the time fixed for said hearings, file written protests against the said proposed maintenance and improvements as a whole, or against said district or the extent thereof to be assessed for the costs and expenses of said maintenance and improvements as a whole, or as to the Engineer's estimate of said costs and expenses, or against the maps and descriptions, or against the diagram or assessment to pay for the costs and expenses thereof.
4. That the district benefitted by said maintenance and improvements are to be assessed to pay the costs and expenses thereof, and the exterior boundaries thereof are more particularly described in said Resolution No. 1555-SP-07 and made a part hereof by reference thereto. That all public streets and highways within said assessment district in use in the performance of a public function as such shall be omitted from said district and from the levy and collection of the special taxes to be hereafter levied and collected to cover the costs and expenses of said maintenance and improvements.
5. That the Engineer's estimate of the itemized and total costs and expenses in connection therewith, contained in said Report, be, and it is hereby, finally adopted and approved as the Engineer's total and detailed estimate of the costs and expenses of said maintenance of improvements.
6. That the public interest and convenience require and said Council does hereby order the maintenance of improvements to be made as described in and in accordance with said Resolution No. 1555-SP-07 on file in the office of the Clerk, reference to which is hereby made for a more particular description of said maintenance of improvements, and also for further particular pursuant to the provisions of said Landscaping and Lighting Act of 1972.
7. That the diagram showing the assessment district referred to and described in said Resolution No. 1555-SP-07, and also the boundaries and dimensions of the respective subdivisions having been given a separate number upon said diagram, as contained in said report, be, and it is hereby, finally approved and confirmed as the diagram of the properties to be assessed to pay the costs and expenses of said maintenance of improvements.

8. That the assessment of the total amount of the costs and expenses of the proposed maintenance of improvements upon the several subdivisions of land in said district in proportion to the estimated benefits to be received by said subdivisions, respectively from said maintenance of improvements, and of the expenses incidental thereto, contained in said report, be, and the same is hereby, finally approved and confirmed as the assessment to pay the costs and expenses of said maintenance of improvements.

9. That said Engineer's Report be, and the same is hereby, finally adopted and approved as a whole.

10. That the Clerk shall forthwith deliver to the Superintendent of Streets said assessment as confirmed by this Council with his/her certificate of such confirmation thereto attached and of the date thereof; and that said Superintendent of Streets shall record said diagram and assessment in his/her office in a suitable book to be kept for that purpose, and append thereto his/her certificate for the date of such recording, and such recordation shall be and constitute the assessment roll herein.

11. Proceedings shall be taken by this Council pursuant to said Act for any fiscal year during which an assessment is to be levied and collected within said district.

12. The Clerk of this City be, and is hereby, authorized and directed to file a certified copy of this resolution with the County Auditor of Santa Cruz County.

I hereby certify that the foregoing resolution was duly and regularly adopted and passed by the City Council of the City of Scotts Valley, California, at a regular meeting thereof held on the 20th day of June 2018, by the following vote of the members thereof:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved:

Jim Reed, Mayor

Attest: _____
Tracy A. Ferrara, City Clerk

**ANNUAL ENGINEER'S REPORT
Fiscal Year 2018-2019**

**SKYPARK OPEN SPACE
MAINTENANCE ASSESSMENT DISTRICT NO. 1
Tract No. 1380**

**CITY OF SCOTTS VALLEY
Santa Cruz County, California**

**Jim Reed
Mayor**

**Jack Dilles
Vice-Mayor**

**Randy Johnson
Council Member**

**Stephany E. Aguilar
Council Member**

**Donna Lind
Council Member**

**Jenny Haruyama
City Manager**

**Steve Hammack
Interim Public Works Director**

**Ken D. Anderson, RCE 46485
Assessment District Engineer of Work**

Skypark Open Space Maintenance Assessment District No. 1

ASSESSMENT

Fiscal Year 2018-2019

WHEREAS, on October 18, 1995, the City Council of the City of Scotts Valley, California, pursuant to the provisions of the Landscaping and Lighting Act of 1972, adopted its Resolution No. 1555-SP-01, determining to initiate proceedings for the establishment of an assessment district to be known as the "Skypark Open Space Maintenance Assessment District No. 1", more particularly therein described; and

WHEREAS, Resolution No. 1555-SP-25 appointed the City Engineer as Engineer of Work and directed the preparation and filing of an Engineer's Report presenting plans of the improvements to be maintained, a diagram for the assessment district, an estimate of cost for maintenance and servicing thereof, and an assessment of the estimated costs upon all assessable lots or parcels within the assessment district, to which resolutions reference is hereby made for further particulars.

NOW, THEREFORE, I, Ken D. Anderson, RCE 46485, City Engineer of said City of Scotts Valley, acting in the capacity of Engineer of Work under order of the City Council of said City of Scotts Valley, hereby make the following assessment to cover the portion of the estimated cost of the maintenance and servicing of the proposed improvements, including the costs and expenses incidental thereto, to be paid by the assessment district.

The amount to be paid for said maintenance and servicing of the proposed improvements, including the costs and expenses incidental thereto; to be paid by the assessment district for the fiscal year 2018-2019 is as follows:

Engineer's Estimate: \$41,750.60

And I do hereby assess and apportion said portion of said total amount of the costs and expenses of said maintenance and servicing of the proposed improvements, including the costs and expenses incidental thereto, upon the several lots, pieces, or parcels or portions of lots of land liable therefore and benefitted thereby, and hereinafter numbered to correspond with the numbers upon the diagram, upon each, severally and respectively, in proportion to the benefits to be received by such lands respectively, from the maintenance hereto attached and by reference made a part hereof.

As required by said Act, a diagram is recorded in official records of the County of Santa Cruz showing the assessment district and also boundaries and dimensions of the respective lots or parcels of land within said assessment district generally described as the same existed at passage of said Resolution No. 1555-SP-01.

Said assessment is made upon the several lots or parcels of land within said assessment district in proportion to the estimated benefits to be received by said lots or parcels respectively, from the maintenance and servicing of the improvements. The diagram and assessment numbers appearing herein are the diagram numbers appearing on said diagram, to which reference is hereby made for a more particular description of said property.

I hereby place opposite the number of each lot or parcel of land assessed, the amount assessed thereon and the number of the assessment. Each lot or parcel of land is described in the assessment list by reference to its parcel number as shown on the Assessor's Maps of the County of Santa Cruz for the fiscal year 2018-2019 to the right of the parcel numbers and includes all of such parcels.

Date

Ken D. Anderson, RCE 46485
City Engineer

DESCRIPTION OF WORK

Skypark Open Space Maintenance Assessment District No. 1

1. Maintaining and servicing of landscaping, vegetation and open space, including the cost of repair, removal or replacement of all or any part thereof, providing for the life, growth, health and beauty thereof, including cultivation, trimming, spraying, fertilizing or treating for disease or injury, the removal of trimmings, rubbish, debris and other solid waste, and water for the irrigation thereof.
2. Maintaining and servicing of decorative fencing, exercise par course and signage thereon, electronically controlled gates, and other ornamental structures and facilities, including the cost of repair, reconstruction, removal, or replacement of all or any part thereof.
3. Repair or replacement, including the installation and construction thereof, of hardscaping, including damaged curbs, gutters, walls, sidewalks, paving, water, irrigation systems, drainage, lighting, or electric facilities appurtenant to any of the improvements referenced in paragraphs 1 and 2 above, or which are necessary or convenient for the maintenance or servicing of said improvements.
4. The improvements referenced above are all within the boundaries of parcels 14, 15, 16, 17, as shown on Final Map, Tract No. 1355, Skypark, recorded in the official records of Santa Cruz County in the Book of Maps, Volume 89, Page 14, and within the boundaries of parcels A and B as shown on Final Map, Tract No. 1380, California Skypark, recorded in the official records of Santa Cruz County in the Book of Maps, Volume 89, Page 15 (hereinafter referred to as Final Maps).
5. The cost of slope subsidence/stability insurance or a self-insurance fund for any and all slope failures within the boundaries of parcels 14, 15, 16, 17, A and B as shown on the aforesaid Final Maps.
6. The maintenance, repair or replacement of such other facilities as may be appurtenant to the foregoing or which are necessary or convenient for the maintenance or servicing thereof.

SKYPARK OPEN SPACE

MAINTENANCE ASSESSMENT DISTRICT NO. 1

Engineer's Estimate

Fiscal Year 2018-2019

BENEFIT ASSESSMENT

The budget for the costs and expenses of maintaining and operating any and all of said public improvements for fiscal year 2018-2019 is as follows:

MAINTENANCE

- | | | |
|----|--|--|
| 1. | Initial maintenance contract | |
| | a. | Park Maintenance and Materials \$23,450.00 |
| | b. | Water Cost \$ 8,000.00 |
| | c. | Utilities (PG&E) \$ 500.00 |
| | Subtotal | \$31.950.00 |
| | Total maintenance cost (12-month period) | |

INSURANCE

- | | | |
|----|---|-------------|
| 1. | Self-Insurance Fund for Park Slope/Bluff Area | \$ 9,000.00 |
|----|---|-------------|

INCIDENTALS

- | | | |
|----|------------------------------------|-----------|
| 1. | Printing and advertising (notices) | \$ 800.60 |
|----|------------------------------------|-----------|

BALANCE TO ASSESSMENT	<u>\$41,750.60</u>
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RULES OF SPREADING ASSESSMENTS

1. District is to be assessed for all costs associated with the maintenance and servicing of the landscaping, hardscaping and appurtenant improvements within parcels 14, 15, 16, 17, as shown on Final Map, Tract No. 1355, Skypark, recorded in the official records of Santa Cruz County in the Book of Maps, Volume 89, Page 14, and within the boundaries of parcels A and B as shown on Final Map, Tract No., 1380, California Skypark, recorded in the official records of Santa Cruz County in the Book of Maps, Volume 89, Page 15.
2. Total costs shall be apportioned to all parcels within the district boundaries in accordance with the benefit derived from the landscaping improvements.
3. The benefit derived has been determined to be equal for all parcels.

Certificates

I, Tracy A. Ferrara, City Clerk of the City of Scotts Valley, hereby certify that the foregoing assessment roll, in the amount set forth, was filed with me on _____.

Tracy A. Ferrara, City Clerk

I, Ken D. Anderson, City Engineer of the City of Scotts Valley, do hereby certify that the amounts set forth under the Engineer's Estimate on Page 1 of the Assessment, and the individual amounts on the foregoing pages of the Assessment have been computed in accordance with the order of the City Council of said City of Scotts Valley, as expressed by Resolution No. 1555-SP-032, duly adopted by said City Council on June 20, 2018.

Ken D. Anderson, RCE 46485
City Engineer

I, Tracy A. Ferrara, City Clerk of the City of Scotts Valley, hereby certify that the foregoing assessment, in the amount set forth in the Engineer's Estimate on Page 1 of the Assessment, was approved and confirmed by the City Council of the City of Scotts Valley on _____.

Tracy A. Ferrara, City Clerk

The Assessment was filed in the office of the County Auditor of the County of Santa Cruz, California, on _____.

Tracy A. Ferrara, City Clerk

I HEREBY CERTIFY that the enclosed Engineer's Report and Assessment was recorded in my office on _____.

Superintendent of Streets
Scotts Valley, Santa Cruz County, California

By _____
Steve Hammack, Interim Public Works Dir.

City of Scotts Valley
SKYPARK OPEN SPACE MAINTENANCE ASSESSMENT DISTRICT NO. 1

ASSESSMENT ROLL

Ass. No.	Assessor's Parcel No.	Property Owner	Assessment Amount
1001	22-691-01	Mario Guerrero Magno & Marife Arcinas	\$ 219.74
1002	22-691-02	Jyri J Virkki	\$ 219.74
1003	22-691-03	Christopher & Dianne Wong	\$ 219.74
1006	22-691-06	Robert D. & Sheri L. Larkin	\$ 219.74
1007	22-691-07	Nanette L Carrillo Trustee	\$ 219.74
1008	22-691-08	Brian D. & Teresa M. Hallin Trustees	\$ 219.74
1009	22-691-09	Soon K. & Young H. Yuh	\$ 219.74
1010	22-691-10	Michael Mark Goodwin Trustee et al	\$ 219.74
1011	22-691-11	Suzanne Merrill Rosen	\$ 219.74
1012	22-691-12	Jeremy & Lori Gentile	\$ 219.74
1013	22-691-13	Clarence W. & Maureen A. Mezzell	\$ 219.74
1014	22-691-14	Robert L Hambelton et al	\$ 219.74
1015	22-691-15	Gillian McGlaze Trustee	\$ 219.74
1016	22-691-16	Shaunak Mistry et al	\$ 219.74
1017	22-691-17	Dan Joe Aspromonte Trustee	\$ 219.74
1018	22-691-18	Willie D. & Lisa J. Lu Trustees	\$ 219.74
1004	22-691-20	Jose F. & Heather T. Lomba	\$ 219.74
1005	22-691-21	Christian Life Center First Assembly of	\$ 219.74
1144	22-692-01	Nancy Gonzalez Caro Trustee	\$ 219.74
1145	22-692-02	Deutsche Bank National Trust Co.	\$ 219.74
1146	22-692-03	Jann L Smart	\$ 219.74
1147	22-692-04	Richard L. & Joy H. Rohde	\$ 219.74
1148	22-692-05	Andreas & Jennifer Becker	\$ 219.74
1149	22-692-06	Hin F. Boen et al	\$ 219.74
1150	22-692-07	Peter K. Thompson	\$ 219.74
1151	22-692-08	Edward J. & Karen E. McNamara	\$ 219.74
1152	22-692-09	Guadalupe & Sarah De Leon	\$ 219.74
1153	22-692-10	Jeffrey Allen Ott	\$ 219.74
1154	22-692-11	Jonah Kaj & Josephine Fleming	\$ 219.74
1177	22-692-12	Cherylee Roberts	\$ 219.74
1178	22-692-13	Johnny Mon et al	\$ 219.74
1179	22-692-14	Yuriko Yamasaki et al	\$ 219.74
1180	22-692-15	Keith H. & Jody L. Tyndall	\$ 219.74
1181	22-692-16	John C. & Kassi L. Van Lanen	\$ 219.74
1182	22-692-17	Jeffrey Allen & Marci Beth Maple	\$ 219.74
1183	22-692-18	Nicholas Paul & Waritha Richards	\$ 219.74
1184	22-692-19	Henry J. Kondrat et al	\$ 219.74

1185	22-692-20	Benjamin M. & Tarin W. Beebe	\$ 219.74
1186	22-692-21	David J. Albano	\$ 219.74
1187	22-692-22	Anjna & Kamaljit Mann	\$ 219.74
1188	22-692-23	Catherine C. Kolumbus Trustee	\$ 219.74
1189	22-692-24	Peter Svensson	\$ 219.74
1190	22-692-25	Eric P. & Julie A. Miller	\$ 219.74
1107	22-693-01	Clay M. Teramo	\$ 219.74
1108	22-693-02	Catherine Hope & Gregory L. Horvath	\$ 219.74
1109	22-693-03	M. Patricia & David Dorsey	\$ 219.74
1110	22-693-04	Stuart & Lora Glasgow	\$ 219.74
1137	22-693-05	Shelley Smith	\$ 219.74
1138	22-693-06	Scott & Lisa M. MacGowan	\$ 219.74
1139	22-693-07	Ping Fai Ben Li et al	\$ 219.74
1140	22-693-08	Hubert H. Burroughs	\$ 219.74
1141	22-693-09	Sylvia P. Morrison	\$ 219.74
1142	22-693-10	Prashanth Jade	\$ 219.74
1143	22-693-11	Jeffrey Kennedy & Jennifer Leigh Wade	\$ 219.74
1019	22-701-01	Sheryl Ann McEwan	\$ 219.74
1020	22-701-02	Allen M. & Susan E. Sandretti	\$ 219.74
1021	22-701-03	Bruce R. & Tura M. Fuller Co-Trustees	\$ 219.74
1022	22-701-04	Andrew Seppy Bloom et al	\$ 219.74
1023	22-701-05	Mary Simpson	\$ 219.74
1024	22-701-06	Christopher S. Thomas	\$ 219.74
1025	22-701-07	James V. & Lea K. Reed	\$ 219.74
1026	22-701-08	George C. Jones et al	\$ 219.74
1027	22-701-09	Kevin & Julie L. Burnett	\$ 219.74
1028	22-701-10	Linda Lloyd Fisher Trustee et al	\$ 219.74
1029	22-701-11	Carolyn Nicholson	\$ 219.74
1030	22-701-12	Howard D. & Rosalia D. Shapiro	\$ 219.74
1031	22-701-13	Roderick A. & Cheryle M. Brownfield	\$ 219.74
1032	22-701-14	Jessica I. Puccinelli	\$ 219.74
1033	22-701-15	Kendall Q. & Marisela Maria Sullivan	\$ 219.74
1176	22-702-01	Isaac & Michelle Sparrow	\$ 219.74
1175	22-702-02	Alber & Inas K. Youssef Trustees	\$ 219.74
1174	22-702-03	William L. & Carol M. Campbell	\$ 219.74
1173	22-702-04	James S. Szabo et al	\$ 219.74
1172	22-702-05	Terre C. & Denise S. Wortman Trustees	\$ 219.74
1171	22-702-06	Terrence A. & Megan A. O'Toole	\$ 219.74
1170	22-702-07	Nathan C. & Shera R. York	\$ 219.74
1169	22-702-08	Gregory W. & Marnie L. Giguere	\$ 219.74
1168	22-702-09	Justin J. & Sara R. Kiesby	\$ 219.74
1167	22-702-10	Debbie P. Dizon	\$ 219.74
1166	22-702-11	Charles E. Schmuck Trustee	\$ 219.74

1165	22-702-12	Steven & Kathleen F. Gullickson	\$ 219.74
1164	22-702-13	Dale R. Henry et al	\$ 219.74
1163	22-702-14	Brian & Michiyo Johnston	\$ 219.74
1162	22-702-15	Eric & Beth Seib	\$ 219.74
1161	22-702-16	Luane Beck et al	\$ 219.74
1160	22-702-17	Amanda Danner	\$ 219.74
1159	22-702-18	Brian P. & Stacey G. Costello Trustees	\$ 219.74
1158	22-702-19	David J. & Cheryl L. Romer	\$ 219.74
1157	22-702-20	Charles e. & Cynthia J. Frakes Trustees	\$ 219.74
1156	22-702-21	Brigham Craun et al	\$ 219.74
1155	22-702-22	Richard D. & Elaine C. Bennett	\$ 219.74
1134	22-702-26	Robert D. & Jayne E. Scott	\$ 219.74
1133	22-702-27	Mark T. & Helen L. Youmans	\$ 219.74
1132	22-702-28	Maria C. Torchio-Gauthier et al	\$ 219.74
1131	22-702-29	Andrew & Jenny Wood	\$ 219.74
1115	22-702-30	Stephen Morairty et al	\$ 219.74
1114	22-702-31	The Salvation Army	\$ 219.74
1113	22-702-32	Stephen P. & Kristina N.Dinwiddie	\$ 219.74
1112	22-702-33	Jason P. & Amy M. Ivey	\$ 219.74
1111	22-702-34	Gavin J. & Jane F. Melford Trustees	\$ 219.74
1135	22-702-36	Cesar & Jacqueline DeSantos	\$ 219.74
1136	22-702-37	Douglas & Susan Diane Morey Trustees	\$ 219.74
1105	22-703-01	Gregory Jackson et al	\$ 219.74
1106	22-703-02	Fazlul & Rokhsana B. Quader	\$ 219.74
1073	22-703-03	John Lau et al	\$ 219.74
1072	22-703-04	James E. & Deborah L. Nieters	\$ 219.74
1129	22-711-01	Craig W. & Kathleen M Adams Trustees	\$ 219.74
1128	22-711-02	Shannon Lewis Malcolm	\$ 219.74
1127	22-711-03	Lisa M Newton	\$ 219.74
1126	22-711-04	Gregory Allen Rexelle	\$ 219.74
1125	22-711-05	Peter C. Lombrozo et al	\$ 219.74
1124	22-711-06	William & Joanne Thompson	\$ 219.74
1123	22-711-07	Philip W. Crowley	\$ 219.74
1122	22-711-08	Tavin B & Kristina M. Lanpheir	\$ 219.74
1121	22-711-09	Thomas M. Carli & Margaret Walsh	\$ 219.74
1120	22-711-10	Jakko M. Kleijnen et al	\$ 219.74
1119	22-711-11	John B. & Susan A. Ledingham	\$ 219.74
1118	22-711-12	David S. Sanchez et al	\$ 219.74
1117	22-711-13	Kaylon M. & John A. Northington	\$ 219.74
1100	22-711-14	Kim & John M. Lariviere	\$ 219.74
1099	22-711-15	Henry R. & Stephanie A. Knight	\$ 219.74
1098	22-711-16	Donald G. Melrose et al	\$ 219.74
1097	22-711-17	Sandra Holland et al	\$ 219.74

1096	22-711-18	Ben & Katie Howell	\$ 219.74
1095	22-711-19	Craig Moorhead	\$ 219.74
1094	22-711-20	Omeed M. & Traci L. Ghaffarian	\$ 219.74
1093	22-711-21	Robert M Jr. & Denise M Rodd Trustees	\$ 219.74
1092	22-711-22	Steven & Kristie Trefethen	\$ 219.74
1091	22-711-23	Gareth & Karen S. Egerton	\$ 219.74
1090	22-711-24	Jill M. & Gary D. Cramer Trustees	\$ 219.74
1089	22-711-25	Clark & Debra Patteson Trustees	\$ 219.74
1088	22-711-26	Tom Evenson Survivors Trust	\$ 219.74
1087	22-711-27	Mark R. & Marna S. Scarr Trustees	\$ 219.74
1086	22-711-28	Christine Pryor	\$ 219.74
1085	22-711-29	John D. Gullory & Suzanne Herrera	\$ 219.74
1084	22-711-30	Kim & Michael Cushing	\$ 219.74
1083	22-711-31	James D. Neef et al	\$ 219.74
1082	22-711-32	Alan & Laurie Okamura	\$ 219.74
1081	22-711-33	Sudesh Shetty Kodialbail et al	\$ 219.74
1080	22-711-34	Gerald E. Beyke	\$ 219.74
1079	22-711-35	Matthew & Marina M. Ward	\$ 219.74
1078	22-711-36	Keith & Jennifer Chomentowski	\$ 219.74
1130	22-711-38	Kevin Tien et al	\$ 219.74
1116	22-711-39	Barry W. Prentiss	\$ 219.74
1101	22-711-40	Richard P. Des Jardin Trustee et al	\$ 219.74
1102	22-711-41	Anna Marhenke et al	\$ 219.74
1103	22-711-42	Leslie Marie Christie Trustee	\$ 219.74
1104	22-711-43	Susan Hanlock Chapman	\$ 219.74
1074	22-711-44	Larry D. & Rebecca C. Mosley	\$ 219.74
1075	22-711-45	Valerie Polito	\$ 219.74
1076	22-711-46	Todd & Michelle Rebecca Riddle	\$ 219.74
1077	22-711-47	Richard & Theresa Riemer	\$ 219.74
1034	22-712-01	Matthew A. & Gretchen Clark Trustees	\$ 219.74
1035	22-712-02	Claude H. & Cynthia M. Lopez	\$ 219.74
1036	22-712-03	Christopher W. Bensen & Tara Dalton	\$ 219.74
1037	22-712-04	Jeffrey L. Gee et al	\$ 219.74
1038	22-712-05	Emir & Denise Gurer	\$ 219.74
1039	22-712-06	Goran & Susan Domitrovic	\$ 219.74
1040	22-712-07	Latha Amujuri et al	\$ 219.74
1041	22-712-08	Shaun Shahram & Habibeh Deyhim	\$ 219.74
1042	22-712-09	Robert J. Romero et al	\$ 219.74
1043	22-712-10	Scott & Deanna L. Heywood	\$ 219.74
1044	22-712-11	Rodney W. & Christine E. Stanton	\$ 219.74
1045	22-712-12	Clifford & Lily Dong Trustees	\$ 219.74
1046	22-712-13	Wellington R & George Ann White Trust	\$ 219.74
1047	22-712-14	Donald L. & Paula K. Cardoza Trustees	\$ 219.74
1048	22-712-15	Elaine Z. Moore et al	\$ 219.74
1049	22-712-16	Alan Van Wambeck Trustee et al	\$ 219.74

1050	22-712-17	Joerg & Beate Weingarten	\$ 219.74
1051	22-712-18	The Salvation Army	\$ 219.74
1052	22-712-19	Richard W. Wilkman & Ellen Foster	\$ 219.74
1053	22-712-20	Mark Alan Newton et al	\$ 219.74
1054	22-712-21	Donald J. Hutchison Trustee	\$ 219.74
1071	22-713-01	Gary D. Thomsen	\$ 219.74
1070	22-713-02	Jong Dae Kim et al	\$ 219.74
1069	22-713-03	Jeffrey S. & Susan Leigh Rosell	\$ 219.74
1068	22-713-04	Daryl & Claire Spitzer	\$ 219.74
1067	22-713-05	Scott M. & Lailah Muetting	\$ 219.74
1066	22-713-06	Elsa Marmolejo	\$ 219.74
1065	22-713-07	Manish N. & Alpa M. Patel	\$ 219.74
1064	22-713-08	Justin R. Rishoff	\$ 219.74
1063	22-713-09	Terrie S. Dusa Trustee	\$ 219.74
1062	22-713-10	Linda L. & Robert J. Flaherty	\$ 219.74
1061	22-713-11	Douglas Edward Fairchild Jr.	\$ 219.74
1060	22-713-12	Mark Teixeira	\$ 219.74
1059	22-713-13	Mark J Crawford et al	\$ 219.74
1058	22-713-14	Casey G. & Betty Nicole Peterson	\$ 219.74
1057	22-713-15	Charles F & Wilma Caldwell M Trustees	\$ 219.74
1056	22-713-16	Lynn C. Sheredy	\$ 219.74
1055	22-713-17	Matthew R. Hakimi Trustee	<u>\$ 219.74</u>

TOTAL ASSESSMENTS

\$41,750.60

City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: June 20, 2018

TO: Honorable Mayor and City Council

FROM: Steve Hammack, Interim Public Works Director

APPROVED: Jenny D. Haruyama, City Manager

SUBJECT: **PINEWOOD ESTATES LANDSCAPE MAINTENANCE
ASSESSMENT DISTRICT; RESOLUTION 1213.32; ANNUAL
ENGINEER'S REPORT**

SUMMARY OF ISSUE

On July 15, 1987, Resolution No. 1213 was adopted by City Council to form the Pinewood Estates Landscape Maintenance Assessment District pursuant to the Landscape and Lighting Act of 1972. The District improvements, which generally consist of ornamental landscaping, irrigation equipment, signs, fences, and storm detention ponds, were dedicated to the City by the developer of Pinewood Estates subdivision. These improvements were planted/constructed in the right-of-way of Lockewood Lane and in landscaping easements from the subdivision. The District participants are the twenty-five Pinewood Estates homeowners, who are being assessed for the cost of maintaining the improvements.

The District special fund is annually depleted and the owners reassessed each year. Attached is the Engineer's Report establishing the assessments this year at \$240 per unit, the same as last year's, for total revenue of \$6,000.

As required, all 25 owners were notified of the June 6, 2018 public meeting and the June 20, 2018 public hearing via mail. The assessor's role is used to obtain the current name and address of each property owner to be notified of the proceedings. The purpose of the public meeting is to receive public testimony from the affected property owners regarding the assessment. No other action is necessary.

This public hearing is being held to receive additional testimony from property owners, approve the FY 2018-19 Annual Engineer's Report, and adopt Resolution No. 1213.32.

FISCAL IMPACT

Costs associated with the maintenance and repair of the assessed area are funded through an assessment district. The established assessment amount is \$240 per unit/parcel, generating approximately \$6,000 annually.

STAFF RECOMMENDATION

It is recommended that City Council hold a public hearing, approve the FY 2018-19 Annual Engineer’s Report, and approve Resolution No. 1213-32 ordering and authorizing the levy and collection of assessments therein pursuant to the Landscaping and Lighting Act of 1972 for the Pinewood Estates Landscape Maintenance District.

<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
Resolution 1213.32	3
Annual Engineer's Report	6

RESOLUTION NO. 1213.32

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY ORDERING AND AUTHORIZING THE LEVY AND COLLECTION OF ASSESSMENTS THEREIN PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972

PINEWOOD ESTATES LANDSCAPE MAINTENANCE DISTRICT

RESOLVED, by the City Council of the City of Scotts Valley, California, that:

WHEREAS, pursuant to Resolution No. 1192, a Resolution of Public Interest and Convenience to Form a Landscaping Maintenance District and Ordering Preparation of an Engineer's Report adopted on the 4th day of February, 1987, by the City Council pursuant to the Landscaping and Lighting Act of 1972, as amended, the Engineer of Work of said City has filed with the City Clerk the written report called for under said Act and by said Resolution No. 1192, which report has been presented by said Engineer of Work to this Council and this Council has preliminarily approved and confirmed said report by its Resolution No. 1213, adopted July 15, 1987, and ordered that the same stand as the report for the purpose of all subsequent proceedings pursuant to said Resolution No. 1213.

WHEREAS, June 6, 2018 at the hour of 6:00 o'clock p.m. and June 20, 2018 at the hour of 6:30 o'clock p.m., in the regular meeting place of said Council, Council Chambers, One Civic Center Drive, Scotts Valley, California, was appointed and fixed as the time and place of public hearings to act upon the Engineer's Report and Resolution No. 1213.32.

WHEREAS, the City Clerk gave notice of said hearings by publication once a week for two weeks in the local newspaper published and circulated in said City, and by mailing or causing to be mailed notice of the adoption of said Resolution and of the filing of said report, postage prepaid, at least ten days before the date set for hearings of said protests, to all persons owning real property to be assessed, whose names and addresses appear on the last equalized assessment roll for County taxes prior thereto or as known to the City Clerk, which notice contained a statement of the time, place and purpose of the hearings and a statement of the total estimated cost of said proposed maintenance and improvements, the amount as shown by said report to be assessed against the particular parcel covered by the notice, together with a statement that any person interested may file a protest in writing as provided in said Act.

WHEREAS, all written protests and other written communications were read by the Council and are on file with the Clerk and all persons desiring to be heard were fully heard.

NOW, THEREFORE, IT IS ORDERED, as follows:

1. That protests against said maintenance of improvements and levy of assessments were not signed by the owners of a majority or more of the area of the lands within the assessment district assessed for the costs and expenses of said work.
2. That said protests be, and each of them are, hereby overruled.
3. That the owners of one-half (1/2) or more of the area to be assessed for the cost of the project did not, at or prior to the time fixed for said hearings, file written protests against the said proposed maintenance and improvements as a whole, or against said district or the extent thereof to be assessed for the costs and expenses of said maintenance and improvements as a whole, or as to the Engineer's estimate of said costs and expenses, or against the maps and descriptions, or against the diagram or assessment to pay for the costs and expenses thereof.
4. That the district benefitted by said maintenance and improvements are to be assessed to pay the costs and expenses thereof, and the exterior boundaries thereof are more particularly described in said Resolution Nos. 1192 and 1213 and made a part hereof by reference thereto. That all public streets and highways within said assessment district in use in the performance of a public function as such shall be omitted from said district and from the levy and collection of the special taxes to be hereafter levied and collected to cover the costs and expenses of said maintenance and improvements.
5. That the Engineer's estimate of the itemized and total costs and expenses in connection therewith, contained in said Report, be, and it is hereby, finally adopted and approved as the Engineer's total and detailed estimate of the costs and expenses of said maintenance of improvements.
6. That the public interest and convenience require and said Council does hereby order the maintenance of improvements to be made as described in and in accordance with said Resolution Nos. 1192 and 1213 on file in the office of the Clerk, reference to which is hereby made for a more particular description of said maintenance of improvements, and also for further particular pursuant to the provisions of said Landscaping and Lighting Act of 1972.
7. That the diagram showing the assessment district referred to and described in said Resolution No. 1192 and 1213, and also the boundaries and dimensions of the respective subdivisions having been given a separate number upon said diagram, as contained in said report, be, and it is hereby, finally approved and confirmed as the diagram of the properties to be assessed to pay the costs and expenses of said maintenance of improvements.

8. That the assessment of the total amount of the costs and expenses of the proposed maintenance of improvements upon the several subdivisions of land in said district in proportion to the estimated benefits to be received by said subdivisions, respectively from said maintenance of improvements, and of the expenses incidental thereto, contained in said report, be, and the same is hereby, finally approved and confirmed as the assessment to pay the costs and expenses of said maintenance of improvements.

9. That said Engineer's Report be, and the same is hereby, finally adopted and approved as a whole.

10. That the Clerk shall forthwith deliver to the Superintendent of Streets said assessment as confirmed by this Council with his/her certificate of such confirmation thereto attached and of the date thereof; and that said Superintendent of Streets shall record said diagram and assessment in his/her office in a suitable book to be kept for that purpose, and append thereto his/her certificate for the date of such recording, and such recordation shall be and constitute the assessment roll herein.

11. Proceedings shall be taken by this Council pursuant to said Act for any fiscal year during which an assessment is to be levied and collected within said district.

12. The Clerk of this City be, and is hereby, authorized and directed to file a certified copy of this resolution with the County Auditor of Santa Cruz County.

I hereby certify that the foregoing resolution was duly and regularly adopted and passed by the City Council of the City of Scotts Valley, California, at a regular meeting thereof held on the 20th day of June 2018, by the following vote of the members thereof:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: _____
Jim Reed, Mayor

Attest: _____
Tracy A. Ferrara, City Clerk

**ANNUAL ENGINEER'S REPORT
Fiscal Year 2018-2019**

**PINEWOOD ESTATES
LANDSCAPING MAINTENANCE DISTRICT
Tract No. 1121**

**City of Scotts Valley
Santa Cruz County, California**

**Jim Reed
Mayor**

**Jack Dilles
Vice Mayor**

**Randy Johnson
Council Member**

**Stephany E. Aguilar
Council Member**

**Donna Lind
Council Member**

**Jenny Haruyama
City Manager**

**Steve Hammack
Interim Public Works Director**

**Ken D. Anderson, RCE 46485
Assessment District Engineer of Work**

ASSESSMENT

Fiscal Year 2018-2019

WHEREAS, on February 4, 1987, the City Council of the City of Scotts Valley, California, pursuant to the provisions of the Landscaping and Lighting Act of 1972, adopted its Resolution No. 1192, determining to undertake proceedings for the establishment of an assessment district to be known as the "Pinewood Estates Landscaping Maintenance District", more particularly therein described; and

WHEREAS, on July 15, 1987, the City Council of the City of Scotts Valley, California adopted Resolution No. 1213 primarily approving and confirming the written report by the Engineers of Work called for under said Act, and ordered that the same stand as the report for the purpose of all subsequent proceedings had pursuant to said Resolution No. 1213; and

WHEREAS, on August 17, 1988, the City Council of said City of Scotts Valley adopted Resolution No. 1213.1 setting a time and place of hearing protest on levy of assessments pursuant to said Act; and

WHEREAS, on September 7, 1988, the City Council of said City of Scotts Valley adopted Resolution No. 1213.2 ordering and authorizing the levy and collection of assessments therein pursuant to the said Act; and

WHEREAS, the proceedings under said Act require an annual engineers report to be prepared and filed in the same way as the report for the formation of the district for each year in which an assessment is to be levied.

NOW, THEREFORE, I, Ken D. Anderson, RCE 46485, City Engineer of said City of Scotts Valley, acting in the capacity of Engineer of Work under order of the City Council of said City of Scotts Valley, hereby make the following assessment to cover the portion of the estimated cost of the maintenance and servicing of the proposed improvements, including the costs and expenses incidental thereto, to be paid by the assessment district.

The amount to be paid for said maintenance and servicing of the proposed improvements, including the costs and expenses incidental thereto, to be paid by the assessment district for the fiscal year 2018-2019 is as follows:

Engineer's Estimate: \$6,000

And I do hereby assess and apportion said portion of said total amount of the costs and expenses of said maintenance and servicing of the proposed improvements, including the costs and expenses incidental thereto, upon the several lots, pieces, or parcels or portions of lots of land liable therefore and benefitted thereby, and hereinafter numbered

to correspond with the numbers upon the diagram, upon each, severally and respectively, in proportion to the benefits to be received by such lands respectively, from the maintenance hereto attached and by reference made a part hereof.

As required by said Act, a diagram is recorded in official records of the County of Santa Cruz showing the assessment district and also the boundaries and dimensions of the respective lots or parcels of land within said assessment district as the same existed at the passage of said Resolution No. 1192.

Said assessment is made upon the several lots or parcels of land within said assessment district in proportion to the estimated benefits to be received by said lots or parcels respectively, from the maintenance and servicing of the improvements. The diagram and assessment numbers appearing herein are the diagram numbers appearing on said diagram, to which reference is hereby made for a more particular description of said property.

I hereby place opposite the number of each lot or parcel of land assessed, the amount assessed thereon and the number of the assessment. Each lot or parcel of land is described in the assessment list by reference to its parcel number as shown on the Assessor's Maps of the County of Santa Cruz for the fiscal year 2018-2019 to the right of the parcel numbers and includes all of such parcels.

Dated: _____

Ken D. Anderson, RCE 46485
City Engineer

DESCRIPTION OF WORK

1. Maintaining and servicing of landscaping and ornamental vegetation, including the cost of repair, removal or replacement of all or any part thereof, providing for the life, growth, health and beauty thereof, including cultivation, trimming, spraying, fertilizing or treating for disease or injury, the removal of trimmings, rubbish, debris and other solid waste, and water for the irrigation thereof.
2. Maintaining and servicing of decorative fencing, signage and other ornamental structures and facilities, including the cost of repair, reconstruction, removal, or replacement of all or any part thereof.
3. Repair or replacement, including the installation and construction thereof, of hardscaping, including damaged curbs, gutters, walls, sidewalks, paving, water, irrigation systems, drainage, lighting, or electric facilities within the landscape maintenance easement.
4. The maintenance, repair or replacement of such other facilities as may be appurtenant to the foregoing or which are necessary or convenient for the maintenance or servicing thereof.

ESTIMATE OF COSTS

ANNUAL MAINTENANCE COSTS

Fiscal Year 2018-2019

Engineer's Estimate (City Engineer)

Maintenance Expenses

Maintenance and servicing	\$ 4,000
Irrigation and power	1,600

Subtotal	\$ 5,600
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Incidental Expenses

City administration	\$ 200
Landscape management	200

Subtotal	<u>\$ 400</u>
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Total Estimated Cost	\$ 6,000
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Net Amount to be Assessed	<u><u>\$ 6,000</u></u>
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RULES OF SPREADING ASSESSMENTS

1. District is to be assessed for all costs associated with the maintenance and servicing of the landscaping, hardscaping and appurtenant improvements within the boundaries of the district.
2. Total costs shall be apportioned to all parcels within the district boundaries in accordance with the benefit derived from the landscaping improvements.
3. Because the landscaping enhances an area serving as a drainage detention system for all parcels within the boundaries of the district, the benefit derived has been determined to be equal for all parcels.

Certificates

I, Tracy Ferrara, City Clerk of the City of Scotts Valley, hereby certify that the foregoing assessment, in the amount set forth, was filed with me on _____.

Tracy Ferrara, City Clerk

I, Ken D. Anderson, City Engineer for the City of Scotts Valley, do hereby certify that the amounts set forth have been re-computed in accordance with the order of the City Council of said City of Scotts Valley, as expressed by Resolution No. 1213.32, duly adopted by said City Council on June 20, 2018.

Ken D. Anderson, RCE 46485
City Engineer

I, Tracy Ferrara, City Clerk of the City of Scotts Valley, hereby certify that the foregoing assessment, in the amount set forth was approved and confirmed by the City Council of the City of Scotts Valley on _____.

Tracy Ferrara, City Clerk

The Assessment was filed in the office of the County Auditor of the County of Santa Cruz, California, on _____.

Tracy Ferrara, City Clerk

I HEREBY CERTIFY that the enclosed Engineer's Report and Assessment was recorded in my office on _____.

Superintendent of Streets
Scotts Valley, Santa Cruz County, California

By: _____
Steve Hammack, Interim Public Works Dir.

City of Scotts Valley

PINEWOOD ESTATES LANDSCAPING MAINTENANCE DISTRICT

ASSESSMENT ROLL

2018-2019

Assessment Number	Assessor's Parcel No.	Property Owner	Assessment Amount
1.	021-172-01	Mary Anita Long et al	\$ 240
2.	021-172-02	Russell J. Marino Trustee	240
3.	021-172-03	Geoffrey & Susan Martin	240
4.	021-172-04	Terry A. & Julie Keller Trustees	240
5.	021-172-05	Andrea Edwards	240
6.	021-172-06	Marshall E. Wolf & Kristia Burgess Trustees	240
7.	021-172-07	Eugene & Jennifer Hall	240
8.	021-172-08	Michael C. O'Connor & Sarah Wright	240
9.	021-172-09	Carlos E. Robinson et al	240
10.	021-172-10	Steven E. MaGee & Lisa M. Hall Co-Trustees	240
11.	021-172-11	John & Janine Dunn	240
12.	021-172-12	Qi Gong et al	240
13.	021-172-13	Melvin M. & Miriam C. McConnell	240
14.	021-172-14	Amy D. & Robert W. McMullen	240
15.	021-301-01	Joel M. & Karina Linn	240
16.	021-301-02	Vinicio & Kristy Sion Co-Trustees	240
17.	021-301-03	Mark S. & Eve M. Davidson et al	240
18.	021-301-04	Seth K. Keith et al	240
19.	021-301-05	Cynthia M. Lemmon Trustee	240
20.	021-301-07	John B. & Linda L. Suggs Trustees	240
21.	021-301-08	Mark John Nordstrom Trustee et al	240
22.	021-301-09	James D. Spiegel Trustees et al	240
23.	021-301-10	Simon J.S. & Kirstin L. McElrea et al	240
24.	021-301-11	Melissa Kaplan Grudin Trustee et al	240
25.	021-301-12	Richard A. & Joann M. Webster Trustees	240
TOTAL ASSESSMENTS:			\$ 6,000

City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: June 20, 2018

TO: Honorable Mayor and City Council

FROM: Ken D. Anderson, City Engineer

APPROVED: Jenny D. Haruyama, City Manager

SUBJECT: **VACATION AND ABANDONMENT OF A PORTION OF
BETHANY DRIVE**

SUMMARY OF ISSUE

On January 12, 1948, Bethany Park, Tract No. 77 was recorded with the County of Santa Cruz. On this tract map Bethany Drive was offered for dedication but not accepted.

1440 Foundation redeveloped the former Bethany University campus into an educational learning center. As part of that redevelopment, 1440 Foundation realigned a portion of Bethany Drive and has submitted an Offer of Dedication for the newly realigned 50 foot wide right-of-way. As the realigned portion is complete, the dedication for the re-aligned Bethany Drive has been accepted, the old right-of-way is not needed and can be vacated.

The portion of Bethany Drive to be vacated will no longer be necessary for any traffic circulation, public service easement or public utility facilities, except for those portions reserved for a public utilities easement and public sidewalk easements as shown on Exhibit "A" of the resolution.

The vacating of a public right-of-way process requires holding a public hearing, adopting a resolution ordering the vacation of a portion of Bethany Drive and recording the resolution with the county recorder. The public hearing has been noticed and posted to receive public input at the City Council meeting. At the conclusion of the public hearing if the city council chooses to proceed with the vacating of the old Bethany Drive alignment, attached Resolution 1895.22 will vacate the right-of-way and will become part of the private 1440 foundation project.

One property owner (APN 023-021-08) would require an access easement over a portion of the vacated right of way, which has been provided for as shown in Exhibit A. This property owner has submitted a letter indicating he approves of the vacation of said portion of Bethany Drive.

FISCAL IMPACT

Upon acceptance of the realigned Bethany Drive, the 1440 Foundation would be responsible for all maintenance and repair of any nonstandard improvements located within Bethany Drive. It is anticipated that the City's annual maintenance expenses for its part of the public right of way would be relatively minimal.

STAFF RECOMMENDATION

It is recommended that the City Council hold a public hearing to consider public input, and if Council chooses to proceed with the vacation, adopt Resolution No.1895.22, approving the vacation and abandonment of a portion of Bethany Drive.

TABLE OF CONTENTS

PAGE

Resolution No. 1895.22	3
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RESOLUTION 1895.22

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY APPROVING THE VACATION AND ABANDONMENT OF A PORTION OF BETHAN DRIVE

WHEREAS, these proceedings are pursuant to and in accordance with the California Streets and Highways Code, Division 9, Part 3, Chapter 3 (Sections 8300 et seq) which establishes a general vacation procedure which cities may use for vacating streets and rights-of-way; and

WHEREAS, an offer of dedication for a new realigned 50 foot wide right-of-way along Bethany Drive has been approved by the City Engineer and will be recorded with the County Recorder's Office prior to the recording of this approved Resolution; and

WHEREAS, any necessary public utility facilities previously located within the proposed vacation portion of the Bethany Drive right-of-way have been relocated within the new 50 foot wide right-of-way; and

WHEREAS, the vacation of a portion of the Bethany Drive right-of-way as designated on and referenced in Exhibit "A", hereto attached and incorporated herein by this reference, is unnecessary for any traffic circulation plan; and

WHEREAS, the vacation of said portion of the Bethany Drive right-of-way will not cut off access to anyone's property or terminate any necessary public service easement, or affect any public utility facilities; and

WHEREAS, on May 16, 2018 Resolution of Intention No. 1895.20 was adopted with respect to the proposed vacation which, among other things, established a public hearing to be held at 6:30 p.m. on June 20, 2018 at the Council Chambers located at City Hall, One Civic Center Drive, Scotts Valley, California, for the purpose of hearing any public comments or objections with respect thereto; and

WHEREAS, at the appointed time, date and place a public hearing was held and the City Council has given due consideration to any and all comments made; and

WHEREAS; all notices were published and posted in accordance with the provisions of California Streets and Highways Code, Division 9, Part 3, Chapter 3 (Section 8300 et seq).

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Scotts Valley as follows:

1. The City Council does hereby order the vacation of said property of the Bethany Drive right-of-way, more particularly described as Parcel 1 and Parcel 2 per the

attached Exhibit "A", including but not limited to, the termination of the existing offer of dedication as shown on the certain map titled "Bethany Park Assemblies of God Campground" Tract No. 77 recorded on January 12, 1948 in Volume 26 of Maps, Page 71, Santa Cruz County Records, and subject to the following:

- a. The following easements shall be reserved and excepted from the vacation;
 - i. a public utility easement to construct, maintain, operate, replace, repair, remove, and renew facilities and appurtenances for water, sewers, storm drains, telephone, electric power, gas and cable television, over, upon along, across, that portion of Bethany Drive more particularly described as Parcel 3 and labeled "Public Utility Easement (PUE) to remain" per the attached Exhibit "A".
 - ii. a public sidewalk easement to construct, maintain, operate, replace, repair, remove, and renew sidewalk improvements for public access purposes over, upon along, across, those portions more particularly described as Parcel 4 and Parcel 5 and labeled "Public Sidewalk Easement (PSE) to remain" per the attached Exhibit "A".
2. The facts under which this vacation and termination are made are:
 - a. The portion of right-of-way proposed for vacation is unnecessary for any traffic circulation plan.
 - b. The portion of right-of-way proposed for vacation will not cut off access to anyone's property or terminate any necessary public service easement.
 - c. No public utility facilities will be affected by this vacation.
3. From and after recordation of this resolution in the office of the Recorder of Santa Cruz County, the offer of dedication of the above right-of-way to the City of Scotts Valley shall be considered to be terminated and of no further force and effect.
4. The City Clerk is hereby authorized and directed to cause a certified copy of this resolution of vacation, attested to by said City Clerk under seal to be recorded without acknowledgment, certificate of acknowledgment, or further proof in the office of the Recorder of Santa Cruz County, pursuant to the provisions of Section 8325 of the California Streets and Highways Code.

PASSED AND ADOPTED this 20th day of June, 2018 at a duly held regular meeting of the City Council of the City of Scotts Valley, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Jim Reed, Mayor

ATTEST:

Tracy Ferrara, City Clerk

EXHIBIT "A"

VACATION AND ABANDONMENT A PORTION BETHANY DRIVE

LEGAL DESCRIPTION

SITUATE THE CITY OF SCOTTS VALLEY, RANCHO SAN AUGUSTINE, COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

PARCEL 1:

BEING A PORTION OF BETHANY DRIVE, A 50.00 WIDE RIGHT OF WAY, AS SHOWN ON THE MAP ENTITLED "TRACT NO. 77, BETHANY PARK ASSEMBLIES OF GOD CAMPGROUND", FILED FOR RECORD ON JANUARY 12, 1948 IN VOLUME 28 OF MAPS, AT PAGE 71, SANTA CRUZ COUNTY RECORDS, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERLY SIDELINE OF SAID BETHANY DRIVE, FROM WHICH THE MOST NORTHERLY CORNER OF LOT 225, AS SHOWN ON SAID TRACT MAP, BEARS NORTH 30° 58' 00" EAST 37.84 FEET AND NORTH 56° 31' 00" EAST 30.00 FEET DISTANT; THENCE SOUTHWESTERLY ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 125.00 FEET AND A RADIAL BEARING OF SOUTH 35° 20' 50" EAST, THROUGH A CENTRAL ANGLE OF 16° 56' 40", AN ARC LENGTH OF 36.96 FEET TO A POINT OF REVERSE CURVATURE; THENCE ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 175.00 FEET, THROUGH A CENTRAL ANGLE OF 17° 30' 58", AN ARC LENGTH OF 53.50 FEET TO A POINT OF COMPOUND CURVATURE; THENCE ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 975.00 FEET, THROUGH A CENTRAL ANGLE OF 03° 53' 32", AN ARC LENGTH OF 66.24 FEET TO A POINT OF COMPOUND CURVATURE; THENCE ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 175.00 FEET, THROUGH A CENTRAL ANGLE OF 22° 33' 59", AN ARC LENGTH OF 68.93 FEET TO THE SOUTHERLY SIDELINE OF SAID BETHANY DRIVE; THENCE ALONG THE SOUTHERLY SIDELINE OF SAID BETHANY DRIVE, SOUTH 76° 55' 00" EAST, A DISTANCE OF 5.13 FEET TO THE MOST NORTHEASTERLY CORNER OF LOT 228, AS SHOWN ON SAID TRACT MAP; THENCE ALONG THE EASTERLY SIDELINE OF SAID BETHANY DRIVE NORTH 61° 44' 00" EAST, A DISTANCE OF 149.03 FEET TO AN ANGLE POINT; THENCE CONTINUING ALONG THE EASTERLY SIDELINE OF SAID BETHANY DRIVE, NORTH 30° 58' 00" EAST, A DISTANCE OF 76.39 FEET TO THE POINT OF BEGINNING.

AND CONTAINING 5,911 SQUARE FEET, MORE OR LESS.

RESERVING THEREFROM AN EASEMENT TO CONSTRUCT, MAINTAIN, OPERATE, REPLACE, REPAIR, REMOVE, AND RENEW FACILITIES AND APPURTENANCES FOR SIDEWALK AND PEDESTRIAN ACCESS PURPOSES, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FROM WHICH THE MOST NORTHEASTERLY CORNER OF LOT 228, AS SHOWN ON SAID TRACT MAP, BEARS SOUTH 76° 55' 00" EAST, 5.13 FEET DISTANT; THENCE NORTHEASTERLY ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 175.00 FEET AND A RADIAL BEARING OF NORTH 62° 22' 39" WEST, THROUGH A CENTRAL ANGLE OF 06° 45' 09", AN ARC LENGTH 20.62 FEET; THENCE SOUTH 15° 28' 03" EAST, A DISTANCE OF 6.75 FEET; THENCE SOUTH 29° 31' 57" WEST, A DISTANCE OF 13.78 FEET; THENCE SOUTH 61° 44' 00" WEST, A DISTANCE OF 0.71 FEET; THENCE NORTH 76° 55' 00" WEST, A DISTANCE OF 5.13 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

BEING A PORTION OF BETHANY DRIVE, A 50.00 WIDE RIGHT OF WAY, AS SHOWN ON THE MAP ENTITLED "TRACT NO. 77, BETHANY PARK ASSEMBLIES OF GOD CAMPGROUND", FILED FOR RECORD ON JANUARY 12, 1948 IN VOLUME 28 OF MAPS, AT PAGE 71, SANTA CRUZ COUNTY RECORDS, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHERLY SIDELINE OF SAID BETHANY DRIVE, FROM WHICH THE MOST SOUTHWESTERLY CORNER OF LOT 177, AS SHOWN ON SAID TRACT MAP, BEARS NORTH 76° 55' 00" WEST, 15.77 FEET DISTANT; THENCE ALONG THE NORTHERLY SIDELINE OF SAID BETHANY DRIVE AND THE NORTHWESTERLY PROJECTION THEREOF, NORTH 76° 55' 00" WEST, A DISTANCE OF 95.99 FEET TO AN INTERSECTION WITH THE NORTHEASTERLY PROJECTION OF THE WESTERLY SIDELINE OF SAID BETHANY DRIVE; THENCE SOUTHWESTERLY ALONG SAID NORTHEASTERLY PROJECTION AND THE WESTERLY SIDELINE OF SAID BETHANY DRIVE, SOUTH 44° 58' 00" WEST, A DISTANCE OF 148.63 FEET TO AN INTERSECTION WITH THE NORTHEASTERLY PROJECTION OF THE WESTERLY SIDELINE OF SAID BETHANY DRIVE; THENCE CONTINUING SOUTHWESTERLY ALONG SAID NORTHEASTERLY PROJECTION AND ALONG THE WESTERLY SIDELINE OF SAID BETHANY DRIVE AND THE SOUTHWESTERLY PROJECTION THEREOF SOUTH 29° 41' 00" WEST, A DISTANCE OF 234.01 FEET TO A POINT FROM WHICH THE SOUTHEASTERLY CORNER OF LOT 149, AS SHOWN ON SAID TRACT MAP, BEARS SOUTH 29° 41' 00" WEST, 1.39 FEET DISTANT; THENCE LEAVING THE WESTERLY SIDELINE OF SAID BETHANY DRIVE NORTH 50° 36' 30" EAST, A DISTANCE OF 37.91 FEET; THENCE ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 125.00 FEET, THROUGH A CENTRAL ANGLE OF 27° 39' 10", AN ARC LENGTH OF 60.33 FEET TO A POINT OF REVERSE CURVATURE; THENCE ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 265.00 FEET, THROUGH A CENTRAL ANGLE OF 00° 41' 49", AN ARC LENGTH OF 3.22 FEET TO A POINT ON THE EASTERLY SIDELINE OF SAID BETHANY DRIVE; THENCE ALONG THE EASTERLY SIDELINE OF SAID BETHANY DRIVE, NORTH 29° 41' 00" EAST, A DISTANCE OF 140.66 FEET; THENCE CONTINUING ALONG THE EASTERLY SIDELINE OF SAID BETHANY DRIVE, NORTH 44° 58' 00" EAST, A DISTANCE OF 114.13 FEET TO THE MOST NORTHWESTERLY CORNER OF LOT 228, AS SHOWN ON SAID TRACT MAP; THENCE SOUTH 76° 55' 00" EAST, A DISTANCE OF 52.00 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 225.00 FEET AND A RADIAL BEARING NORTH 65° 39' 26" WEST, THROUGH A CENTRAL ANGLE OF 13° 24' 58", AN ARC LENGTH OF 52.68 FEET TO THE POINT OF BEGINNING.

AND CONTAINING 19,116 SQUARE FEET, MORE OR LESS.

RESERVING THEREFROM AN EASEMENT TO CONSTRUCT, MAINTAIN, OPERATE, REPLACE, REPAIR, REMOVE, AND RENEW FACILITIES AND APPURTENANCES FOR SIDEWALK AND PEDESTRIAN ACCESS PURPOSES, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FROM WHICH THE MOST SOUTHWESTERLY CORNER OF SAID LOT 177 BEARS NORTH 76° 55' 00" WEST, 15.77 FEET; THENCE ALONG THE NORTHERLY SIDELINE OF SAID BETHANY DRIVE NORTH 76° 55' 00" WEST, A DISTANCE OF 5.47 FEET; THENCE LEAVING THE NORTHERLY SIDELINE OF SAID BETHANY DRIVE SOUTH 58° 34' 43" WEST, A DISTANCE OF 25.02 FEET; THENCE SOUTH 29° 28' 14" WEST, A DISTANCE OF 30.56 FEET; THENCE SOUTH 02° 19' 29" EAST, A DISTANCE OF 3.27 FEET TO THE SOUTHERLY SIDELINE OF SAID BETHANY DRIVE; THENCE SOUTHEASTERLY ALONG THE SOUTHERLY SIDELINE OF SAID BETHANY DRIVE SOUTH 76° 55' 00" EAST, A DISTANCE OF 14.86 FEET; THENCE NORTHEASTERLY ALONG A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 225.00 AND A RADIAL BEARING OF NORTH 65° 39' 26" WEST, THROUGH A CENTRAL ANGLE OF 13° 24' 58", AN ARC LENGTH OF 52.68 FEET TO THE POINT OF BEGINNING.

ALSO RESERVING THEREFROM A PUBLIC UTILITY EASEMENT TO CONSTRUCT, MAINTAIN, OPERATE, REPLACE, REPAIR, REMOVE, AND RENEW FACILITIES AND APPURTENANCES FOR WATER, SEWERS, STORM DRAINS,

TELEPHONE, ELECTRIC POWER, GAS, AND CABLE TELEVISION, OVER, UPON ALONG, ACROSS, THAT PORTION OF BETHANY DRIVE, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHEASTERLY CORNER OF LOT 150, AS SHOWN ON SAID TRACT MAP; THENCE ALONG THE WESTERLY SIDELINE OF SAID BETHANY DRIVE SOUTH 29° 41' 00" WEST, A DISTANCE OF 118.61 FEET TO A POINT FROM WHICH THE MOST SOUTHEASTERLY CORNER LOT 149, AS SHOWN ON SAID TRACT MAP, BEARS SOUTH 29° 41' 00" WEST, 1.39 FEET DISTANT; THENCE LEAVING THE WESTERLY SIDE LINE OF SAID BETHANY DRIVE NORTH 50° 36' 30" EAST, A DISTANCE OF 37.91 FEET; THENCE ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 125.00 FEET, THROUGH A CENTRAL ANGLE OF 27° 39' 10", AN ARC LENGTH OF 60.33 FEET TO A POINT OF REVERSE CURVATURE; THENCE ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 265.00 FEET, THROUGH A CENTRAL ANGLE OF 00° 41' 49", AN ARC LENGTH OF 3.22 FEET TO A POINT ON THE EASTERLY SIDELINE OF SAID BETHANY DRIVE; THENCE NORTHEASTRLY ALONG THE EASTERLY SIDELINE OF SAID BETHANY DRIVE NORTH 29° 41' 00" EAST, A DISTANCE OF 31.96 FEET TO A POINT WHICH LIES 50.00 FEET, AS MEASURED AT RIGHT ANGLES, FROM THE MOST NORTHEASTERLY CORNER OF SAID LOT 150; THENCE AT A RIGHT ANGLE, AS MEASURED FROM THE LAST DESCRIBED COURSE, NORTH 60° 19' 00" WEST, A DISTANCE OF 50.00 FEET TO THE POINT OF BEGINNING.

ALSO RESERVING THEREFROM AN EASEMENT, A STRIP OF LAND 10.00 FEET IN WIDTH, TO CONSTRUCT, MAINTAIN, OPERATE, REPLACE, REPAIR, REMOVE, AND RENEW FACILITIES AND APPURTENANCES FOR WATER LINE UTILITIES, OVER, UPON ALONG, ACROSS, THAT PORTION OF BETHANY DRIVE, THE CENTERLINE OF WHICH IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHWESTERLY PROLONGATION OF THE NORTHWESTERLY SIDELINE OF SAID BETHANY DRIVE, FROM WHICH THE SOUTHWESTERLY CORNER OF LOT 165, AS SHOWN ON SAID TRACT MAP, BEARS NORTH 44° 58' 00" EAST, 18.58 FEET DISTANT; THENCE SOUTH 11° 19' 20"E 33.11 FEET, SOUTH 00° 04' 20" EAST 22.47 FEET AND SOUTH 29° 08' 27" EAST 10.07 FEET TO THE SOUTHEASTERLY SIDELINE OF SAID BETHANY DRIVE.

THE SIDELINES OF THE ABOVE EASEMENT ARE LENGTHENED OR SHORTENED TO TERMINATE ON THE NORTHWESTERLY SIDELINE OF THE SOUTHWESTERLY PROLONGATION OF SAID BETHANY DRIVE AND ON THE SOUTHEASTERLY SIDELINE OF SAID BETHANY DRIVE.

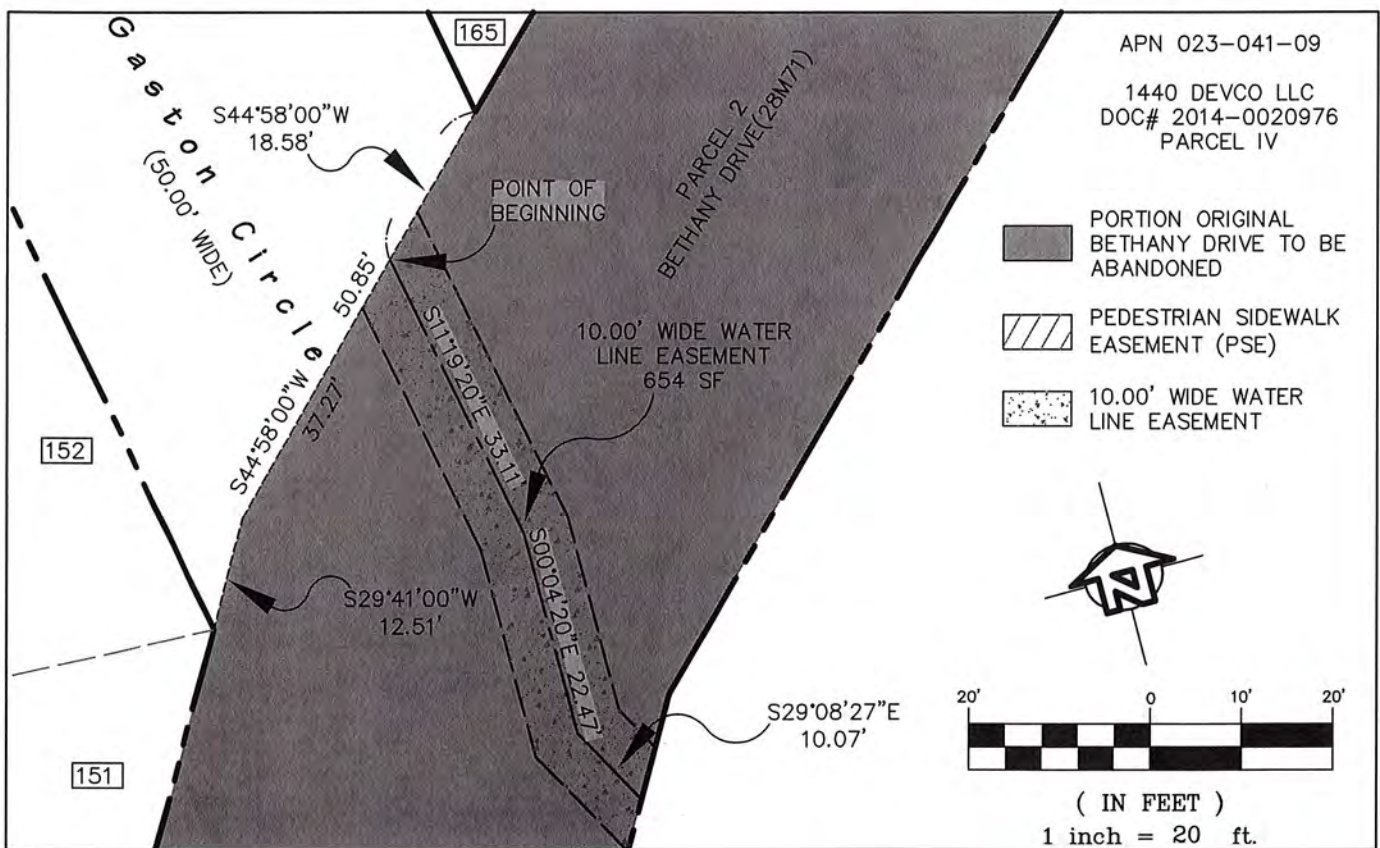
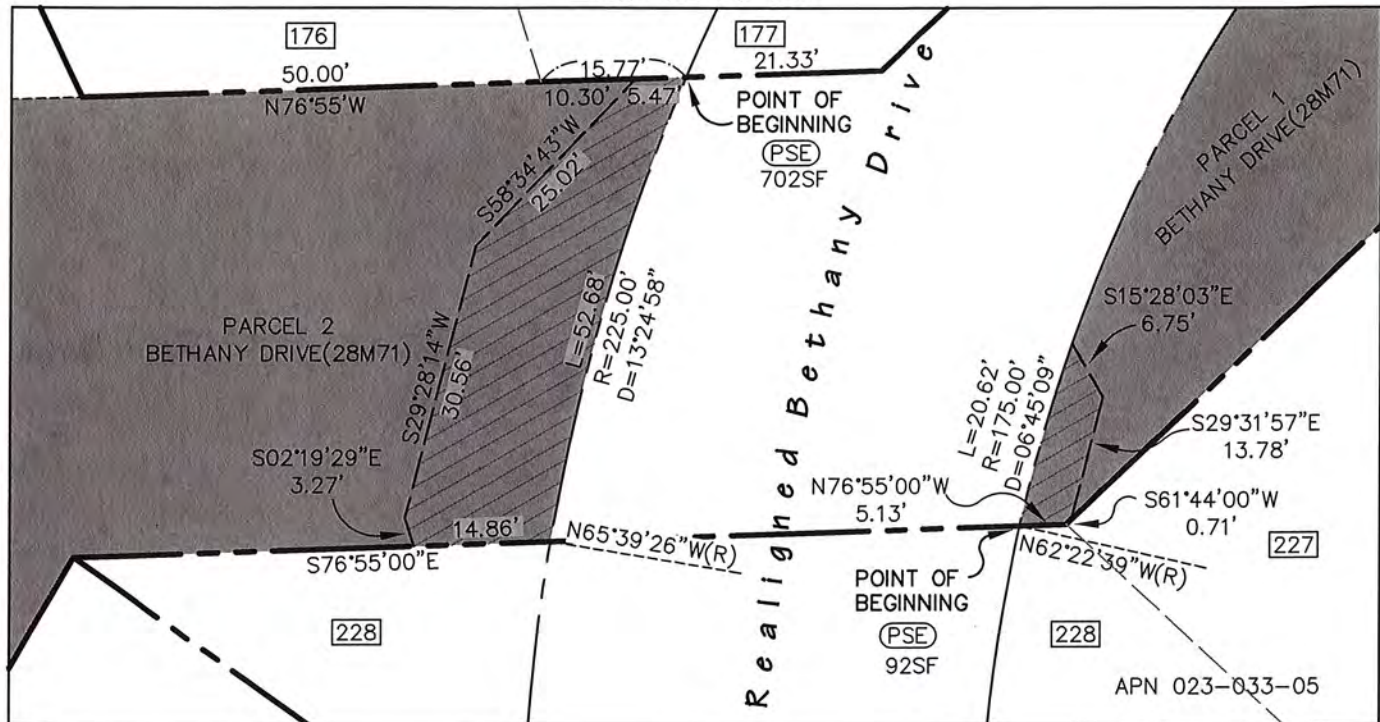
SEE ATTACHED EXHIBIT A, PAGE 4 AND 5 OF 5, ATTACHED HERETO, AND BY THIS REFERENCE MADE A PART HEREOF.

END OF DESCRIPTION



BETHANY DRIVE (PORTION)
PREPARED BY IFLAND SURVEY
JOB # G13033, MARCH 9, 2017

EXHIBIT A



City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: June 20, 2018

TO: Honorable Mayor and City Council

FROM: Jenny D. Haruyama, City Manager

SUBJECT: **DISCUSSION OF USER FEE STUDY RESULTS AND POLICY DIRECTION REGARDING FY 2018/19 PLANNING, BUILDING, PUBLIC WORKS, POLICE AND ADMINISTRATIVE FEES AND CHARGES**

SUMMARY OF ISSUE

The City Council held a study session on June 6, 2018 to review the results of the user fee study. NBS provided an overview of their independent user fee study analysis of the City's fees and charges for planning, building, public works (non-utility), police and administrative services. A copy of the materials from the June 6, 2018 study session are attached to this staff report (Attachment A).

At the June 6, 2018 study session, the Council requested that the fee study be scheduled for further discussion on June 20, 2018. Subject to policy direction received from the City Council, the master fees and charges schedule will be prepared and a public hearing notice will be issued to consider changes to the City's master fees and charges schedule at a future meeting.

BACKGROUND and ANALYSIS

The results of the user fee study conducted by NBS, along with the consultant presentation and City staff report from the June 6, 2018 study session, are attached for reference to this staff report (Attachment A).

The staff report from June 6 indicated a recommendation from staff that the City Council consider a three-year phased-in approach in establishing fees and charges for FY 2018/19 given the significant increases anticipated in several fees. This would allow the City to move towards attaining its cost recovery objectives for fees and charges paid by users of those services while being sensitive to the increases being proposed and their impacts on property owners, developers, and users of city services.

Staff has prepared a master fees and charges schedule that is attached to the staff report that would identify the fees and charges for each item using the three-year phased-in approach and based on the recommended cost recovery for each item. This schedule may be helpful as the City Council establishes its policy direction regarding establishing

user fees and charges for FY 2018/19. It is not expected that the City Council would adopt fees for a three-year period. Rather, the phased approach provides an illustration as to how fees would be phased towards achieving the City Council's cost recovery objectives. Subject to City Council policy direction, a master fees and charges schedule would be prepared for FY 2018/19 in anticipation of a public hearing for Council's adoption of those fees and charges.

FISCAL IMPACT

There is no fiscal impact associated with the review of the results of the user fee study. Final adoption of fees and charges for FY 2018/19 would be considered at a public hearing scheduled for August 1, 2018. Adoption of fees and charges would be incorporated into revenue estimates for as a budget amendment for FY 2018/19 upon adoption. Fees related to development services (i.e., planning, building, and some public works fees) would require a 60-day waiting period to go into effect by state law. It is recommended that all fees and charges included herein be implemented together on or after Monday, October 1, 2018.

STAFF RECOMMENDATION

It is recommended that the City Council provide policy direction on setting user fees and charges for FY 2018/19. Recommended policy questions for the City Council to address are as follows:

1. Is there any additional information that the City Council requires in order to determine the appropriate cost recovery targets for the fees included in this study?
 - **Staff recommendation:** N/A
2. Does the City Council have any changes that it wishes to make to the proposed cost recovery targets as indicated in this staff report?
 - **Staff recommendation:** N/A
3. Does the City Council wish to implement a phased approach for increasing fees to achieve the targeted cost recovery levels?
 - **Staff recommendation:** Staff recommends that the City Council consider a three-year phased-in approach to achieve the targeted cost recovery levels for each fee that would be incorporated into the policy direction and authorizing resolution in establishing the FY 2018/19 fees and charges.

TABLE OF CONTENTS

PAGE

Attachment A – NBS Presentation, NBS Final Draft User Fee Study, and Staff Report from June 6, 2018 Council Study Session.....	3
Attachment B – Master Fees and Charges Schedule – FY 2018/19 Fees Based on Three-Year Phase In of Fee Increases.....	109

City of Scotts Valley

User Fee Study

Final Report Presentation

City of Scotts Valley - City Council

June 6, 2018

Presentation Outline

1

Project Scope

2

Methodology and Approach

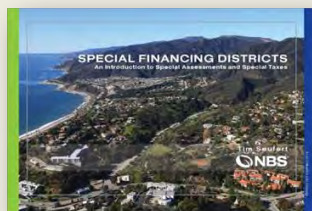
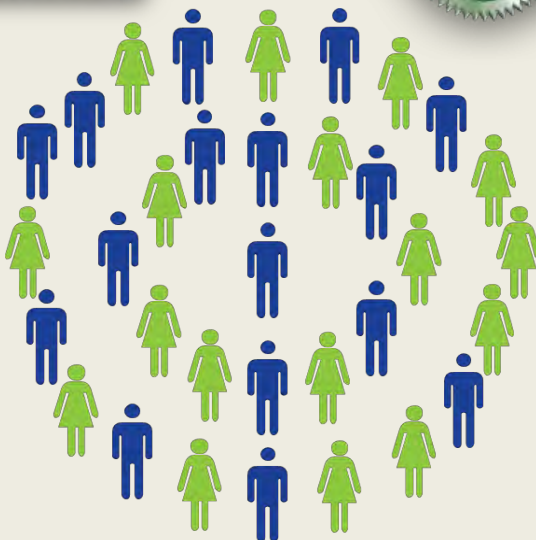
3

Summary of Findings

4

Cost Recovery Policy / Next Steps

About NBS



Company Structure

Established: May 13, 1996
Structure: California S-Corporation

Legal Name: NBS Government Finance Group
DBA: NBS
Headquarters: Temecula, CA
Address: 32605 Temecula Pkwy., Suite 100
 Temecula, CA 92592
Regional Office: San Francisco, CA
Employees: 39
Shareholders: 100 % Employee Owned (ESOP)

Contact: Nicole Kissam
Telephone: 800.676.7516
Email: nkissam@nbsgov.com
Location: Temecula Office

Individual Authorized to Negotiate and Execute Agreement

Name: Michael Rentner
Title: President
Address: 32605 Temecula Pkwy., Suite 100
 Temecula, CA 92592
Telephone: 800.676.7516
Fax: 951.296.1998
Email: mrentner@nbsgov.com

Scope: Cost Allocation Plan and User Fee Study

1

**Cost
Allocation
Plan (CAP)**

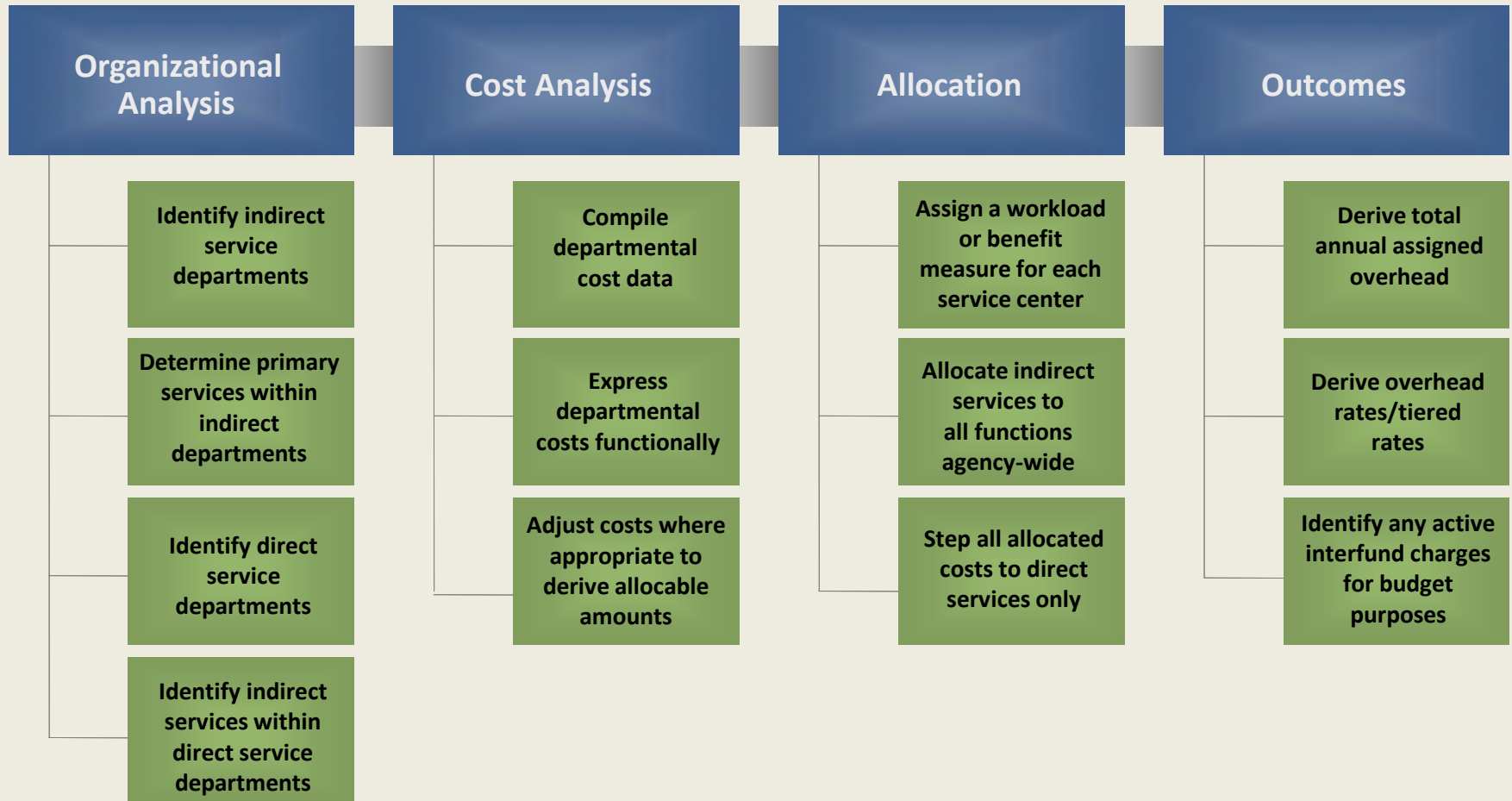
*Fair and reasonable
allocation of
administrative and
support services costs*

2

**User Fee
Study**

*Determines the total
estimated and
reasonable cost of
services for which a fee
can be charged*

Cost Allocation Plan - Approach



Cost Allocation Plan - Summary Results

FUND/ DEPT ACCOUNT NUMBER	NAME	001-51- Police	001-61- Community Development - Planning	001-62- Community Development - Building	001-71- Public Works - Engineering	Total
BLDG	Building Use	\$ 19,368	\$ 3,228	\$ 3,228	\$ -	\$ 62,666
EQUIP	Equipment Use ²	21,231	-	-	-	28,440
001-41	LEGISLATIVE	22,387	2,405	3,443	3,048	278,747
001-42	LEGAL	49,873	5,359	7,670	6,790	188,129
001-43	GENERAL GOVERNMENT	161,868	25,742	24,895	22,036	396,030
001-44	ADMINISTRATION	164,740	17,701	25,337	22,428	394,561
001-45	FINANCE DEPARTMENT	283,869	37,302	38,525	40,605	690,931
001-46	HUMAN RESOURCES DEPARTMENT	36,967	3,972	5,686	5,033	88,538
001-47	INFORMATION TECHNOLOGY DEPARTMENT	47,943	5,151	7,374	6,527	114,826
001-48	RISK MANAGEMENT DEPARTMENT	47,461	5,100	7,299	6,461	113,671
Allocated Costs		\$ 855,705	\$ 105,960	\$ 123,456	\$ 112,928	\$ 2,356,538

User Fee Study – Project Purpose

1

Understand
Full Cost of
Providing
Services

2

Set
Municipal
Fees
Accordingly

User Fees



User Fee Guidance

- **Proposition 26**

- Article XIII C § 1(e)(3) Inspections and Regulatory Permits are exempt from the definition of a *TAX* ...however are still limited to the local government's reasonable costs.

- **CA Government Code § 66014(a)**

- “Those fees may not exceed the estimated reasonable cost of providing the service for which the fee is charged”

- Must Pair Revenues to Costs –
What are the Costs?



Benefits of Realignment User Fees

1	Reduce General Fund subsidy
2	Free up resources for community services
3	Fund departments efficiently
4	Set realistic and local expectations for cost recovery

User Fee Study

Departments
Included:



Administrative & Misc.



Police



Planning

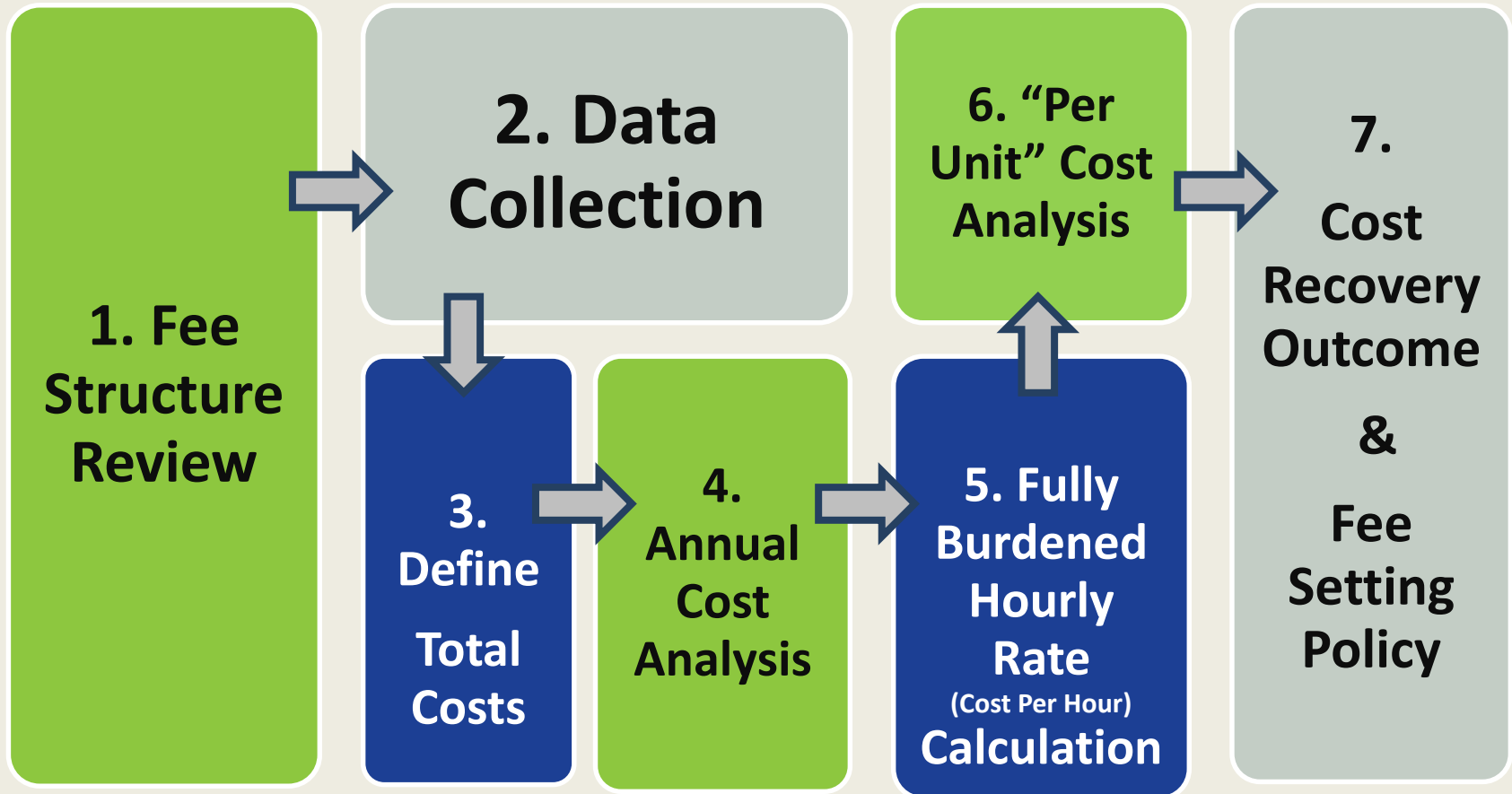


Engineering



Building

User Fee Study Project Approach



Fee Structure Review

Flat Fees

Variable Fees Based on Project Characteristics

Variable Fees Based on Actual Time Tracked (with Deposits
Managed as Needed)

Data Collection

1

FY 17/18 adopted budget and staffing

2

Workload from last complete FY

3

Time estimates per fee item

4

Current / recommended fees

Total Costs

Direct

- Salaries and benefits
- Services and supplies

Indirect

- Program, Division, Departmental and Agency wide

Support

- Review required from internal departments for approval

Systems and maintenance

- Technology needs, General Plan update/maintenance

Annual Cost Analysis

Estimated and/or Tracked Efforts

Direct Services

Intake and Processing

Plan Review – Initial and Iterations

Inspection – Initial and Re-inspections

Permit Issuance

Commission Review

Project Close Out

Indirect / Other Services

Public Information and Assistance

Code, Policy, and Procedure Improvement

Code Enforcement

Support / Overhead

Training

Divisional Administration

Departmental Administration

Support / Indirect Services

Fully Burdened Hourly Rate Calculation

Direct Case Work

Indirect Services

Support / Overhead

/ Hours

=

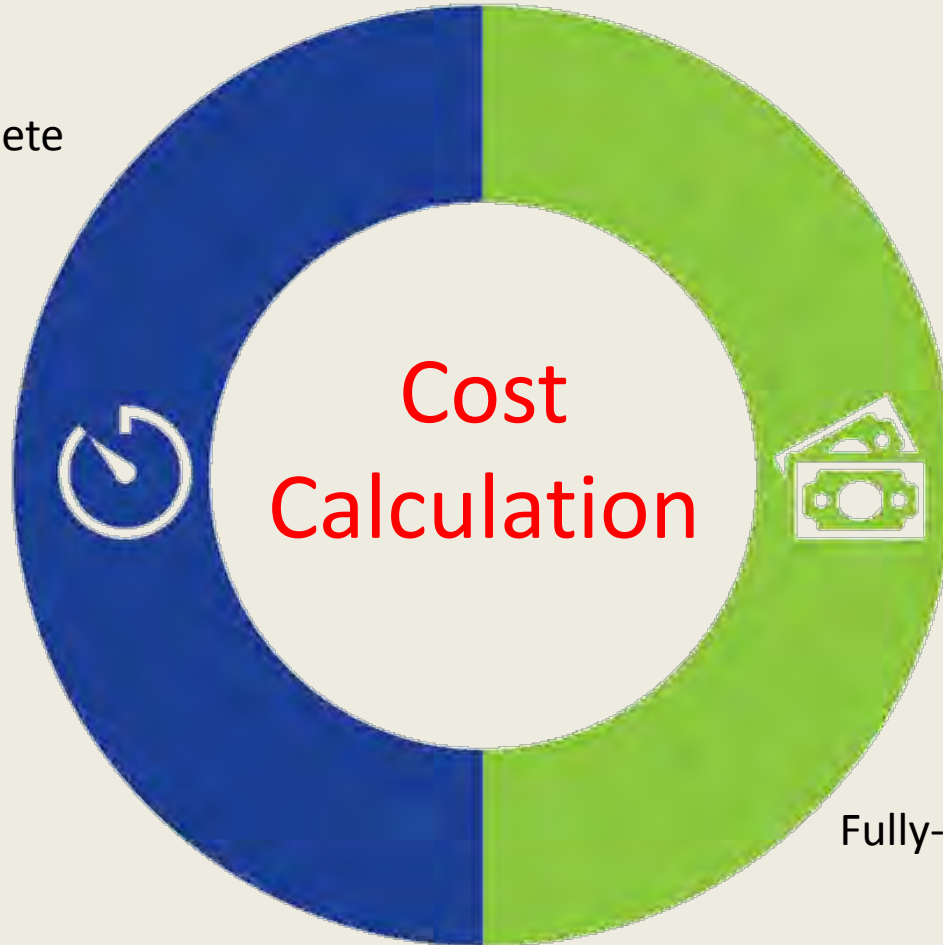
\$-per hour

Hourly Rate Outcomes

- **Admin.** \$109 Clerk;
\$151 Finance
- **Police** \$196 Sworn;
\$143 Non-sworn
- **Planning** \$224
- **Engineering** \$256
- **Building** \$154

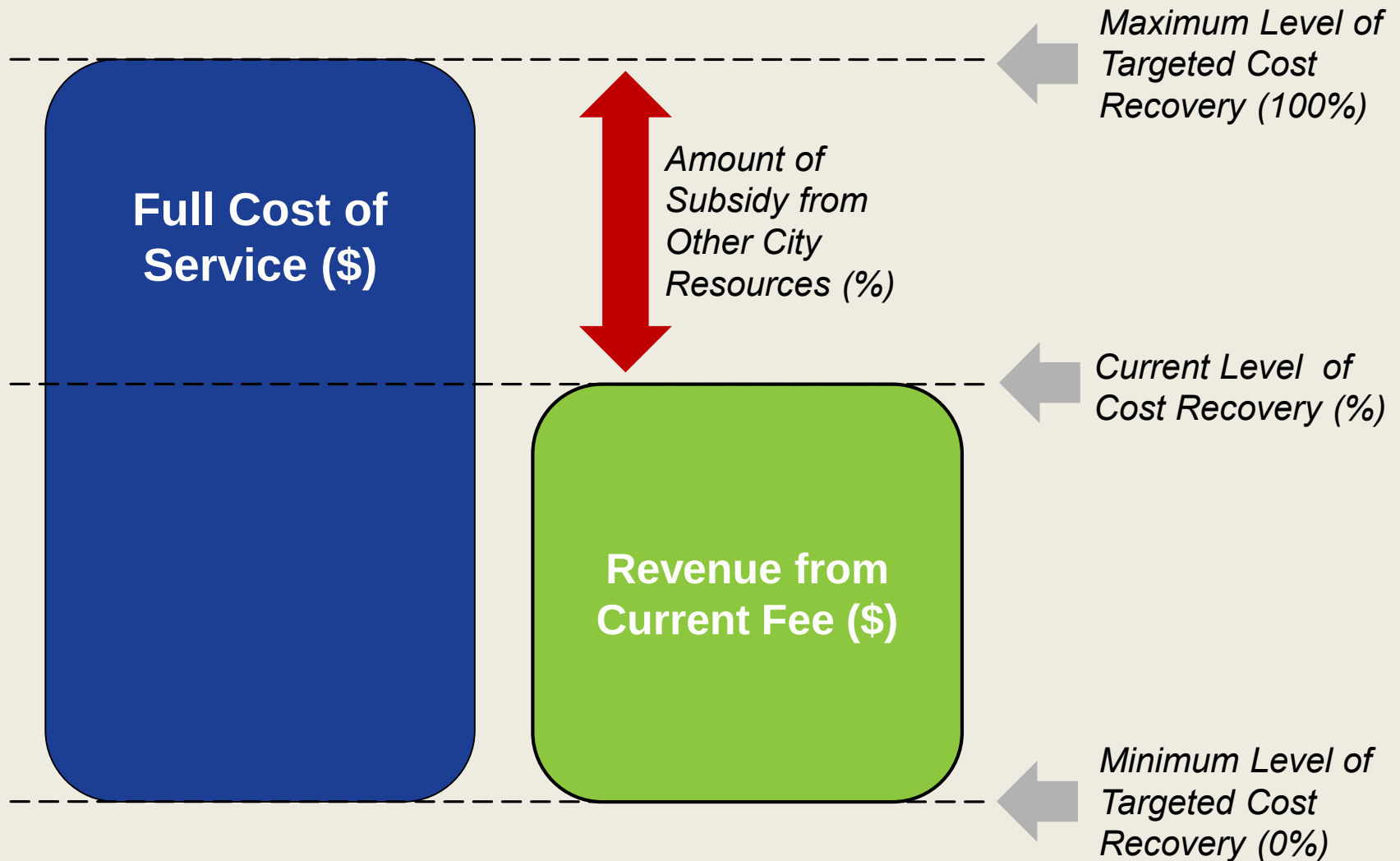
Per Unit Cost Analysis

Time to Complete



Fully-Burdened Hourly Rate

Fee Study Methodology - Cost vs. Price



Cost Recovery Policy - Decision Matrix

PUBLIC BENEFIT

- Police Emergency Response
- Park Maintenance

BLENDED BENEFIT

- Library/Recreation / Community Services
- Fire Suppression/ Prevention

PRIVATE BENEFIT

- Police citation sign-off
- Variance Application
- Engineering Plan Review

TAX FUNDED

FEE FUNDED

Industry Trends in Cost Recovery Policy

Planning



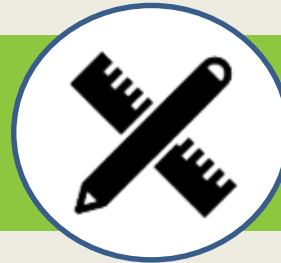
75%-100%

Building



100%

Engineering



100%

Recreation



0%-75%

Fire



75% - 100%

Police



75% - 100%

Administration/ Misc..



75% - 100%

Fee Study Methodology - Summary Results

Fee Category	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Cost Recovery Surplus/ Deficit	Existing Cost Recovery Percentage	Annual Estimated Revenues at Recommended Cost Recovery Fee	Recommended Cost Recovery Percentage
Administrative & Miscellaneous	\$ 584	\$ 2,374	\$ (1,790)	25%	\$ 1,504	63%
Police	\$ 24,305	\$ 67,884	\$ (43,579)	36%	\$ 33,230	49%
Planning	\$ 176,784	\$ 499,526	\$ (322,742)	35%	\$ 356,299	71%
Engineering	\$ 409,202	\$ 364,148	\$ 45,054	112%	\$ 357,594	98%
Building	\$ 220,647	\$ 400,011	\$ (179,364)	55%	\$ 338,095	85%
Total	\$ 831,522	\$ 1,333,942	\$ (502,420)	62%	\$ 1,086,722	81%

Fee Comparison

Agencies
Compared:



Comparison Methodology and Outcomes

- Scope = basic comparison of information available on the internet
- “Apples to Apples” comparison is very difficult
- Provides a sense of the “market” for services.
- Where comparison was possible, Scotts Valley’s current fees are:
 - ✓ Admin fees - low end
 - ✓ Police fees - mid to high end except CCW permits (low end)
 - ✓ Planning fees - low to mid range
 - ✓ Engineering fees - low end for minor encroachment permits, mid to high end for major encroachment permits, many fee types not comparable
 - ✓ Building permit and plan check fees - within the range of several comparable agencies; misc. permits – low to mid range

Fee Study Best Management Practices

1	Comprehensive fee study every 3 - 5 years
2	Annual Increase Mechanism
3	Combined Municipal Fee Schedule
4	Official Cost Recovery Policy

Questions and Comments

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City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: June 6, 2018

TO: Honorable Mayor and City Council

FROM: Jenny D. Haruyama, City Manager

SUBJECT: **DISCUSSION OF USER FEE STUDY RESULTS AND POLICY DIRECTION REGARDING FY 2018/19 PLANNING, BUILDING, PUBLIC WORKS, POLICE AND ADMINISTRATIVE FEES AND CHARGES**

SUMMARY OF ISSUE

The City engaged NBS to conduct an independent user fee study analysis of the City's fees and charges for planning, building, public works (non-utility), police and administrative services. It had been several years since the City had conducted a comprehensive fee study. This study reviewed the current service delivery methods, staffing and costs to determine the appropriate fee structures and costs of services provided for each service.

NBS will present the results of the user fee study during the Council meeting. They will present an overview of fee setting requirements for local agencies in California, the methodology used in completing the fee study, and a cost recovery analysis of each of the fees for services within the scope of the study. At the end of NBS' presentation, and subject to any questions that the City Council may have, staff will then provide an analysis and recommendations regarding the level of cost recovery that Council may wish to consider for the various fees and charges, and the timing in which that level of cost recovery might reasonably be achieved.

All the fees and charges in the study represent General Fund revenues. The result of the fee study indicates that the City is currently recovering 62% of the costs associated with the provision of services included in the study. If the fees and charges were increased to the levels included in staff's preliminary recommendations, the General Fund will experience an increase in annual revenues totaling approximately \$255,000 when the increases go into full effect. Staff is recommending that Council consider a phased approach to increase fees over a three-year period starting in FY 2018/19.

Subject to policy direction received from the City Council, the master fees and charges schedule will be prepared and a public hearing notice will be issued for a public hearing to consider changes to the City's master fees and charges schedule at the June 20, 2018 City Council meeting.

BACKGROUND

During the FY 2017/18 annual budget deliberations, the City Council provided direction for staff to conduct a user fee study on the City's fees and charges in anticipation of the FY 2018/19 annual budget. Subject to a request for proposal process soliciting proposals from qualified firms, staff selected NBS to perform the work. The scope of the project included the following: 1) preparation of a cost allocation plan for the allocation of administrative support costs to city operations; 2) a review of the fee structure associated with the provision of planning, building, public works (non-utility), police and administrative services; 3) a cost recovery analysis of the associated fees and charges; and, 4) comparative research of fees and charges assessed by other agencies in the region.

Over the past six months, NBS worked with staff to identify proposed changes to the fee structure to make fees more relevant to services being delivered in today's development and service delivery environment. Staff provided time estimates to NBS for the provision of each service. NBS incorporated the FY 2017/18 budget and volume of activity for each type of services to analyze the costs and the current revenue associated with each fee to determine their individual cost recovery level.

Staff then reviewed each fee's cost recovery level to determine the impact on the General Fund budget as well as on customers to determine a preliminary recommendation on cost recovery levels.

ANALYSIS

COST ALLOCATION PLAN

NBS prepared a cost allocation plan that allocates the costs associated with the provision of administrative support services such as City Council, City Attorney, City Manager, City Clerk, Finance, Human Resources, Risk Management and Information Technology. The proposed cost allocation plan forms one of the elements in determining the citywide overhead costs attributable to each department and, thus, to the costs of services provided in the fee study.

FEE STRUCTURE CHANGES

The fee structure was reviewed carefully to determine that fees were relevant, appropriate to service delivery methods, and consistent with industry best practices. Changes to the fee structure include new fees for services that are not being paid for, streamlining existing fee structures to reflect current business practices and to ease administration, and elimination of certain fees that are no longer applicable based on the services currently provided. A more detailed analysis of the recommended fee structure changes are attached as Attachment B to this staff report.

COST RECOVERY ANALYSIS/IMPLICATIONS TO FEE RECOMMENDATIONS

The cost recovery analysis prepared by NBS is a snapshot in time that uses FY 2017/18 budget information and volume of activity as a basis for determining the cost recovery

percentages and dollar impacts for each fee. It is not assumed that every fee should attain 100% cost recovery. However, the cost recovery analysis does provide an indication to the extent that the General Fund is not recovering the costs of providing services to customers of these fees.

In general, fees related to building, police, public works and administrative services are typically set by agencies at or near full cost recovery. Planning fee cost recovery levels are set based on several considerations such as economic development initiatives, the level and extent of undeveloped or potentially redeveloped property, and the development marketplace relative to other communities within the region.

As indicated in NBS' report, current cost recovery for each fee category ranges from 25% for Administrative and Miscellaneous fees to 112% for Engineering fees. State law indicates that the fees studied in this project are not allowed to be set higher than the cost of providing services. The fee recommendations, when taken as a whole in each fee category, should strive to set fees at no higher than the cost of providing services.

As indicated earlier, the cost recovery analysis is a snapshot in time. In establishing fees for FY 2018/19 and future years, consideration must be given to cost increases that are anticipated in the next several years. The General Fund 10-Year Financial Forecast indicates that personnel costs – the most significant cost driver in setting fees and charges – will increase over the next several years due, in large part, to the anticipated increases in pension costs associated with the CalPERS discount rate reduction. Staff's initial estimates indicate that the costs for providing services could increase as much as 15% per year over the next three years given those assumptions.

FEE RECOMMENDATIONS

Staff has incorporated into the cost recovery analysis prepared by NBS a recommended cost recovery level for each fee. Overall, staff is recommending that the City target full (100%) cost recovery in the long-term for all of its fees and charges as part of this study, with the exceptions listed in Table 1.

Table 1 - User Fees and Charges Recommended for Lower than 100% Cost Recovery

Category	Fee Description	Target Cost Recovery Level	Comments
Planning	Addressing Fee	43%	Charge equivalent of 3 hours of staff time (typical permit requires 7 hours)
Planning	Bee Keeping Permit	14%	Charge equivalent of 1 hour of staff time (typical permit requires 7 hours)
Planning	Design Review – Commercial/Industrial	50%	Base fee includes 20 hours of staff time, discounted to equivalent of 10 hours (typical permit requires 20 hours), or 50%; more than 20 hours charged at 100%

Category	Fee Description	Target Cost Recovery Level	Comments
Planning	Design Review – Residential	67%	Base fee includes 20 hours of staff time, discounted to equivalent of 10 hours (typical permit requires 15 hours), or 67%; more than 20 hours charged at 100%
Planning	Design Review – Freestanding Signs	40%	Charge equivalent of 6 hours of staff time (typical permit requires 15 hours)
Planning	Design Review – Signs with Staff Level Review	30%	Charge equivalent of 3 hours staff time (typical permit requires 10 hours)
Planning	Santa Cruz County Sandhills Interim Programmatic Habitat Conservation Plan (IPHCP) Certificate of Inclusion	67%	Cost recovery percentage is established based upon enacting resolution to the Plan
Planning	Mitigated Negative Declaration	75%/100%	Base fee includes 40 hours of staff time, discounted to equivalent of 30 hours (typical permit requires 40 hours), or 75%; more than 40 hours charged at 100%
Planning	Public Hearing Notice and Radius Noticing – Planning Commission Meeting	60%	Charge equivalent of 1.5 hours staff time (typical noticing requires 2.5 hours)
Planning	Public Hearing Notice and Radius Noticing – City Council Meeting	75%	Charge equivalent of 1.5 hours staff time (typical noticing requires 2 hours)
Planning	Tree Removal Permit – Protected Tree	11%	Charge equivalent of 0.5 hour staff time (typical permit requires 4.5 hours)
Planning	Use Permit – Commercial or Industrial or Residential - Minor	31%	Base fee includes 32 hours of staff time, discounted to equivalent of 10 hours, or 31%; more than 40 hours charged at 100%
Planning	Use Permit – Commercial or Industrial or Residential - Major	32%	Base fee includes 62 hours of staff time, discounted to equivalent of 40 hours, or 32%; more than 62 hours charged at 100%
Planning	Variance Application	53%	Charge equivalent of 20 hour staff time (typical permit requires 38 hours)
Building	Solar/PV Permit – Residential	0%	Waive fees for residential solar permits per Council policy
Public Works	Transportation/Hauling – Transportation Permit (per trip)	12%	Limited to \$16 per state law (requires 0.5 hour staff time to prepare)
Police	Junior Police Academy	9%	Limit cost to participants to \$60 to encourage participation
Administrative	Entertainment Permit – Initial and Renewal	56%	Limit cost to \$150 for initial permit, \$103 for renewals

Increasing fees immediately to the targeted cost recovery levels, in some cases, will require percentage increases from 50% to 300%. A phased approach should be given consideration as well as the anticipated volume of development activity over the next several years that may impact building, planning, and public works fees. Staff recommends City Council consider a phased approach that would transition all fee

changes over a three-year period to the targeted cost recovery level, with the exceptions listed in Table 2. The fees below are recommended to be implemented at the full cost recovery in the first year because either the proposed adjustment is not substantive or it is lower than the current fee because prior fee levels exceeded the cost of the service.

Table 2 – User Fees and Charges Recommended for Immediate Implementation

Category	Fee Description	Current Cost Recovery Amount	Targeted Cost Recovery Amount
Administrative	Solicitor's Permit	\$32	\$86
Administrative	Returned Check Charges	\$12	\$25
Administrative	Digital Copies on CD or DVD	\$0.27	\$0.25
Administrative	Photocopies	\$0.13	\$0.10
Police	Auto Abatement	\$182	\$204
Police	Clearance Letter	\$41	\$47
Police	Taxicab Driver's Permit	\$84	\$72
Planning	Environmental Impact Report, Administration – Minimum Deposit	\$26,231	\$15,000
Public Works	Annexation	\$929	\$512
Public Works	Subdivision/Tentative Map Recordation	\$1,208	\$1,280
Public Works	Lot Line Adjustment (or Lot Merger)	\$853	\$768
Public Works	Certificate of Correction	\$596	\$768
Public Works	Easement/Abandonment Request	\$3,812	\$768
Public Works	Encroachment Permits - Major	Various	Various ¹
Public Works	Parcel Map or Amending Parcel Map Check (4 lots or less) – City Processing Fee	\$2,109	\$640
Public Works	Final Map or Amending Final Map Check (5 lots or more) – City Processing Fee (first 4 lots)	\$2,109	\$640
Public Works	Final Map or Amending Final Map Check (5 lots or more) – City Processing Fee (per lot over 4)	\$183	\$640
Public Works	On-Site Civil Permit Inspection (Private Property	Various	Various ²

¹ – Encroachment permit fees are currently exceeding cost recovery at all levels and are recommended to be reduced to their respective full (100%) cost recovery amounts.

² – On-site civil permit inspection fees, taken as a whole, are currently exceeding cost recovery and are recommended to be matched to their respective full (100%) cost recovery amounts at every level.

It is not necessary for the City Council to establish fees for the next three years, however the approach and methodology should be incorporated into policy direction provided to staff and in the approving resolution so that future updates to the master fees and charges schedule will incorporate the phased approach into the fee determinations.

Table 3 illustrates the phased in approach for a representative sample of fees. The target amounts in the third year (FY 2020/21) include the estimated cost increases driven by increases in salaries and benefits (including the CalPERS cost increases) assumed in the General Fund's 10-Year Financial Forecast (Baseline Scenario). The City would need to estimate cost increases to fees and charges based upon proposed annual budgets for each year after FY 2018/19.

Table3 – Illustrative Fees and Charges Phased In over Three Year Period

Category	Fee Description	Current Amount	FY 2018/19	FY 2019/20	FY 2020/21
Administrative	Entertainment Permit	\$66	\$114	\$162	\$210
Police	Police Alarm Services Subscribers				
	Annual subscriber registration fee	\$32	\$40	\$48	\$55
	Fourth False Alarm in One Month	\$39	\$100	\$161	\$222
	Any False Alarm Over Four	\$87	\$132	\$177	\$222
Planning	Design Review				
	Commercial/Industrial (base fee includes 20 hours)	\$894	\$1,644	\$2,394	\$3,146
	Residential (based fee includes 20 hours)	\$894	\$1,644	\$2,394	\$3,146
	Residential with Hillside	\$1,194	\$2,891	\$4,588	\$6,285
Planning	Development Agreement				
	Minimum Deposit	\$3,731	\$5,000	\$7,500	\$7,500
	Per hour charge	\$148	\$204	\$260	\$315
Planning	Tree Removal Permit				
	Heritage Tree	\$713	\$2,046	\$3,379	\$4,713
	Protected Tree	\$50	\$85	\$120	\$157
Engineering	Design Review				
	Commercial/Industrial	\$54	\$276	\$498	\$720
	Residential	\$54	\$156	\$258	\$360
	Residential with Hillside	\$77	\$171	\$265	\$360
	Encroachment Permits – Minor	\$106	\$191	\$276	\$360
Building	Building Permits				
	\$5,000 valuation	\$111	\$134	\$161	\$195
	Each additional \$1,000 or fraction thereof	\$14	\$18	\$23	\$29
	\$25,000 valuation	\$392	\$494	\$621	\$775
	Each additional \$1,000 or fraction thereof	\$10	\$12	\$18	\$27
	\$100,000 valuation	\$994	\$1,406	\$1,987	\$2,811
	Each additional \$1,000 or fraction thereof	\$6	\$8	\$10	\$14
	\$500,000 valuation	\$3,234	\$4,414	\$6,026	\$8,217
	Each additional \$1,000 or fraction thereof	\$5	\$6	\$8	\$10
	\$1,000,000 valuation	\$5,609	\$7,415	\$9,803	\$12,973
	Each additional \$1,000 or fraction thereof	\$4	\$3	\$3	\$3
	\$5,000,000 valuation	\$20,209	\$21,341	\$22,536	\$23,784

If a three-year phased approach is implemented, Staff estimates that the total cost recovery gap for FY 2018/19 would be reduced by approximately \$150,000, thereby increasing General Fund revenues by that estimated amount in FY 2018/19. This would provide a balance approach of easing the impact on customers but reducing the General Fund structural deficit as the City Council considers solutions in its Fiscal Sustainability Plan.

Included in the presentation by NBS is an analysis of comparative fees charged by other communities. Agencies chosen for comparison include the cities of Capitola, Santa Cruz and Watsonville, the Town of Los Gatos, and the County of Santa Clara. The proposed cost recovery targets would generate fees that are overall consistent with the fees charged by other agencies. The ultimate comparison of development-related project fees would require a detailed calculation of various project scenarios from other agencies which was beyond the NBS scope for the project. If the City Council needed this

information, staff would need to reach out to each agency with a set of parameters for various projects (see below) and request that each agency prepare a fee analysis for each project. However, the information provided by NBS is informative regarding the level of fees that developers may experience in other communities.

FEE SETTING IMPACTS ON BUILDING PERMIT PROJECTS

It is difficult to understand the impacts of individual fee increases as indicated in the cost recovery analyses on building permit projects, which incorporate several fees and charges prior to permit issuance. Staff has developed a set of five project scenarios to estimate the impacts on property owners/developers if the recommended cost recovery levels were implemented. The five project scenarios are based on typical projects that the City has approved over the past five years. Those projects are summarized in the table below.

#	Category	Project Description	Estimated Valuation	Estimated size (sq. ft.)
1	Residential	Bathroom Remodel – remodel of an existing bathroom in a single-family residence (SFR)	\$20,000	80
2	Residential	SFR Addition – addition to an existing single-family residence	\$90,000	480
3	Residential	New SFR – construction of a new single-family residential unit on a parcel with entitlements in place	\$400,000	2,500
4	Commercial	Office Tenant Improvement – tenant improvement in an existing commercial office building	\$100,000	3,000
5	Commercial	New Office Building – construction of a new office building on an approved parcel with entitlements in place	\$1,500,000	10,000

A comparison of the current fees and *full cost recovery (FCR)* fees is presented below:

Project Scenario	Current/ FCR Fees	Permit Fees	Other Fees	Total Fees	Fees % of Valuation
1 – Bathroom remodel (valuation - \$20,000)	Current	691	102	793	4.0%
	FCR	2,251	102	2,353	11.8%
	Increase	1,560	-	1,560	7.8%
2 – SFR Addition (valuation - \$90,000)	Current	1,881	457	2,338	2.6%
	FCR	4,722	457	5,179	5.8%
	Increase	2,841	-	2,841	3.2%
3 – New SFR (valuation – \$400,000)	Current	6,108	2,028	8,136	2.0%
	FCR	12,412	2,028	14,440	3.6%
	Increase	6,304		6,304	1.6%
4 – Office Tenant Improvement (valuation - \$100,000)	Current	2,708	522	3,230	3.2%
	FCR	5,399	522	5,921	5.9%
	Increase	2,691	-	2,691	2.7%

Project Scenario	Current/ FCR Fees	Permit Fees	Other Fees	Total Fees	Fees % of Valuation
5 – New Office Building (valuation - \$1.5 million)	Current	18,260	7,830	26,090	1.7%
	FCR	29,606	7,830	37,436	2.5%
	Increase	11,346	-	11,346	0.8%

This table indicates what the fee levels would be at full cost recovery. The percentage increases based on project valuation is larger for smaller sized projects than they are for larger projects due primarily to two factors: 1) the increase in the FBHR from \$148 to \$154; and, 2) the number of hours that are required for staff to review smaller projects, on a percentage of valuation basis, is higher than for projects with a higher valuation.

As indicated earlier, if the City Council determined to phase in the increases over a three-year period, the increases in any one year would be cut by roughly one-third (1/3).

FISCAL IMPACT

There is no fiscal impact associated with the review of the results of the user fee study. Final adoption of fees and charges for FY 2018/19 would be considered at a public hearing scheduled for June 20, 2018. Adoption of fees and charges would be incorporated into the revenue estimates for the final budget for FY 2018/19. Fees related to development services (i.e., planning, building, and some public works fees) would require a 60-day waiting period to go into effect by state law. It is recommended that all fees and charges included herein be implemented together on or after Monday, August 20, 2018.

STAFF RECOMMENDATION

It is recommended that the City Council provide policy direction on setting user fees and charges for FY 2018/19. Recommended policy questions for the City Council to address are as follows:

1. Is there any additional information that the City Council requires in order to determine the appropriate cost recovery targets for the fees included in this study?
 - **Staff recommendation:** N/A
2. Does the City Council have any changes that it wishes to make to the proposed cost recovery targets as indicated in this staff report?
 - **Staff recommendation:** N/A
3. Does the City Council wish to implement a phased approach for increasing fees to achieve the targeted cost recovery levels?
 - **Staff recommendation:** Staff recommends that the City Council consider a three-year phased-in approach to achieve the targeted cost recovery levels for each fee that would be incorporated into the policy direction and authorizing resolution in establishing the FY 2018/19 fees and charges.

TABLE OF CONTENTS

PAGE

Attachment A – NBS User Fees and Charges Study Draft Report, dated May 31, 2018	10
Attachment B – Summary of Proposed Fee Structure Changes	78

ATTACHMENT A

NBS USER FEE STUDY
DRAFT FINAL REPORT

MAY 31, 2018



City of Scotts Valley

User Fee Study

DRAFT Final Report

May 31, 2018

32605 Temecula Parkway, Suite 100
Temecula, CA 92592
Toll free: 800.434.8349 Fax: 951.296.1998

TABLE OF CONTENTS

Executive Summary.....	4
Outcomes.....	4
Report Format.....	5
Section 1 – Introduction and Fundamentals.....	6
Scope of Study.....	6
Methods of Analysis.....	6
Cost of Service Analysis.....	7
Fee Establishment.....	8
Cost Recovery Evaluation.....	9
Comparative Fee Survey	10
Data Sources	11
Section 2 – Administrative & Miscellaneous Fees	12
Cost of Service Analysis.....	12
Fee Establishment.....	12
Cost Recovery Evaluation.....	12
Section 3 – Police Fees.....	14
Cost of Service Analysis.....	14
Fee Establishment.....	14
Cost Recovery Evaluation.....	15
Section 4 – Planning Fees.....	16
Cost of Service Analysis.....	16
Fee Establishment.....	17
Cost Recovery Evaluation.....	17
Section 5 – Engineering Fees	19
Cost of Service Analysis.....	19
Fee Establishment.....	20
Cost Recovery Evaluation.....	20
Section 6 – Building Fees	21
Cost of Service Analysis.....	21
Fee Establishment.....	22
Cost Recovery Evaluation.....	22
Section 7 – Conclusion	24

Appendices

Cost of Service Analysis (Fee Tables)

Administrative & Miscellaneous Fees
Police Fees
Planning Fees
Engineering Fees
Building Fees

Appendix A

Appendix A. 1
Appendix A. 2
Appendix A. 3
Appendix A. 4
Appendix A. 5

Comparative Fee Survey

Administrative & Miscellaneous Fees
Police Fees
Planning Fees
Engineering Fees
Building Fees

Appendix B

Appendix B. 1
Appendix B. 2
Appendix B. 3
Appendix B. 4
Appendix B. 5

Executive Summary

NBS performed a User Fees and Charges Study (Study) for the City of Scotts Valley (City). The purpose of this report is to describe the Study's findings and recommendations, which intend to defensibly update and establish user and regulatory fees for service for the City of Scotts Valley, California.

California cities impose user fees and regulatory fees for services and activities they provide through provisions of the State Constitution. First, cities may perform broad activities related to their local policing power and other service authority as defined in Article XI, Sections 7 and 9. Second, cities may establish fees for service through the framework defined in Article XIII C, Section 1. Under this latter framework, a fee may not exceed the estimated reasonable cost of providing the service or performing the activity. For a fee to qualify as such, it must relate to a service or activity under the control of the individual/entity on which the fee is imposed. For example, the individual/entity requests service of the municipality or his or her actions specifically cause the municipality to perform additional activities. In this manner, the service or the underlying action causing the municipality to perform service is either discretionary and/or is subject to regulation. As a discretionary service or regulatory activity, the user fees and regulatory fees considered in this Study fall outside requirements for imposition of taxes, special taxes, or fees imposed as incidences of property ownership.

The City's chief purposes in conducting this Study were to ensure that existing fees do not exceed the costs of service and to provide an opportunity for the City Council to re-align fee amounts with the adopted cost recovery policies.

Outcomes

This Study examined user and regulatory fees managed by the following City departments and programs:

- Administrative and Finance departments, and other miscellaneous programs
- Police Department
- Planning Department
- Engineering Division of the Public Works Department
- Building Department

The Study identified approximately \$832,000 currently collected per year from fees for service, versus approximately \$1.3 million of eligible costs for recovery from fees for service. The following table provides a summary of results for each service area studied:

Fee Category	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Cost Recovery Surplus/ Deficit	Existing Cost Recovery Percentage	Annual Estimated Revenues at Recommended Cost Recovery Fee	Recommended Cost Recovery Percentage
Administrative & Miscellaneous	\$ 584	\$ 2,374	\$ (1,790)	25%	\$ 1,504	63%
Police	\$ 24,305	\$ 67,884	\$ (43,579)	36%	\$ 33,230	49%
Planning	\$ 176,784	\$ 499,526	\$ (322,742)	35%	\$ 356,299	71%
Engineering	\$ 409,202	\$ 364,148	\$ 45,054	112%	\$ 357,594	98%
Building	\$ 220,647	\$ 400,011	\$ (179,364)	55%	\$ 338,095	85%
Total	\$ 831,522	\$ 1,333,942	\$ (502,420)	62%	\$ 1,086,722	81%

As shown, the City is recovering approximately 62% of costs associated with providing user and regulatory fee related services. Should the Council elect to adopt fee levels at 100% of the full cost recovery amounts determined by this Study, approximately an additional \$502,000 in costs could be recovered. However, as discussed in Section 1 of this report, there are reasons for adopting a fee at less than the calculated full cost recovery amount. As such, City staff provided initial recommended fee amounts for consideration. If Council elects to adopt fee levels at staff's initial recommendations, an additional \$255,000 in costs could be recovered, or an 81% cost recovery outcome for services provided.

Report Format

This report documents analytical methods and data sources used throughout the Study, presents findings regarding current levels of cost recovery achieved from user and regulatory fees, discusses recommended fee amounts, and provides a comparative survey of fees to neighboring agencies for similar services.

- Section 1 of the report outlines the foundation of the Study and general approach.
- Sections 2 through 6 discuss the results of the cost of service analysis performed, segmented by category of fee and/or department. The analysis applied to each category/department falls into studies of: the fully burdened hourly rate(s), the calculation of the costs of providing service, the cost recovery policies of each fee category, and the staff-recommended fees for providing services.
- Section 7 provides the grand scope conclusions of the analysis provided in the preceding sections.
- Appendices to this report include additional analytical details for each department or division studied, and a comparison of fees imposed by neighboring agencies for similar services.

Section 1 – Introduction and Fundamentals

Scope of Study

The following is a summarized list of fees for each City department or program studied:

- Administrative & Miscellaneous fees include:
 - Entertainment Permits
 - Solicitor's and Sales Permits
 - Returned Check, Notary Service, and Copy fees
- Police Department fees include:
 - Alarm Subscriptions & False Alarm Responses
 - Vehicle Releases, and Police Reports
 - Miscellaneous Permits, Licenses, Records
 - Firearm Permits
- Planning Department fees include:
 - Planning Entitlements
 - Environmental Assessment and Review
 - Planning Permits
 - Land Development Review in support of Public Works
- Engineering Division fees include:
 - Parcel/Subdivision Maps
 - Encroachment Permits and Public/On-Site Improvements
 - Stormwater Regulation as pertains to development
 - Transportation and Hauling
 - Miscellaneous user fees for Wastewater Operations
 - Planning Application Review and Support
- Building Department fees include:
 - Building Permits and Plan Checks
 - Miscellaneous Minor Residential Permits
 - Mechanical, Plumbing, Electrical Permits

The fees examined in this Study specifically excluded utility rates, development impact fees, and special assessments, all of which fall under distinct analytical and procedural requirements different from the body of user/regulatory fees analyzed in this effort. Additionally, this Study and the resultant Master Fee Schedule excluded fees and charges associated with recreation programs, facility and equipment rental rates, as well as most of fines and penalties that may be imposed by the City for violations to its requirements or code. (The City is not limited to the costs of service when charging for entrance to or use of government property, or when imposing fines and penalties.)

Methods of Analysis

There are three phases of analysis completed for each City department or program studied:

- 1) Cost of service analysis
- 2) Fee establishment

3) Cost recovery evaluation

Cost of Service Analysis

This cost of service analysis is a quantitative effort that compiles the full cost of providing governmental services and activities. There are two primary types of costs considered: direct and indirect costs. Direct costs are those that specifically relate to the activity in question, including the real-time provision of the service. Indirect costs are those that support provision of services in general, but cannot be directly assigned to the fee for service in question.

Components of the full cost of service include direct labor costs; indirect labor costs, specific direct non-labor costs where applicable, allocated non-labor costs, and allocated Citywide overhead. Definitions of these cost components are as follows:

- **Labor costs** – Salary, wages and benefits expenses for City personnel specifically involved in the provision of services and activities to the public.
- **Indirect labor costs** – Personnel expenses supporting the provision of services and activities. This can include line supervision and departmental management, administrative support within a department, and staff involved in technical activities related to the direct services provided to the public.
- **Specific direct non-labor costs** – Where applicable, discrete expenses incurred by the City due to a specific service or activity performed, such as contractor costs, third-party charges, and very specific materials used in the service or activity.
- **Allocated indirect non-labor costs** – Expenses other than labor for the departments involved in the provision of services. In most cases, these costs are allocated across all services provided by a department, rather than directly assigned to fee categories.
- **Allocated indirect organization-wide overhead** – These are expenses, both labor and non-labor, related to agency-wide support services. Support services include general administrative services such as City Council, City Manager, City Clerk, City Attorney, Human Resources, Finance, etc. An agency's support services departments assist the direct providers of public service. The amount of costs attributable to each department or program included in this Study were sourced from a separate Cost Allocation Plan, prepared by NBS.¹

All cost components in this Study use annual (or annualized) figures, representing a twelve-month cycle of expenses incurred by the City in the provision of all services and activities agency-wide.²

Nearly all of the fees under review in this Study require specific actions on the part of City staff to provide the service or conduct the activity. Because labor is the primary underlying factor in these activities, the Study expresses the full cost of service as a fully burdened cost per labor hour. NBS calculates a composite, fully burdened, hourly rate for each department, division, program, or activity, as applicable to the specific organization and needs of each area studied. The rate serves as the basis for further quantifying the average full cost of providing individual services and activities.

Deriving the fully burdened labor rate for each department, and various functional divisions within a department, requires two figures: the full costs of service and the number of hours available to perform those services. The full

¹ Scotts Valley - Cost Allocation Plan for Fiscal Year 2017-2018, Title 2 CFR Cost Iteration

² This Study relied primarily on the City's adopted budget for Fiscal Year 2017-18. See Data Sources.

costs of service are quantified through the earlier steps described in this analysis. NBS derives the hours available from a complete listing of all personnel employed by the City.

A full-time employee equates to 2,080 hours per year of regular time. Using this as an initial benchmark of labor time, the Study removes the average employee's eligible annual leave from the total number of regular paid hours to generate the total number of available labor hours for each City department or program. These available hours represent the amount of productive time available for providing both fee-recoverable and non-fee recoverable services and activities. The productive labor hours divided into the annual full costs of service equals the composite fully burdened labor rate. Some agencies also use the resulting rates for other purposes than setting fees, such as when the need arises to calculate the full cost of general services, or structure a cost recovery agreement with another agency or third party.

Fully burdened labor rates applied at the individual fee level estimate an average full cost of providing each service or activity. This step required the development of staff time estimates for the services and activities listed in the City's fee schedule. In some fee programs, the City's time tracking records were useful in identifying time spent providing general categories of service (e.g. plan review, inspection, public assistance, etc.). However, the City does not systematically track activity service time for all departments or all fee services provided. Consequently, interviews and questionnaires were used to develop the necessary data sets describing estimated labor time. In most cases, City staff estimated the average amount of time (in minutes and hours) it would take to complete a typical occurrence of each service or activity considered. Every attempt was made to ensure that each department having a direct role in the provision of each service or activity provided a time estimate.

It should be noted that the development of these time estimates was not a one-step process: estimates received were carefully reviewed by both consultant and departmental management to assess the reasonableness of such estimates. Based on this review, the City reconsidered its time estimates until both parties were comfortable that the fee models reasonably reflected the average service level provided by the City. Then, staff's time estimates were applied to the appropriate fully burdened labor rate to yield an average full cost of the service or activity.

The average full cost of service is just that: an average cost at the individual fee level. The City does not currently have the systems in place to impose fees for every service or activity based on the actual amount of time it takes to serve each individual. Moreover, such an approach is almost universally infeasible without significant – if not unreasonable – investments in costly technology. Much of the City's fee schedule is composed of flat fees, which by definition, are linked to an average cost of service; thus, use of this average cost method is the predominant approach in proceeding toward a schedule of revised fees. Flat fee structures based on average costs of service are widely applied among other California municipalities, and it is a generally accepted approach. (Refer to the subsection below regarding "Fee Establishment" for further discussion.)

Subsequent chapters and the appendices of this report discuss the completed cost of service analysis developed for each department or division.

Fee Establishment

Because most of the City's fees are flat fees, they correspond directly to the average full cost of service result. For the few activities where estimating an average was impossible – due to the highly variable nature of the service – use of fully burdened hourly rates coupled with time tracking is the preferred fee structure. (In other words, the City would impose a fee per hour of staff time, requiring some degree of time estimation or outright time-tracking at the case level.)

Establishing fees also includes a range of considerations, as described below:

- **Addition to and deletion of fees** – The Study’s process provided each department the opportunity to propose additions and deletions to their fee schedules, as well as rename, reorganize, and clarify fees imposed. Many such revisions better conform fees to current practices, as well as improve the calculation of fees owed by an individual, the application of said fees, and the collection of revenues. In other words, as staff is more knowledgeable and comfortable working with the fee schedule, the accuracy achieved in both imposing fees on users and collecting revenues for the City is greater. Beyond this, some additions to the fee schedule were simply identification of existing services or activities performed by City staff for which no fee is currently charged.
- **Revision to the structure of fees** – In most cases, the current structure of fees did not change; the focus is to recalibrate the fee amount to match the costs of service. In several cases, however, fee categories and fee names were simplified or re-structured to increase the likelihood of full cost recovery, or to enhance the fairness of how the fee applies to various types of fee payers.
- **Documentation of tools to calculate special cost recovery** – The City’s fee schedule should include the list of fully burdened rates developed by the Study. Documenting these rates in the fee schedule provides an opportunity for the City Council to approve rates for cost recovery under a “time and materials” approach. It also provides clear publication of those rates, so fee payers of any uniquely determined fee can reference the amounts. The fee schedule should provide language that supports special forms of cost recovery for activities and services not contemplated by the adopted master fee schedule. These rare instances use the published rates to estimate a flat fee, or bill on an hourly basis, at the discretion of the director of each department.

Cost Recovery Evaluation

The NBS fee model compares the existing fee for each service or activity to the average full cost of service quantified through this analysis. A cost recovery rate of 0% identifies no current recovery of costs from fee revenues (or insufficient information available for evaluation). A rate of 100% means that the fee currently recovers the full cost of service. A rate between 0% and 100% indicates partial recovery of the full cost of service through fees. A rate greater than 100% means that the fee exceeded the full cost of service.

User fees and regulatory fees examined in this Study should not exceed the full cost of service. In other words, the cost recovery rate achieved by a fee should not be greater than 100%. In most cases, imposing a fee above this threshold could require the consensus of the voters.

NBS also assists with modeling the “recommended” or “targeted” level of cost recovery for each fee, always established at 100%, or less, than the calculated full cost of service. Targets and recommendations always reflect agency-specific judgments linked to a variety of factors, such as existing City policies, agency-wide or departmental revenue objectives, economic goals, community values, market conditions, level of demand, and others.

A general means of selecting an appropriate cost recovery target is to consider the public and private benefits of the service or activity in question.

- To what degree does the public at large benefit from the service?
- To what degree does the individual or entity requesting, requiring, or causing the service benefit?

When a service or activity completely benefits the public at large, there is generally little to no recommended fee amount (i.e., 0% cost recovery), reflecting that a truly public-benefit service is best funded by the general resources of the City, such as General Fund revenues (e.g., taxes). Conversely, when a service or activity completely benefits an individual or entity, there is generally closer to or equal to 100% of cost recovery from fees, collected from the individual or entity. An example of a completely private benefit service may be a request for exemption from a City regulation or process.

In some cases, a strict public-versus-private benefit judgment may not be sufficient to finalize a cost recovery target. Any of the following other factors and considerations may influence or supplement the public/private benefit perception of a service or activity:

- If optimizing revenue potential is an overriding goal, is it feasible to recover the full cost of service?
- Will increasing fees result in non-compliance or public safety problems?
- Are there desired behaviors or modifications to behaviors of the service population helped or hindered through the degree of pricing for the activities?
- Does current demand for services support a fee increase without adverse impact to the citizenry served or current revenue levels? (In other words, would fee increases have the unintended consequence of driving away the population served?)
- Is there a good policy basis for differentiating between type of users (e.g., residents and non-residents, residential and commercial, non-profit entities and business entities)?
- Are there broader City objectives that inform a less than full cost recovery target from fees, such as economic development goals and local social values?

Because this element of the Study is subjective, NBS provides the full cost of service calculation information and the framework for considering fees, while those closest to the fee-paying population – the City departments and programs – have considered appropriate cost recovery levels at or below that full cost for the Council’s review.

Comparative Fee Survey

Often policy makers request a comparison of their jurisdiction’s fees to surrounding or similar communities. The purpose of a comparison is to provide a sense of the local market pricing for services, and to use that information to gauge the impact of recommendations for fee adjustments.

Appendix B presents the results of the Comparative Fee Survey for the City of Scotts Valley. NBS worked with the City to choose five comparative agencies, the Cities of Santa Cruz, Capitola, Watsonville, the Town of Los Gatos, and the County of Santa Cruz.

NBS notes the following about the approach to, and use of, comparative survey data:

- Comparative surveys do not provide information about the cost recovery policies or procedures inherent in each comparison agency.
- A “market based” decision to price services below the full cost of service calculation, is the same as making a decision to subsidize that service.
- Comparative agencies may or may not base their fee amounts on the estimated and reasonable cost of providing services. NBS did not perform the same level of analysis provided for this Study on the comparative agencies’ fees.
- Comparative fee survey efforts are often non-conclusive for many fee categories. Comparison agencies typically use varied terminology for provision of similar services.

In general, NBS reasonably attempts to source each comparison agency’s fee schedule from the Internet, and compile a comparison of fee categories and amounts for the most readily comparable fee items that match the client’s existing fee structure.

Data Sources

The following City-published data sources were used to support the cost of service analysis and fee establishment phases of this Study:

- The City of Scotts Valley’s Adopted Budget for Fiscal Year 2017-18.
- A complete listing of all currently filled and/or approved City positions for the Fiscal Year 2017-18 budget, salary/wage rates, regular hours, paid benefits, and paid leave amounts – provided by the Finance Department. Contracted positions and associated costs were also incorporated where applicable.
- Various correspondences with the City staff supporting the adopted budgets and current fees, including budget notes and expenditure detail not shown in the published document.
- Prevailing fee schedules provided by each involved department.
- Annual workload data from the prior fiscal year provided by each involved department.

The City’s adopted budget is the most significant source of information affecting cost of service results. NBS did not audit or validate the City’s financial management and budget practices, nor was cost information adjusted to reflect different levels of service or any specific, targeted performance benchmarks. This Study has accepted the City’s budget as a legislatively adopted directive describing the most appropriate and reasonable level of City spending. Consultants accept the City Council’s deliberative process and ultimate acceptance of the budget plan and further assert that through that legislative process, the City has yielded a reasonable expenditure plan, valid for use in setting cost-based fees.

Original data sets also support the work of this Study: primarily, estimated staff time at various levels of detail. To develop these data sets, consultants prepared questionnaires and conducted interviews with individual departments. In the fee establishment phase of the analysis, departmental staff provided estimates of average time spent providing a service or activity corresponding with an existing or new fee. Consultants and departmental management reviewed and questioned responses to ensure the best possible set of estimates.

Section 2 – Administrative & Miscellaneous Fees

The Administrative & Miscellaneous fees listed in the fee study are supported by the City Clerk and Administrative Services departments. The Administrative Services Department is a newly formed department under the direction of an Administrative Services Director that encompasses the following five divisions: Finance Division, Human Resources and Administration Division, Information Technology Division and the Risk Management Division.

Cost of Service Analysis

The City Clerk and Administrative Services departments provide a minor amount of fee for service activities as pertains to this Study. For purposes of establishing the full cost of providing fee for service activities, NBS developed composite fully burdened blended hourly rates for the City Clerk Department and the Finance Division of the Administrative Services Department.

Cost Element	Clerk Direct Services	Finance Direct Services
Labor	\$ 71,281	\$ 344,736
Recurring Non-Labor	2,353	\$ 9,240
Citywide Overhead	11,097	\$ 66,521
Division Administration	2,854	\$ 272,598
Department Total	\$ 87,584	\$ 693,095
Fully Burdened Hourly Rate	\$ 109	\$ 151
Reference: Direct Hours Only	806	4,596

Section 1, Cost of Service Analysis, of this report describes the types of expenditures and allocated costs considered in the development of these rates. All subsequent fee calculations will incorporate the fully burdened hourly rate of \$109 for Clerk services and \$151 for Finance services.

Fee Establishment

The list of fees as shown in Appendix A.1 to this report reflects several changes from the City's prior fee schedule. Highlights include:

- Fees that were redundant or unused were deleted
- Return Check fee amounts were updated to match State guidelines, and a fee for "Each Additional Returned Check" was added
- Digital and print copy charges were simplified

Section 1, *Methods of Analysis*, provides additional discussion on the Study's approach to adding, deleting, and revising fee categories.

Cost Recovery Evaluation

Appendix A.1 presents the results of the detailed cost recovery analysis for the Administrative & Miscellaneous fees. The "Cost of Service per Activity" column establishes the maximum adoptable fee amount for the

corresponding service identified in the “Fee Name” list. This Cost of Service per Activity is reflective of the City Clerk and Administrative Services departments’ costs for review of each permit, as well as any supporting department/division’s review as required by the City’s established permit review processes.

The City’s current Administrative & Miscellaneous fees recover approximately 25% of the City’s total cost of providing services. As shown in the following table, the City collects approximately \$584 per year in revenues at current fee amounts. At full cost recovery, the same demand for these services would recover approximately \$2,400.

Fee Category	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Cost Recovery Surplus/ Deficit	Existing Cost Recovery Percentage	Annual Estimated Revenues at Recommended Cost Recovery Fee	Recommended Cost Recovery Percentage
Administrative & Miscellaneous	\$ 584	\$ 2,374	\$ (1,790)	25%	\$ 1,504	63%

NBS provided the full cost of service information and the framework for considering fees, while those closest to the fee-paying population, the City departments, considered appropriate cost recovery levels at or below that full cost. The “Recommended Fee Level/Deposit” column in Appendix A.1 displays City staff’s initial recommended cost recovery targets for each fee item. Staff recommends all fees to recover 100% of the costs of providing services, except, Entertainment Permits and Entertainment Permit Renewals.

These initial recommendations for adjusted fee amounts recover approximately an additional \$900 in costs. Recommended fee amounts will recover approximately 63% of the total costs of providing fee related services, assuming current demand for services stays constant.

Section 3 – Police Fees

The Police Department provides public safety for the Scotts Valley community through community partnerships, proactive law enforcement and professionalism. Under the Office of the Police Chief, the department is organized into two divisions: Operations and Services. Operations encompass uniformed patrol services, whereas the Services division is comprised of the Investigation Unit and Communications/Records.

Cost of Service Analysis

The majority of services provided by the Police Department are not recoverable through user/regulatory fees for service. For purposes of establishing the full cost of service for each recoverable fee for service provided by Police, NBS calculated the following fully burdened hourly rates for Support Services for Sworn and Non-Sworn staff in the Police Department.

Cost Element	Sworn Direct Services	Non-Sworn Dispatch/ Records Direct Services
Labor	\$ 2,480,532	\$ 390,127
Recurring Non-Labor	161,431	20,600
Citywide Overhead	469,802	73,888
Division Administration	1,825,917	220,506
Department Total	\$ 4,937,682	\$ 705,121
Fully Burdened Hourly Rate	\$ 196	\$ 143
<i>Reference: Direct Hours Only</i>	25,229	4,923

Section 1, Cost of Service Analysis, of this report describes the types of expenditures and allocated costs considered in the development of these rates. All subsequent Police Department fee calculations will incorporate the fully burdened hourly rates of \$196, and \$143, respectively.

Fee Establishment

The list of fees as shown in Appendix A.2 to this report reflect the following changes to the City's prior fee schedule for the Police Department:

- Simplification of Alarm System Registration and False Alarm Response fees
- Addition of new fees: Bingo Games License Renewal, Surrendered Firearm Storage Per Day after First 30 Days, Tobacco Retail License, Second Hand Dealer License, Massage Permit, Bodycam Video Release/Editing, and Appeals fees

Section 1, *Methods of Analysis*, provides additional discussion on the Study's approach to adding, deleting, and revising fee categories.

Cost Recovery Evaluation

Appendix A.2 presents the results of the detailed cost recovery analysis for the City's Police fees. The "Cost of Service per Activity" column establishes the maximum adoptable fee amount for the corresponding service identified in the "Fee Name" list.

The City's Police fees currently recover approximately 36% of the Department's cost of providing services. As shown in the following table, the City collects approximately \$24,000 per year in revenues at current fee amounts. At full cost recovery, the same demand for these services would generate approximately \$68,000.

Fee Category	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Cost Recovery Surplus/ Deficit	Existing Cost Recovery Percentage	Annual Estimated Revenues at Recommended Cost Recovery Fee	Recommended Cost Recovery Percentage
Police	\$ 24,305	\$ 67,884	\$ (43,579)	36%	\$ 33,230	49%

NBS provided the full cost of service information and the framework for considering fees, while those closest to the fee-paying population, the City departments, considered appropriate cost recovery levels at or below that full cost. The "Recommended Fee Level / Deposit" column in Appendix A.2 displays City staff's initial recommended cost recovery targets for each fee item. These initial recommendations for adjusted fee amounts recover approximately an additional \$9,000 of the Police Department's costs annually. Fees at recommended amounts would recover approximately 49% of the total costs of providing fee related services.

Section 4 – Planning Fees

The Planning Department provides policy recommendations to the City Manager, Planning Commission and City Council. The Department develops guiding policies in the City's General Plan and reviews new construction through zoning, subdivision regulations, community design guidelines and review of building permits and code enforcement issues. Planning involves the complex interaction of individuals, neighborhood groups, business organizations, environmental groups, land developers and contractors.

Cost of Service Analysis

The following categorizes the Planning Department's costs across both fee and non-fee related services, resulting in the fully-burdened hourly rate applicable toward establishing the full cost of providing fee related services.

Cost Element	Support to Building	Public Information/ General Counter	Advance Planning/ Long Range Planning	Code Enforcement/ Complaints	Direct Permitting Services - Current Planning/ Development Review	Total
Labor	\$ 29,823	\$ 166,314	\$ 26,882	\$ 3,353	\$ 183,295	\$ 409,666
Recurring Non-Labor	1,517	8,458	1,367	171	9,321	20,833
Citywide Overhead	6,283	35,041	5,664	706	38,619	86,313
Allocated Common Activities	8,564	47,758	7,719	963	52,634	117,638
Department Total	\$ 46,187	\$ 257,570	\$ 41,632	\$ 5,192	\$ 283,868	\$ 634,450
Cost Recovery Targeted from Fees	0%	60%	0%	0%	100%	69%
Amount Targeted for Consideration in Billings/Fees	-	154,542	-	-	283,868	438,410
Amount Requiring Another Funding Source	46,187	103,028	41,632	5,192	-	196,040
Fully Burdened Hourly Rate	\$ -	\$ 79	\$ -	\$ -	\$ 145	\$ 224
<i>Reference: Direct Hours Only</i>						1,959

All subsequent cost of service calculations at the individual fee level assume a fully burdened hourly rate of **\$224**, with approximate recovery of \$438,000 in costs from fees for service.

The cost category columns shown in the table above were adapted and summarized from Division staff interviews. To assist the reader in understanding the underlying costs and assumptions used to calculate the fully burdened hourly rate, the following provides summary descriptions of each cost category:

- **Support to Building** – Activities associated with administering and managing the Community Development Department as a whole. These costs are not considered for recovery in Planning fees, but are further allocated to Building services for recovery in Building fees.
- **Public Information / General Counter**– Activities associated with responding to phone calls and general information requests that support the development review process. Typically, some portion of costs for provision of general public information and assistance do not apply toward recovery from fees, and are considered a basic function of governmental services to the public. Planning staff estimated that approximately 60% of these costs support land use application review activities, while the remaining costs are not considered in the calculation of fees for services.

- **Advance / Long Range Planning** – Planning staff support the ongoing maintenance and cyclical update of the City’s General Plan and local zoning ordinances. These costs are not considered for recovery from Planning fees, but are commonly recovered as part of a separate “Long Range Planning” or “General Plan Maintenance” surcharge on top of relevant planning and building permits in other California cities. These costs are not considered in the calculation of Planning’s fees for service.
- **Non-Fee Support to Other City Departments** – Planning staff provide support to other City Departments on a variety of projects and special requests. These costs are not considered for recovery from Planning fees.
- **Direct Permitting Services – Current Planning/ Development Review** – Development review and approval comprises the majority of this Division’s work efforts. 100% of these costs may be recovered from the Division’s routine types of fees for service.

Significant analytical and policy decisions revolve around inclusion of categorized activity costs in the fully burdened hourly rate. The decision of whether to apply or exclude certain costs toward recovery in fees for service stems from the basic fee setting parameters offered by the California State Constitution and Statutes, which requires that any new fee levied or existing fee increased should not exceed the estimated amount required to provide the service for which the fee is charged.

Fee Establishment

The list of fees as shown in Appendix A.3 to this report reflects changes from the City’s prior fee schedule. Highlights include:

- Overall, the fee schedule was restructured to consider services that are best charged on a deposit (time and materials) versus flat/fixed fee basis.
- Fees that were redundant or unused were deleted
- New fee categories were added for Addressing and Appeal Processing

Section 1, *Methods of Analysis*, provides additional discussion on the Study’s approach to adding, deleting, and revising fee categories.

Cost Recovery Evaluation

Appendix A.3 presents the results of the detailed cost recovery analysis for the City’s Planning fees. The “Cost of Service per Activity” column establishes the maximum adoptable fee amount for the corresponding service identified in the “Fee Name” list. This Cost of Service per Activity is reflective of the Planning Division’s costs for review of each entitlement/permit.

The City’s current Planning fees recover approximately 35% of the City’s total cost of providing services. As shown in the following table, the City collects approximately \$177,000 per year in revenues at current fee amounts. At full cost recovery, the same demand for these services would recover approximately \$500,000.

Fee Category	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Cost Recovery Surplus/ Deficit	Existing Cost Recovery Percentage	Annual Estimated Revenues at Recommended Cost Recovery Fee	Recommended Cost Recovery Percentage
Planning	\$ 176,784	\$ 499,526	\$ (322,742)	35%	\$ 356,299	71%

NBS provided the full cost of service information and the framework for considering fees, while those closest to the fee-paying population, the City departments, considered appropriate cost recovery levels at or below that full cost. The “Recommended Fee Level/Deposit” column in Appendix A. 3 displays City staff’s initial recommended cost recovery targets for each fee item. Staff recommends all fees to recover 100% of the costs of providing services except for the following items:

- Addressing Fee
- Appeals
- Bee Keeping Permit
- IPHCP Certificate of Inclusion
- Design Review (w/out Hillside)
- Free Standing Signs
- Signs with Staff Level Review
- Mitigated Negative Declaration
- Protected Tree Permit
- Public Hearing Notice and Radius Noticing
- Use Permits
- Variance Application

These initial recommendations for adjusted fee amounts recover nearly an additional \$180,000 of the Planning Department’s costs annually. Fees at recommended amounts would recover approximately 71% of the total costs of providing fee related services.

Section 5 – Engineering Fees

The Engineering Division oversees and supports the planning, design, construction and inspection of improvements for all public works infrastructure projects including streets, storm facilities, curbs, gutters, sidewalks, landscaping, lighting and traffic control systems constructed within the City as part of the capital improvement program (CIP) or new development. The Division also provides ancillary support to other Departments through private development plan review.

Cost of Service Analysis

The following table categorizes the Engineering's costs across both fee and non-fee related services, resulting in the fully-burdened hourly rate applicable toward establishing the full cost of providing fee related services.

Cost Element	Public Information/ General Counter	Support to Capital Improvement	Stormwater Compliance/ Other Utility Support	Direct Permitting Services	Total
Labor	\$ 55,792	\$ 61,653	\$ 55,764	\$ 128,608	\$ 301,818
Recurring Non-Labor	3,107	3,433	3,105	39,161	48,807
Citywide Overhead	12,739	14,078	12,733	29,366	68,915
Allocated Common Activities	42,262	46,702	42,241	116,297	247,501
Department Total	\$ 113,901	\$ 125,866	\$ 113,842	\$ 313,432	\$ 667,041
Cost Recovery Targeted from Fees	50%	0%	0%	100%	56%
Amount Targeted for Consideration in Billings/Fees	56,950	-	-	313,432	370,382
Amount Requiring Another Funding Source	56,950	125,866	113,842	-	296,658
Fully Burdened Hourly Rate	\$ 39	\$ -	\$ -	\$ 217	\$ 256
<i>Reference: Direct Hours Only</i>					1,447

All subsequent cost of service calculations at the individual fee level assume a fully burdened hourly rate of **\$256**, with approximate recovery of \$370,000 in costs from fees for service.

The cost category columns shown in the table above were adapted and summarized from staff interviews. To assist the reader in understanding the underlying costs and assumptions used to calculate the fully burdened hourly rate, the following provides summary descriptions of each cost category:

- **Public Information / General Counter**– Activities associated with responding to phone calls and general information requests that support the development review process. Typically, some portion of costs for general public information and assistance do not apply toward recovery from fees, and providing general information is considered a basic function of governmental services to the public. Engineering staff estimates approximately 50% of this activity supports building plan review and inspection activities, while 50% of the remaining costs are not considered fee recoverable.
- **Support to Capital Improvement**– Engineering staff support the review and implementation of various City capital improvement projects (CIP). These costs are not recoverable from Engineering's fees for service and instead should be recovered from individual improvement project budgets or another funding source.
- **Stormwater Operations** – Stormwater-Engineering staff support Stormwater quality management and compliance for the City. These costs are not recommended for recovery in Engineering fees.

- **Direct Permitting Services** – Work activities associated with an active Engineering permit application. 100% of these costs are recoverable in Engineering user and regulatory fees for service.

Significant analytical and policy decisions revolve around inclusion of categorized activity costs in the fully burdened hourly rate. The decision of whether to apply or exclude certain costs toward recovery in fees for service stems from the basic fee setting parameters offered by the California State Constitution and Statutes, which requires that any new fee levied or existing fee increased should not exceed the estimated amount required to provide the service for which the fee is charged

Fee Establishment

The list of fees as shown in Appendix A.4 to this report reflect the following changes to the City’s prior fee schedule for Engineering:

- Fees that were redundant or unused were deleted
- New and/or revised fee categories were considered for Encroachment Permits, On-site Civil Permit Inspection, and Public Improvement (ROW) Inspection.

Section 1, *Methods of Analysis*, provides additional discussion on the Study’s approach to adding, deleting, and revising fee categories.

Cost Recovery Evaluation

Appendix A.4 presents the results of the detailed cost recovery analysis for the City’s Engineering fees. The “Cost of Service per Activity” column establishes the maximum adoptable fee amount for the corresponding service identified in the “Fee Name” list. This “Cost of Service per Activity” is reflective of the Engineering’s costs for review of each permit or service request for which a fee is charged.

The City’s Engineering fees currently recover approximately 112% of the Engineering’s cost of providing services. As shown in the following table, the City collects approximately \$409,000 per year in revenues at current fee amounts. At full cost recovery, the same demand for these services would recover approximately \$364,000.

Fee Category	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Cost Recovery Surplus/ Deficit	Existing Cost Recovery Percentage	Annual Estimated Revenues at Recommended Cost Recovery Fee	Recommended Cost Recovery Percentage
Engineering	\$ 409,202	\$ 364,148	\$ 45,054	112%	\$ 357,594	98%

NBS provided the full cost of service information and the framework for considering fees, while those closest to the fee-paying population, the City departments, considered appropriate cost recovery levels at or below that full cost. The “Recommended Fee Level/Deposit” column in Appendix A.4 displays City staff’s initial recommended cost recovery targets for each fee item. Staff recommends all fees to recover 100% of the costs of providing services except for Transportation/ Hauling permits, for which the State sets specific fee amounts.

These initial recommendations for adjusted fee amounts reduce fee revenues by approximately \$52,000 annually. Fees at recommended amounts would recover approximately 98% of the total costs of providing fee related services.

Section 6 – Building Fees

The Building Department is responsible for overseeing all construction activities including compliance with the Building, Electrical and Plumbing Codes. The Building Department reviews proposed construction plans for conformance to code requirements and monitors construction activities on a continuing basis to ensure structural integrity and safety. The Department identifies violations and necessitates corrections. The Division also provides information, processing, issuance and administration of all building permits. Generating reports and providing data to various agencies is also an important function of the Building Division.

Cost of Service Analysis

The following categorizes the Building Department's costs across both fee and non-fee related services, resulting in the fully-burdened hourly rate applicable toward establishing the full cost of providing fee related services.

Cost Element	Public Information/ General Information	Direct Permitting Services	Total
Labor	\$ -	\$ -	\$ -
Recurring Non-Labor (incl. contract PC/INSP services)	36,396	231,844	268,240
Department and Citywide Overhead	19,916	126,861	146,777
Allocated Common Activities	8,773	55,884	64,657
Department Total	\$ 65,085	\$ 414,588	\$ 479,673
Cost Recovery Targeted from Fees	80.00%	100.00%	97.29%
Amount Targeted for Consideration in Billings/Fees	52,068	414,588	466,656
Amount Requiring Another Funding Source	13,017	-	13,017
Fully Burdened Hourly Rate	\$ 17	\$ 137	\$ 154
	<i>Reference: Direct Hours Only</i>		3,031

All subsequent cost of service calculations at the individual fee level assume a fully burdened hourly rate of **\$154**, with approximate recovery of \$467,000 in costs from fees for service.

The cost category columns shown in the table above were adapted and summarized from Division staff interviews. To assist the reader in understanding the underlying costs and assumptions used to calculate the fully burdened hourly rate, the following provides summary descriptions of each cost category:

- **Public Information/ General Information** –Staff time devoted to responding to phone calls and public inquiries not specifically associated with an active permit. Typically, some portion of costs for provision of general public information and assistance are not recovered from building fees. Building staff estimates approximately 80% of this activity supports building plan review and inspection services resulting in or pertaining to an active project, while 20% of the remaining costs should not be considered fee recoverable.
- **Direct Permitting Services** - Work activities associated with an active building permit application. 100% of these costs are recoverable in Building's user and regulatory fees for service.

Significant analytical and policy decisions revolve around inclusion of categorized activity costs in the fully burdened hourly rate. The decision of whether to apply or exclude certain costs toward recovery in fees for service stems from the basic fee setting parameters offered by the California State Constitution and Statutes, which requires that any new fee levied or existing fee increased should not exceed the estimated amount required to provide the service for which the fee is charged.

Fee Establishment

The list of fees as shown in Appendix A.5 to this report reflect the following changes to the City’s prior fee schedule for Building:

- Fees for Building plan check and permitting were generally restructured and modernized. The City’s current fee schedule referenced an outdated version of the Uniform Building Code and had not been updated in many years.
- The Photo Voltaic System (Solar) residential and commercial fees were restructured to align with recent Government Code changes
- Fees that were redundant or unused were deleted

Section 1, *Methods of Analysis*, provides additional discussion on the Study’s approach to adding, deleting, and revising fee categories.

Cost Recovery Evaluation

Appendix A.5 presents the results of the detailed cost recovery analysis for the City’s Building fees. The “Cost of Service per Activity” column establishes the maximum adoptable fee amount for the corresponding service identified in the “Fee Name” list. This Cost of Service per Activity is reflective of the Building Division’s costs for processing, plan checking, and/or inspection of active projects.

The City’s Building fees currently recover approximately 55% of the Division’s cost of providing services. As shown in the following table, the City collects approximately \$221,000 per year in revenues at current fee amounts. At full cost recovery, the same demand for these services would generate approximately \$400,000.

Fee Category	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Cost Recovery Surplus/ Deficit	Existing Cost Recovery Percentage	Annual Estimated Revenues at Recommended Cost Recovery Fee	Recommended Cost Recovery Percentage
Building	\$ 220,647	\$ 400,011	\$ (179,364)	55%	\$ 338,095	85%

NBS provided the full cost of service information and the framework for considering fees, while those closest to the fee-paying population, the City departments, considered appropriate cost recovery levels at or below that full cost. The “Recommended Fee Level / Deposit” column in Appendix A.5 displays City staff’s initial recommended cost recovery targets for each fee item. Staff recommends all fees to recover 100% of the costs of providing services except for Building Permits and Plan Check with construction value below \$50,000 in order to keep those affordable and encourage public safety for Scotts Valley Residents. Residential Solar Permits continue to be recommended at no fee per Council policy. Commercial Solar permits are recommended at fee amounts that align with current Government Code recommendations.

These initial recommendations for adjusted fee amounts recover an additional \$117,000 of the City's annual costs of providing Building permitting services. Fees at recommended amounts would recover approximately 85% of the total costs of providing fee related services.

Section 7 – Conclusion

Based on the Cost of Service Analysis, Cost Recovery Evaluation, and Proposed Fee phases of analysis in this Study, the proposed master schedule of fees formatted for implementation has been prepared by City Staff and included in the City's accompanying staff report.

As discussed throughout this report, the proposed fee schedule includes fee increases intended to greatly improve the City's recovery of costs incurred to provide individual services, as well as to adjust fees downward where fees charge exceed the average costs incurred.

Predicting the amount to which any adopted fee increases will affect Department revenues is difficult to quantify. For the near-term, the City should not count on increased revenues to meet any specific expenditure plan. Experience with these fee increases should be gained first before revenue projections are revised. However, unless there is some significant, long-term change in activity levels at the City, proposed fee amendments should – over time – enhance the City's revenue capabilities, providing it the ability to stretch other resources further for the benefit of the public at large.

The City's Master Fee Schedule should become a living document but handled with care:

- A fundamental purpose of the fee schedule is to provide clarity and transparency to the public and to staff regarding fees imposed by the City. Once adopted by the Council, the fee schedule is the final word on the amount and manner in which fees should be imposed by the departments. Old fee schedules should be superseded by the new master document. If the master document is found to be missing fees, those fees need eventually to be added to the master schedule and should not continue to exist outside the consolidated, master framework.
- The City should consider adjusting these user fees and regulatory fees on an annual basis to keep pace at least with cost inflation. For all fees and charges, the City could use either a Consumer Price Index adjustment or a percentage of Labor Cost increase, and that practice would be well applied to the new fee schedule. Conducting a comprehensive user fee Study is not an annual requirement; it becomes worthwhile only over time as significant shifts in organization, local practices, legislative values, or legal requirements change. In NBS' experience, a comprehensive analysis such as this should be performed every three to five years. It should be noted that when an automatic adjustment is applied annually not all fees need to be adjusted, especially when there are good policy reasons for an alternate course or a fee is set by State law. The full cost of service is the City's only limit in setting its fees.

As a final note in this Study, it is worth acknowledging the path that fees in general have taken in California. The public demands ever more precise and equitable accounting of the basis for governmental fees and a greater say in when and how they are imposed. It is inevitable in the not too distant future that user fees and regulatory fees will demand an even greater level of analysis and supporting data to meet the public's evolving expectations. Technology systems will play an increased and significant role in an agency's ability to accomplish this. Continuous improvement and refinement of time tracking abilities will greatly enhance the City's ability to set fees for service and identify unfunded activities in years to come.

In preparing this report and the opinions and recommendations included herein, NBS has relied on a number of principal assumptions and considerations with regard to financial matters, conditions and events that may occur in the future. This information and assumptions, including the City's budgets, time estimate data, and workload

information from City staff, were provided by sources we believe to be reliable; however, NBS has not independently verified such information and assumptions.

While we believe NBS' use of such information and assumptions is reasonable for the purpose of this report, some assumptions will invariably not materialize as stated herein and may vary significantly due to unanticipated events and circumstances. Therefore, the actual results can be expected to vary from those projected to the extent that actual future conditions differ from those assumed by us or provided to us by others.

APPENDIX A. 1

Cost of Service Analysis – Administrative & Miscellaneous Fees

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			Activity Service Cost Analysis			Cost Recovery Analysis				Annual Estimated Revenue Analysis			
Fee No.	Fee Name	Notes	Estimated Average Labor Time Per Activity (hours)	FBHR	Cost of Service Per Activity	Current Fee / Deposit	Existing Cost Recovery %	Recommended Fee Level / Deposit	Recommended Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Recommended Fee
1	Entertainment permit												
	Finance Review		0.33	\$ 151	\$ 50								
	Planning Review		0.33	\$ 224	\$ 75								
	Police Review		1.00	\$ 143	\$ 143								
	Subtotal		1.67		\$ 268	\$ 66	25%	\$ 150	56%	6	\$ 396	\$ 1,608	\$ 900
2	Entertainment permit renewal												
	Finance Review		0.33	\$ 151	\$ 50								
	Planning Review		0.17	\$ 224	\$ 37								
	Police Review		0.67	\$ 143	\$ 96								
	Subtotal		1.17		\$ 184	\$ 29	16%	\$ 103	56%	2	\$ 58	\$ 367	\$ 206
3	Rental of Council chambers	[3]				\$ 21		\$ 21					
4	Solicitor's Permit (per person/day)												
	Finance Review		0.33	\$ 151	\$ 50								
	Police Review		0.25	\$ 143	\$ 36								
	Subtotal		0.58		\$ 86	\$ 32	37%	\$ 86	100%	2	\$ 64	\$ 172	\$ 172
5	Occasional Sales Permit		0.25	\$ 151	\$ 38	\$ 11	29%	\$ 38	100%	6	\$ 66	\$ 226	\$ 226
6	Returned check charges												
	First returned check	[2]				\$ 12		\$ 25					
	Each additional check	[2]				New		\$ 35					
7	Notary service fee (per signature)	[2]				\$ 15		\$ 15					
8	Digital copies on CD or DVD	[4]				\$ 0.27		\$ 0.25					
9	Photocopies	[2]				\$ 0.13		\$ 0.10					
	For services requested of City staff which have no fee listed in this fee schedule, the City Manager or the City Manager's designee shall determine the appropriate fee based on the established hourly rates for this department/division. Additionally, the City will pass-through to the applicant any discrete costs incurred from the use of external service providers if required to process the specific application.												
TOTAL											584	2,374	1,504

[Notes]

- [1] Sourced from "9a - Scotts Valley Master Fee Charges Schedule FY 2017-18 Effective 20170807.pdf"
- [2] Fee Set by the State of California
- [3] Fee for facility rental; not analyzed by NBS
- [4] Fee Set by City Policy at actual cost

APPENDIX A. 2

Cost of Service Analysis – Police Fees

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Fee No.	Fee Name	Notes	Activity Service Cost Analysis						Cost Recovery Analysis				Annual Estimated Revenue Analysis			
			SWORN Estimated Average Labor Time Per Activity (hours)	NON SWORN Estimated Average Labor Time Per Activity (hours)	Total Estimated Average Labor Time Per Activity (hours)	SWORN FBHR	NON- SWORN FBHR	Total Cost of Service Per Activity	Current Fee / Deposit	Existing Cost Recovery %	Recommend ed Fee Level / Deposit	Recommend ed Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Recommend ed Fee
1	POLICE ALARM SERVICES SUBSCRIBERS:	[1]														
	Annual Subscriber Registration Fee		0.00	0.27	0.27	\$ 196	\$ 143	\$ 39	\$ 32	83%	\$ 39	100%	367	\$ 11,744	\$ 14,192	\$ 14,192
	Fourth False Alarm In One Month		0.50	0.42	0.92	\$ 196	\$ 143	\$ 158	\$ 39	25%	\$ 158	100%	-	\$ -	\$ -	\$ -
	Any False Alarm Over Four		0.50	0.42	0.92	\$ 196	\$ 143	\$ 158	\$ 87	55%	\$ 158	100%	-	\$ -	\$ -	\$ -
2	Release of Stored Vehicles (Auto Impound)		0.75	0.25	1.00	\$ 196	\$ 143	\$ 183	\$ 102	56%	\$ 183	100%	79	\$ 8,058	\$ 14,425	\$ 14,425
3	Repossession Verification Fee (Auto Repo Release)	[4]							\$ 15		\$ 15					
4	Auto Abatement		0.75	0.40	1.15	\$ 196	\$ 143	\$ 204	\$ 182	89%	\$ 204	100%	-	\$ -	\$ -	\$ -
5	Bingo Games License Fee	[2]														
	Initial		0.50	0.08	0.58	\$ 196	\$ 143	\$ 109	\$ 87	80%	\$ 109	100%	-	\$ -	\$ -	\$ -
	Renewal		0.25	0.08	0.33	\$ 196	\$ 143	\$ 60	NEW	%	\$ 60	100%	-	\$ -	\$ -	\$ -
6	Clearance Letter		0.00	0.33	0.33	\$ 196	\$ 143	\$ 47	\$ 41	87%	\$ 47	100%	3	\$ 123	\$ 142	\$ 142
7	Parking Citations Copies															
	Single Sided		n/a	n/a	n/a	n/a	n/a	n/a	\$ 0.13	%	\$ 0	%	-	\$ -	\$ -	\$ -
	Double Sided		n/a	n/a	n/a	n/a	n/a	n/a	\$ 0.16	%	\$ 0	%	-	\$ -	\$ -	\$ -
8	Police Photograph Sale:															
	Disc		n/a	n/a	n/a	n/a	n/a	n/a	\$ 3	%	n/a	%	-	\$ -	\$ -	\$ -
	Per Page		n/a	n/a	n/a	n/a	n/a	n/a	\$ 0.27	%	n/a	%	-	\$ -	\$ -	\$ -
9	Police Report / Document															
	Single Sided		n/a	n/a	n/a	n/a	n/a	n/a	\$ 0.13	%	\$ 0	%	-	\$ -	\$ -	\$ -
	Double Sided		n/a	n/a	n/a	n/a	n/a	n/a	\$ 0.16	%	\$ 0	%	-	\$ -	\$ -	\$ -
10	Special security service incurred in responding to loud or unruly gathering following 1st response (per minute)	[3]	0.0200	0.0200	0.04	\$ 196	\$ 143	\$ 7	\$ 2.24	33%	\$ 7	100%	-	\$ -	\$ -	\$ -
11	Taxicab Driver's Permit		0.00	0.50	0.50	\$ 196	\$ 143	\$ 72	\$ 84	117%	\$ 72	100%	-	\$ -	\$ -	\$ -
12	Fire Arms:															
	CCW permit - 2 yr. standard permit (new)		3.00	0.00	3.00	\$ 196	\$ 143	\$ 587	\$ 190	32%	\$ 587	100%	-	\$ -	\$ -	\$ -
	CCW permit - 2 yr. standard (renewal)		1.50	0.00	1.50	\$ 196	\$ 143	\$ 294	\$ 42	14%	\$ 294	100%	-	\$ -	\$ -	\$ -
	CCW permit - 3 yr. judge permit (new)		3.00	0.00	3.00	\$ 196	\$ 143	\$ 587	\$ 90	15%	\$ 587	100%	-	\$ -	\$ -	\$ -
	CCW permit - 3 yr. judge (renewal)		1.50	0.00	1.50	\$ 196	\$ 143	\$ 294	\$ 59	20%	\$ 294	100%	-	\$ -	\$ -	\$ -
	Surrendered Firearm Storage Fee - Per firearm, 30 Day Initial		0.00	0.50	0.50	\$ 196	\$ 143	\$ 72	\$ 65	91%	\$ 72	100%	12	\$ 780	\$ 859	\$ 859
	Surrendered Firearm Storage Fee - Per Day after 1st 30 Days		0.00	0.02	0.02	\$ 196	\$ 143	\$ 2	NEW	%	\$ 1	42%	12	\$ -	\$ 29	\$ 12
	Filing Fee for appeal to City Council of firearms decision by Chief of Police		1.00	1.00	2.00	\$ 196	\$ 143	\$ 339	\$ 41	12%	\$ 339	100%	-	\$ -	\$ -	\$ -
13	Tobacco Retail License		0.50	0.00	0.50	\$ 196	\$ 143	\$ 98	NEW	%	\$ 98	100%	-	\$ -	\$ -	\$ -

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Fee No.	Fee Name	Notes	Activity Service Cost Analysis						Cost Recovery Analysis				Annual Estimated Revenue Analysis			
			SWORN Estimated Average Labor Time Per Activity (hours)	NON SWORN Estimated Average Labor Time Per Activity (hours)	Total Estimated Average Labor Time Per Activity (hours)	SWORN FBHR	NON- SWORN FBHR	Total Cost of Service Per Activity	Current Fee / Deposit	Existing Cost Recovery %	Recommend ed Fee Level / Deposit	Recommend ed Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Recommend ed Fee
14	Second Hand Dealer License		0.50	0.00	0.50	\$ 196	\$ 143	\$ 98	NEW	%	\$ 98	100%	-	\$ -	\$ -	\$ -
15	Massage Permit		1.25	0.00	1.25	\$ 196	\$ 143	\$ 245	NEW	%	\$ 245	100%	-	\$ -	\$ -	\$ -
16	JPA (Junior Police Academy)		3.00	0.35	3.35	\$ 196	\$ 143	\$ 637	\$ 60	9%	\$ 60	9%	60	\$ 3,600	\$ 38,237	\$ 3,600
17	Body Cam Video Release/Editing		0.00	0.50	0.50	\$ 196	\$ 143	\$ 72	NEW	%	\$ 72	100%	-	\$ -	\$ -	\$ -
18	Appeals															
	City Council		2.40	1.00	3.40	\$ 196	\$ 143	\$ 613	NEW	%	\$ 613	100%	-	\$ -	\$ -	\$ -
	Commission		1.50	0.75	2.25	\$ 196	\$ 143	\$ 401	NEW	%	\$ 401	100%	-	\$ -	\$ -	\$ -
	For services requested of City staff which have no fee listed in this fee schedule, the City Manager or the City Manager's designee shall determine the appropriate fee based on the established hourly rates for this department/division. Additionally, the City will pass-through to the applicant any discrete costs incurred from the use of external service providers if required to process the specific application.															
TOTAL														24,305	67,884	33,230

Notes

- [1] The City Ordinance regarding false alarms can be found under SVMC 5.26.080, and is worded as a "fee," established by City Resolution.
- [2] Fee set 326.5 of the Penal Code
- [3] The City Ordinance regarding social host ordinance info can be found under SVMC 9.20.020 / 9.20.030 / 9.20.040. This one appears to include a "fine", as outlined in 9.20.050 for the actual violation in addition to the "cost recovery" associated with the "special security detail".
- [4] Fee set by CA Vehicle Code

APPENDIX A. 3

Cost of Service Analysis – Planning Fees

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Fee No.	Fee Name	Fee Type / Unit	Notes	Activity Service Cost Analysis			Cost Recovery Analysis				Annual Estimated Revenue Analysis			
				Estimated Average Labor Time Per Activity (hours)	FBHR	Cost of Service Per Activity	Current Fee / Deposit	Existing Cost Recovery %	Recommended Fee Level / Deposit	Recommended Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Recommended Fee
1	Addressing Fee	FLAT		7.00	\$ 224	\$ 1,566	NEW	%	\$ 672	43%	0	\$ -	\$ -	\$ -
2	Application Intake & File Maintenance													
	Minor or Singular Discretionary Permit Applications (per planning application)	FLAT		2.00	\$ 224	\$ 448	\$ 77	17%	\$ 448	100%	0	\$ -	\$ -	\$ -
	Major Discretionary Permits or Multiple Applications Filed for One Project (per planning application)	FLAT		4.00	\$ 224	\$ 895	\$ 148	17%	\$ 895	100%	0	\$ -	\$ -	\$ -
3	Annexation Fee													
	Minimum Deposit	DEPOSIT		35.00	\$ 224	\$ 7,831	\$ 3,731	48%	\$ 7,831	100%	1	\$ 3,731	\$ 7,831	\$ 7,831
	per hour in excess of 35 hours	HOURLY		1.00	\$ 224	\$ 224	\$ 148	66%	\$ 224	100%	0	\$ -	\$ -	\$ -
4	Amendment - Minor - per hearing	FLAT		10.00	\$ 224	\$ 2,238	\$ 894	40%	\$ 2,238	100%	0	\$ -	\$ -	\$ -
5	Amendment - Major													
	Minimum Deposit	DEPOSIT		10.00	\$ 224	\$ 2,238	\$ 894	40%	\$ 2,238	100%	1	\$ 894	\$ 2,238	\$ 2,238
	per hour in excess of 10 hours	HOURLY		1.00	\$ 224	\$ 224	\$ 148	66%	\$ 224	100%	0	\$ -	\$ -	\$ -
6	Appeal Processing:	FLAT	[1]				NEW		25% of original permit fee or approved application with minimum fee of \$224					
7	Bee Keeping Permit			7.00	\$ 224	\$ 1,566	\$ 148	9%	\$ 224	14%	1	\$ 148	\$ 1,566	\$ 224
8	Certificate of Compliance													
	Minimum Deposit	DEPOSIT		10.00	\$ 224	\$ 2,238	\$ 746	33%	\$ 2,238	100%	0	\$ -	\$ -	\$ -
	per hour in excess of 10 hours	HOURLY		1.00	\$ 224	\$ 224	\$ 148	66%	\$ 224	100%	0	\$ -	\$ -	\$ -
	Plus any additional research required by the City Attorney		[6]											
9	Code Compliance (per hour)	HOURLY		1.00	\$ 224	\$ 224	\$ 148	66%	\$ 224	100%	0	\$ -	\$ -	\$ -
10	Cultural Resource Alteration	FLAT		8.00	\$ 224	\$ 1,790	\$ 894	50%	\$ 1,790	100%	1	\$ 894	\$ 1,790	\$ 1,790

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Fee No.	Fee Name	Fee Type / Unit	Notes	Activity Service Cost Analysis			Cost Recovery Analysis				Annual Estimated Revenue Analysis			
				Estimated Average Labor Time Per Activity (hours)	FBHR	Cost of Service Per Activity	Current Fee / Deposit	Existing Cost Recovery %	Recommended Fee Level / Deposit	Recommended Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Recommended Fee
11	Design Review:											\$ -	\$ -	\$ -
	Commercial / Industrial (Base Fee Includes 20 Hours)	FLAT	[8]	20.00	\$ 224	\$ 4,475	\$ 894	20%	\$ 2,240	50%	4	\$ 3,576	\$ 17,900	\$ 8,960
	Residential (Base Fee Includes 20 Hours)	FLAT	[8]	15.00	\$ 224	\$ 3,356	\$ 894	27%	\$ 2,240	67%	2	\$ 1,788	\$ 6,713	\$ 4,480
	Residential with Hillside	FLAT		20.00	\$ 224	\$ 4,475	\$ 1,194	27%	\$ 4,475	100%	2	\$ 2,388	\$ 8,950	\$ 8,950
	Sign Programs	FLAT		20.00	\$ 224	\$ 4,475	\$ 370	8%	\$ 4,475	100%	3	\$ 1,110	\$ 13,425	\$ 13,425
	Freestanding Signs	FLAT		15.00	\$ 224	\$ 3,356	\$ 370	11%	\$ 1,344	40%	3	\$ 1,110	\$ 10,069	\$ 4,032
	Signs with Staff Level Review	FLAT		10.00	\$ 224	\$ 2,238	\$ 148	7%	\$ 672	30%	3	\$ 444	\$ 6,713	\$ 2,016
12	Development Agreement													
	Minimum Deposit	DEPOSIT		35.00	\$ 224	\$ 7,831	\$ 3,731	48%	\$ 7,831	100%	1	\$ 3,731	\$ 7,831	\$ 7,831
	per hour in excess of 35 hours	HOURLY		1.00	\$ 224	\$ 224	\$ 148	66%	\$ 224	100%	0	\$ -	\$ -	\$ -
13	Environment Assessment	FLAT		1.00	\$ 224	\$ 224	\$ 148	66%	\$ 224	100%	24	\$ 3,552	\$ 5,370	\$ 5,370
14	Environmental Impact Report, Administration		[3]											
	Minimum Deposit	DEPOSIT		74.00	\$ 224	\$ 16,558	\$ 26,231	158%	\$ 16,558	100%	1	\$ 26,231	\$ 16,558	\$ 16,558
	per hour in excess of 74 hours	HOURLY		1.00	\$ 224	\$ 224	\$ 148	66%	\$ 224	100%	0	\$ -	\$ -	\$ -
15	Final Inspection	FLAT		6.00	\$ 224	\$ 1,343	\$ 336	25%	\$ 1,343	100%	5	\$ 1,680	\$ 6,713	\$ 6,713
16	Fish & Game Certification:													
	City Filing Fee	FLAT		2.00	\$ 224	\$ 448	\$ 148	33%	\$ 448	100%	0	\$ -	\$ -	\$ -
	F & G Negative Declaration Fee	FLAT	[2]				As set by Fish and Game		As set by Fish and Game					
	F & G EIR Fee	FLAT	[2]				As set by Fish and Game		As set by Fish and Game					
17	General Plan and/or Specific Plan Amendment													
	Minimum Deposit	DEPOSIT		35.00	\$ 224	\$ 7,831	\$ 3,731	48%	\$ 7,831	100%	4	\$ 14,924	\$ 31,325	\$ 31,325
	per hour in excess of 35 hours	HOURLY		1.00	\$ 224	\$ 224	\$ 148	66%	\$ 224	100%	0	\$ -	\$ -	\$ -
18	Historical Landmark Determination	FLAT		20.00	\$ 224	\$ 4,475	\$ 1,194	27%	\$ 4,475	100%	0	\$ -	\$ -	\$ -
19	Home Occupation Review	FLAT		0.75	\$ 224	\$ 168	\$ 93	55%	\$ 168	100%	0	\$ -	\$ -	\$ -
20	IPHCP Certificate of Inclusion	FLAT	[6]	3.00	\$ 224	\$ 671	\$ 336	50%	\$ 448	67%	0	\$ -	\$ -	\$ -

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				Activity Service Cost Analysis			Cost Recovery Analysis				Annual Estimated Revenue Analysis			
Fee No.	Fee Name	Fee Type / Unit	Notes	Estimated Average Labor Time Per Activity (hours)	FBHR	Cost of Service Per Activity	Current Fee / Deposit	Existing Cost Recovery %	Recommended Fee Level / Deposit	Recommended Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Recommended Fee
	LAND DIVISIONS:													
21	Subdivision / Tentative Map Entitlement (5 lots or more)													
	Minimum Deposit	DEPOSIT		35.00	\$ 224	\$ 7,831	\$ 3,731	48%	\$ 7,831	100%	3	\$ 11,193	\$ 23,494	\$ 23,494
	per hour in excess of 35 hours	HOURLY		1.00	\$ 224	\$ 224	\$ 148	66%	\$ 224	100%	0	\$ -	\$ -	\$ -
22	Subdivision / Tentative Map Recordation - Approval (5 lots or more)													
	Minimum Deposit	DEPOSIT		20.00	\$ 224	\$ 4,475	\$ 1,194	27%	\$ 4,475	100%	3	\$ 3,582	\$ 13,425	\$ 13,425
	per hour in excess of 20 hours	HOURLY		1.00	\$ 224	\$ 224	\$ 148	66%	\$ 224	100%	0	\$ -	\$ -	\$ -
23	Minor Land Division / Parcel Map - Tentative (4 lots or less)													
	Minimum Deposit	DEPOSIT		35.00	\$ 224	\$ 7,831	\$ 3,731	48%	\$ 7,831	100%	4	\$ 14,924	\$ 31,325	\$ 31,325
	per hour in excess of 35 hours	HOURLY		1.00	\$ 224	\$ 224	\$ 148	66%	\$ 224	100%	0	\$ -	\$ -	\$ -
24	Minor Land Division / Parcel Map - Final (4 lots or less)													
	Minimum Deposit	DEPOSIT		10.00	\$ 224	\$ 2,238	\$ 596	27%	\$ 2,238	100%	4	\$ 2,384	\$ 8,950	\$ 8,950
	per hour in excess of 10 hours	HOURLY		1.00	\$ 224	\$ 224	\$ 148	66%	\$ 224	100%	0	\$ -	\$ -	\$ -
25	Lot Line Adjustment Review	FLAT		2.00	\$ 224	\$ 448	\$ 148	33%	\$ 448	100%	1	\$ 148	\$ 448	\$ 448
26	Mitigation Monitoring													
	Minimum Deposit	DEPOSIT		10.00	\$ 224	\$ 2,238	\$ 740	33%	\$ 2,238	100%	3	\$ 2,220	\$ 6,713	\$ 6,713
	per hour in excess of 10 hours	HOURLY		1.00	\$ 224	\$ 224	\$ 148	66%	\$ 224	100%	0	\$ -	\$ -	\$ -
27	Mitigated Negative Declaration													
	Base Fee (Includes 40 Hours)	FLAT	[8]	40.00	\$ 224	\$ 8,950	\$ 5,976	67%	\$ 6,720	75%	3	\$ 17,928	\$ 26,850	\$ 20,160
	per hour in excess of 40 hours	HOURLY		1.00	\$ 224	\$ 224	\$ 148	66%	\$ 224	100%	0	\$ -	\$ -	\$ -
28	Negative Declaration													
	Minimum Deposit	DEPOSIT		20.00	\$ 224	\$ 4,475	\$ 2,989	67%	\$ 4,475	100%	4	\$ 11,956	\$ 17,900	\$ 17,900
	per hour in excess of 20 hours	HOURLY		1.00	\$ 224	\$ 224	\$ 148	66%	\$ 224	100%	0	\$ -	\$ -	\$ -
29	Notice of Determination:													
	City Filing Fee	FLAT		1.50	\$ 224	\$ 336	\$ 148	44%	\$ 336	100%	3	\$ 444	\$ 1,007	\$ 1,007
	County Fee (subject to change)	FLAT	[7]				As set by County		As set by County					
30	Planned Development													
	Minimum Deposit	DEPOSIT		26.00	\$ 224	\$ 5,818	\$ 3,731	64%	\$ 5,818	100%	4	\$ 14,924	\$ 23,270	\$ 23,270
	per hour in excess of 26 hours	HOURLY		1.00	\$ 224	\$ 224	\$ 148	66%	\$ 224	100%	0	\$ -	\$ -	\$ -

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Fee No.	Fee Name	Fee Type / Unit	Notes	Activity Service Cost Analysis			Cost Recovery Analysis				Annual Estimated Revenue Analysis			
				Estimated Average Labor Time Per Activity (hours)	FBHR	Cost of Service Per Activity	Current Fee / Deposit	Existing Cost Recovery %	Recommended Fee Level / Deposit	Recommended Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Recommended Fee
31	Preliminary Review	FLAT		25.00	\$ 224	\$ 5,594	\$ 1,194	21%	\$ 5,594	100%	0	\$ -	\$ -	\$ -
32	Public Hearing Notice and Radius Noticing:	FLAT												
	Planning Commission Meeting			2.50	\$ 224	\$ 559	\$ 203	36%	\$ 336	60%	9	\$ 1,827	\$ 5,034	\$ 3,024
	City Council Meeting			2.00	\$ 224	\$ 448	\$ 203	45%	\$ 336	75%	3	\$ 609	\$ 1,343	\$ 1,008
33	Recordation Fee:													
	City Filing Fee	FLAT		1.50	\$ 224	\$ 336	\$ 148	44%	\$ 336	100%	7	\$ 1,036	\$ 2,349	\$ 2,349
	County Recorder Fee (subject to change)	FLAT	[6]				\$7 first page, \$3 per page after		\$7 first page, \$3 per page after					
34	Road Name Change	FLAT		7.00	\$ 224	\$ 1,566	\$ 148	9%	\$ 1,566	100%	0	\$ -	\$ -	\$ -
35	Time Extension:													
	Planning Commission Meeting	FLAT		10.00	\$ 224	\$ 2,238	\$ 882	39%	\$ 2,238	100%	0	\$ -	\$ -	\$ -
	City Council Meeting	FLAT		12.00	\$ 224	\$ 2,685	\$ 1,187	44%	\$ 2,685	100%	0	\$ -	\$ -	\$ -
36	Tree Removal Permit:													
	Heritage Tree	FLAT		15.00	\$ 224	\$ 3,356	\$ 713	21%	\$ 3,356	100%	0	\$ -	\$ -	\$ -
	Protected Tree	FLAT		4.50	\$ 224	\$ 1,007	\$ 50	5%	\$ 112	11%	60	\$ 3,000	\$ 60,413	\$ 6,720
37	Use Permit:													
	Commercial or Industrial or Residential - Minor - Base Fee (Includes 32 Hours)	FLAT	[8]	32.00	\$ 224	\$ 7,160	\$ 882	12%	\$ 2,240	31%	4	\$ 3,528	\$ 28,640	\$ 8,960
	Commercial or Industrial - Major - Base Fee (Includes 62 Hours)	FLAT	[8]	62.00	\$ 224	\$ 13,873	\$ 1,489	11%	\$ 4,480	32%	4	\$ 5,956	\$ 55,490	\$ 17,920
38	Variance Application - Base Fee (Includes 38 Hours)	FLAT	[8]	38.00	\$ 224	\$ 8,503	\$ 2,239	26%	\$ 4,480	53%	0	\$ -	\$ -	\$ -
39	Zone Change													
	Minimum Deposit	DEPOSIT		26.00	\$ 224	\$ 5,818	\$ 3,731	64%	\$ 5,818	100%	4	\$ 14,924	\$ 23,270	\$ 23,270
	per hour in excess of 26 hours	HOURLY		1.00	\$ 224	\$ 224	\$ 148	66%	\$ 224	100%	0	\$ -	\$ -	\$ -
40	Zoning Ordinance Amendment													
	Minimum Deposit	DEPOSIT		26.00	\$ 224	\$ 5,818	\$ 3,731	64%	\$ 5,818	100%	0	\$ -	\$ -	\$ -
	per hour in excess of 26 hours	HOURLY		1.00	\$ 224	\$ 224	\$ 148	66%	\$ 224	100%	0	\$ -	\$ -	\$ -

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Fee No.	Fee Name	Fee Type / Unit	Notes	Activity Service Cost Analysis			Cost Recovery Analysis				Annual Estimated Revenue Analysis			
				Estimated Average Labor Time Per Activity (hours)	FBHR	Cost of Service Per Activity	Current Fee / Deposit	Existing Cost Recovery %	Recommended Fee Level / Deposit	Recommended Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Recommended Fee
41	Zoning Plan Check:													
	Over the counter	FLAT		0.50	\$ 224	\$ 112	\$ 77	69%	Hourly - 1 hour minimum \$224	%	0	\$ -	\$ -	\$ -
	Minor	FLAT		2.50	\$ 224	\$ 559	\$ 370	66%		0%	0	\$ -	\$ -	\$ -
	Major	FLAT		8.00	\$ 224	\$ 1,790	\$ 596	33%		0%	0	\$ -	\$ -	\$ -
	Hillside	FLAT		5.00	\$ 224	\$ 1,119	\$ 746	67%		0%	0	\$ -	\$ -	\$ -
42	Zoning Research / Letters (per hour)	HOURLY		1.00	\$ 224	\$ 224	\$ 148	66%	\$ 224	100%	0	\$ -	\$ -	\$ -
	For services requested of City staff which have no fee listed in this fee schedule, the City Manager or the City Manager's designee shall determine the appropriate fee based on the established hourly rates for this department/division. Additionally, the City will pass-through to the applicant any discrete costs incurred from the use of external service providers if required to process the specific application.													
TOTAL												176,784	499,526	356,299

[Notes]

- [1] Sourced from "9a - Scotts Valley Master Fee Charges Schedule FY 2017-18 Effective 20170807.pdf"
- [2] Fee Set by the State of California
- [3] Consultant costs are charged separately against the deposit in addition to staff time
- [5] Modification Fee Policy: *To be determined by City- Staff Level Hearing Required(?)*
- [6] Fee set by City Policy; NBS did not evaluate
- [7] Fee set by County; NBS did not evaluate
- [8] Base Fee represents the total amount an applicant can expect to pay unless City staff effort exceeds initial hours specified

APPENDIX A. 4

Cost of Service Analysis – Engineering Fees

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			Activity Service Cost Analysis			Cost Recovery Analysis				Annual Estimated Revenue Analysis			
Fee No.	Fee Name	Notes	Estimated Average Labor Time Per Activity (hours)	FBHR	Cost of Service Per Activity	Current Fee / Deposit	Existing Cost Recovery %	Recommended Fee Level / Deposit	Recommended Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Recommended Fee
	PLANNING APPLICATION REVIEW/ SUPPORT												
1	Annexation	[4]	2.00	\$ 256	\$ 512	\$ 929	181%	\$ 512	100%	0	\$ -	\$ -	\$ -
2	Design Review:												
	Commercial/ Industrial	[4]	2.00	\$ 256	\$ 512	\$ 54	11%	\$ 512	100%	4	\$ 216	\$ 2,048	\$ 2,048
	Residential		1.00	\$ 256	\$ 256	\$ 54	21%	\$ 256	100%	0	\$ -	\$ -	\$ -
	Residential with Hillside		1.00	\$ 256	\$ 256	\$ 77	30%	\$ 256	100%	0	\$ -	\$ -	\$ -
3	Development Agreement		2.00	\$ 256	\$ 512	\$ 265	52%	\$ 512	100%	0	\$ -	\$ -	\$ -
4	Environmental Assessment		3.00	\$ 256	\$ 768	NEW	%	\$ 768	100%	24	\$ -	\$ 18,436	\$ 18,436
5	Environmental Impact Report, Administration		3.00	\$ 256	\$ 768	\$ 448	58%	\$ 768	100%	0	\$ -	\$ -	\$ -
6	General Plan Amendment		1.00	\$ 256	\$ 256	\$ 189	74%	\$ 256	100%	4	\$ 756	\$ 1,024	\$ 1,024
7	Minor Land Division / Parcel Map (4 lots or less)	[4]	8.50	\$ 256	\$ 2,176	\$ 569	26%	\$ 2,176	100%	4	\$ 2,276	\$ 8,706	\$ 8,706
8	Minor Land Division / Parcel Map Record Approval (4 lots or less)	[4]	1.50	\$ 256	\$ 384	\$ 114	30%	\$ 384	100%	4	\$ 456	\$ 1,536	\$ 1,536
9	Planned Development	[4]	1.00	\$ 256	\$ 256	NEW	%	\$ 256	100%	4	\$ -	\$ 1,024	\$ 1,024
10	Subdivision / Tentative Map Application (5 lots or more)	[4]	5.00	\$ 256	\$ 1,280	\$ 1,268	99%	\$ 1,280	100%	3	\$ 3,804	\$ 3,841	\$ 3,841
11	Subdivision / Tentative Map Recordation Approval (5 lots or more)		3.00	\$ 256	\$ 768	\$ 403	52%	\$ 768	100%	3	\$ 1,209	\$ 2,304	\$ 2,304
12	Tentative Map Extension / Modification	[4]	2.00	\$ 256	\$ 512	NEW	%	\$ 512	100%	0	\$ -	\$ -	\$ -
13	Use Permit	[4]											
	Commercial or Industrial - Minor		1.00	\$ 256	\$ 256	\$ 194	76%	\$ 256	100%	4	\$ 776	\$ 1,024	\$ 1,024
	Commercial or Industrial - Major		3.50	\$ 256	\$ 896	\$ 332	37%	\$ 896	100%	0	\$ -	\$ -	\$ -
	Residential		1.00	\$ 256	\$ 256	\$ 194	76%	\$ 256	100%	0	\$ -	\$ -	\$ -
14	Variance	[4]	1.00	\$ 256	\$ 256	\$ 77	30%	\$ 256	100%	0	\$ -	\$ -	\$ -

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			Activity Service Cost Analysis			Cost Recovery Analysis				Annual Estimated Revenue Analysis			
Fee No.	Fee Name	Notes	Estimated Average Labor Time Per Activity (hours)	FBHR	Cost of Service Per Activity	Current Fee / Deposit	Existing Cost Recovery %	Recommended Fee Level / Deposit	Recommended Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Recommended Fee
15	Zone Change / Zoning Ordinance Amendment	[4]	0.50	\$ 256	\$ 128	NEW	%	\$ 128	100%	0	\$ -	\$ -	\$ -
	LAND DEVELOPMENT ENGINEERING FEES												
16	Application Intake Fee - Final Map		1.00	\$ 256	\$ 256	\$ 77	30%	\$ 256	100%	2	\$ 154	\$ 512	\$ 512
17	Lot Line Adjustment (or Lot Merger)		3.00	\$ 256	\$ 768	\$ 853	111%	\$ 768	100%	2	\$ 1,706	\$ 1,536	\$ 1,536
	plus recording fee		0.50	\$ 256	\$ 128	Actual Cost	%	\$ 128	100%	0	\$ -	\$ -	\$ -
18	Certificate of Correction		3.00	\$ 256	\$ 768	\$ 596	78%	\$ 768	100%	0	\$ -	\$ -	\$ -
19	Certification of Compliance (deposit)		2.00	\$ 256	\$ 512	NEW	%	\$ 512	100%	0	\$ -	\$ -	\$ -
20	Easement/Abandonment Request		3.00	\$ 256	\$ 768	\$ 3,812	496%	\$ 768	100%	10	\$ 38,120	\$ 7,682	\$ 7,682
	ENCROACHMENT PERMITS												
21	Minor: Non-development-related curb, gutter, sidewalk, driveway; up to 3 potholes on the same street; up to 3 monitoring wells on the same street; one latera street opening; routine maintenance by a utility company; street tree planting.		1.00	\$ 256	\$ 256	\$ 106	41%	\$ 256	100%	55	\$ 5,830	\$ 14,083	\$ 14,083
22	Major: Work on construction requiring extended impact to traffic, multiple inspections or other on-going disturbances such as utility mains, street widening and major undergrounding.												
	\$ 10,000		2.00	\$ 256	\$ 512	\$ 600	117%	\$ 512.11	100%	35	\$ 21,000	\$ 17,924	\$ 17,924
	each additional \$1,000 or fraction thereof		0.125	\$ 256	\$ 32	\$ 60	187%	\$ 32.01	100%	104	\$ 6,240	\$ 3,329	\$ 3,329
	\$ 50,000		7.00	\$ 256	\$ 1,792	\$ 3,000	167%	\$ 1,792.37	100%	1	\$ 3,000	\$ 1,792	\$ 1,792
	each additional \$1,000 or fraction thereof		0.060	\$ 256	\$ 15	\$ 60	391%	\$ 15.36	100%	0	\$ -	\$ -	\$ -
	\$ 100,000		10.00	\$ 256	\$ 2,561	\$ 6,000	234%	\$ 2,560.53	100%	0	\$ -	\$ -	\$ -
	each additional \$1,000 or fraction thereof		0.038	\$ 256	\$ 10	\$ 60	625%	\$ 9.60	100%	0	\$ -	\$ -	\$ -
	\$ 500,000		25.00	\$ 256	\$ 6,401	\$ 30,000	469%	\$ 6,401.32	100%	1	\$ 30,000	\$ 6,401	\$ 6,401
	each additional \$1,000 or fraction thereof		0.030	\$ 256	\$ 8	\$ 60	781%	\$ 7.68	100%	311	\$ 18,660	\$ 2,389	\$ 2,389
	\$ 1,000,000		40.00	\$ 256	\$ 10,242	\$ 60,000	586%	\$ 10,242.12	100%	0	\$ -	\$ -	\$ -
	each additional \$1,000 or fraction thereof		0.040	\$ 256	\$ 10	\$ 60	586%	\$ 10.24	100%	0	\$ -	\$ -	\$ -
23	Permit Extensions		0.50	\$ 256	\$ 128	NEW	%	\$ 128	100%	4	\$ -	\$ 512	\$ 512
24	Utility - Annual Blanket Permit (Processing Fee)	[3]	3.50	\$ 256	\$ 896	NEW	%	\$ 896	100%	1	\$ -	\$ 896	\$ 896

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			Activity Service Cost Analysis			Cost Recovery Analysis				Annual Estimated Revenue Analysis			
Fee No.	Fee Name	Notes	Estimated Average Labor Time Per Activity (hours)	FBHR	Cost of Service Per Activity	Current Fee / Deposit	Existing Cost Recovery %	Recommended Fee Level / Deposit	Recommended Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Recommended Fee
25	Parcel Map or Amending Parcel Map Check (4 lots or less)												
	City Processing Fee		2.50	\$ 256	\$ 640	\$ 2,109	329%	\$ 640	100%	0	\$ -	\$ -	\$ -
	Surveyor Fee		n/a	\$ 256	\$ -	Actual Costs over \$1,156	%	\$ -	%	0	\$ -	\$ -	\$ -
26	Final Map or Amending Final Map Check (5 lots or more)												
	City Processing Fee (first 4 lots)		2.50	\$ 256	\$ 640	\$ 2,109	329%	\$ 640	100%	1	\$ 2,109	\$ 640	\$ 640
	City Processing Fee (per lot over 4)		2.50	\$ 256	\$ 640	\$ 183	29%	\$ 640	100%	1	\$ 183	\$ 640	\$ 640
	Surveyor Fee				Actual Costs over \$1,176 plus \$147 per lot over 4								
27	Traffic Study Review		2.50	\$ 256	\$ 640	NEW	%	\$ 640	100%	3	\$ -	\$ 1,920	\$ 1,920
28	Request for Letter (e.g. Flood Hazard Confirmation)		1.00	\$ 256	\$ 256	\$ 67	26%	\$ 256	100%	3	\$ 201	\$ 768	\$ 768
29	On-site Civil Engineering Plan Review Fee (per page)		1.50	\$ 256	\$ 384	\$ 191	50%	\$ 384	100%	11	\$ 2,101	\$ 4,225	\$ 4,225
30	On-site Civil Permit / Inspection (Private Property)												
	\$ 10,000		6.00	\$ 256	\$ 1,536	\$ 87	6%	\$ 1,536.32	100%		\$ -	\$ -	\$ -
	each additional \$1,000 or fraction thereof		0.350	\$ 256	\$ 90	\$ 60	n/a	\$ 89.62	n/a	0	\$ -	\$ -	\$ -
	\$ 50,000		20.00	\$ 256	\$ 5,121	\$ 3,000	59%	\$ 5,121.06	100%	0	\$ -	\$ -	\$ -
	each additional \$1,000 or fraction thereof		0.200	\$ 256	\$ 51	\$ 60	n/a	\$ 51.21	n/a	0	\$ -	\$ -	\$ -
	\$ 100,000		30.00	\$ 256	\$ 7,682	\$ 6,000	78%	\$ 7,681.59	100%	2	\$ 12,000	\$ 15,363	\$ 15,363
	each additional \$1,000 or fraction thereof		0.100	\$ 256	\$ 26	\$ 60	n/a	\$ 25.61	n/a	342	\$ 20,496	\$ 8,747	\$ 8,747
	\$ 500,000		70.00	\$ 256	\$ 17,924	\$ 30,000	167%	\$ 17,923.70	100%	1	\$ 30,000	\$ 17,924	\$ 17,924
	each additional \$1,000 or fraction thereof		0.060	\$ 256	\$ 15	\$ 30	n/a	\$ 15.36	n/a	361	\$ 10,841	\$ 5,552	\$ 5,552
	\$ 1,000,000		100.00	\$ 256	\$ 25,605	\$ 45,000	176%	\$ 25,605.29	100%	3	\$ 135,000	\$ 76,816	\$ 76,816
	each additional \$1,000 or fraction thereof		0.100	\$ 256	\$ 26	\$ 20	n/a	\$ 25.61	n/a	2593	\$ 51,860	\$ 66,395	\$ 66,395
31	Public Improvements (ROW) - Inspection												
	\$ 10,000		6.00	\$ 256	\$ 1,536	NEW	%	\$ 1,536.32	100%	0	\$ -	\$ -	\$ -
	each additional \$1,000 or fraction thereof		0.350	\$ 256	\$ 90	NEW	%	\$ 89.62	n/a	0	\$ -	\$ -	\$ -
	\$ 50,000		20.00	\$ 256	\$ 5,121	NEW	%	\$ 5,121.06	100%	0	\$ -	\$ -	\$ -
	each additional \$1,000 or fraction thereof		0.200	\$ 256	\$ 51	NEW	%	\$ 51.21	n/a	0	\$ -	\$ -	\$ -
	\$ 100,000		30.00	\$ 256	\$ 7,682	NEW	%	\$ 7,681.59	100%	0	\$ -	\$ -	\$ -
	each additional \$1,000 or fraction thereof		0.100	\$ 256	\$ 26	NEW	%	\$ 25.61	n/a	0	\$ -	\$ -	\$ -
	\$ 500,000		70.00	\$ 256	\$ 17,924	NEW	%	\$ 17,923.70	100%	0	\$ -	\$ -	\$ -
	each additional \$1,000 or fraction thereof		0.060	\$ 256	\$ 15	NEW	%	\$ 15.36	n/a	0	\$ -	\$ -	\$ -
	\$ 1,000,000		100.00	\$ 256	\$ 25,605	NEW	%	\$ 25,605.29	100%	0	\$ -	\$ -	\$ -
	each additional \$1,000 or fraction thereof		0.100	\$ 256	\$ 26	NEW	%	\$ 25.61	n/a	0	\$ -	\$ -	\$ -

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			Activity Service Cost Analysis			Cost Recovery Analysis				Annual Estimated Revenue Analysis			
Fee No.	Fee Name	Notes	Estimated Average Labor Time Per Activity (hours)	FBHR	Cost of Service Per Activity	Current Fee / Deposit	Existing Cost Recovery %	Recommended Fee Level / Deposit	Recommended Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Recommended Fee
32	Agreements		4.00	\$ 256	\$ 1,024	NEW	%	\$ 1,024	100%	3	\$ -	\$ 3,073	\$ 3,073
33	Reversion to Acreage		5.00	\$ 256	\$ 1,280	\$ 364	28%	\$ 1,280	100%	0	\$ -	\$ -	\$ -
34	Revision to Plan Check		1.00	\$ 256	\$ 256	\$ 148	58%	\$ 256	100%	18	\$ 2,664	\$ 4,609	\$ 4,609
35	Retrieval of Illegal Signs		1.00	\$ 143	\$ 143	\$ 44	31%	\$ 143	100%	20	\$ 880	\$ 2,865	\$ 2,865
36	Storm Water Compliance Project Plan Review												
	Tier 1 (flat)		3.50	\$ 256	\$ 896	\$ 191	21%	\$ 896	100%	4	\$ 764	\$ 3,585	\$ 3,585
	Tier 2 (flat- 2 pages)		3.50	\$ 256	\$ 896	\$ 382	43%	\$ 896	100%	4	\$ 1,528	\$ 3,585	\$ 3,585
	Tier 3 - City Admin Cost (consultant costs are passed through to applicant) - deposit		13.00	\$ 256	\$ 3,329	NEW	%	\$ 3,329	100%	2	\$ -	\$ 6,657	\$ 6,657
	Tier 4 - City Admin Cost (consultant costs are passed through to applicant) - deposit		13.00	\$ 256	\$ 3,329	NEW	%	\$ 3,329	100%	1	\$ -	\$ 3,329	\$ 3,329
37	Review of Annual Reports of privately maintained post-construction treatment devices		1.00	\$ 256	\$ 256	NEW	%	\$ 256	100%	12	\$ -	\$ 3,073	\$ 3,073
38	Storm Water Pollution Prevention Plan (SWPPP)		2.00	\$ 256	\$ 512	NEW	%	\$ 512	100%	12	\$ -	\$ 6,145	\$ 6,145
39	Transportation/ Hauling												
	Transportation Permit (per trip)	[5]	0.50	\$ 256	\$ 128	NEW	%	\$ 16	12%	0	\$ -	\$ -	\$ -
	Hauling		0.50	\$ 256	\$ 128	NEW	%	\$ 128	100%	0	\$ -	\$ -	\$ -
	Oversize Load (per hour)	[2]	0.50	\$ 256	\$ 128	NEW	%	\$ 50	39%	84	\$ -	\$ 10,754	\$ 4,200
	House Moving		0.50	\$ 256	\$ 128	NEW	%	\$ 128	100%	0	\$ -	\$ -	\$ -
	Hazardous Waste Hauling		1.00	\$ 256	\$ 256	NEW	%	\$ 256	100%	0	\$ -	\$ -	\$ -
40	Hourly Rates												
	Engineering Services		1.00	\$ 256	\$ 256	NEW	%	\$ 256	100%	0	\$ -	\$ -	\$ -
	Inspection Services		1.00	\$ 256	\$ 256	NEW	%	\$ 256	100%	0	\$ -	\$ -	\$ -
	Miscellaneous Services		1.00	\$ 256	\$ 256	\$ 148	58%	\$ 256	100%	0	\$ -	\$ -	\$ -
	Peer Review by City consultant					Actual Cost		Actual Cost		8	\$ -	\$ -	\$ -
	Records Research - Engineering		1.00	\$ 256	\$ 256	\$ 148	58%	\$ 256	100%	0	\$ -	\$ -	\$ -
41	WASTEWATER OPERATIONS												
	Discharge report review		2.00	\$ 256	\$ 512	\$ 389	76%	\$ 512	100%	8	\$ 3,112	\$ 4,097	\$ 4,097
	Wastewater stoppage investigation		4.00	\$ 256	\$ 1,024	\$ 90	9%	\$ 1,024	100%	8	\$ 720	\$ 8,194	\$ 8,194
	Direct Discharge Permit		8.00	\$ 256	\$ 2,048	\$ 135	7%	\$ 2,048	100%	4	\$ 540	\$ 8,194	\$ 8,194

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			Activity Service Cost Analysis			Cost Recovery Analysis				Annual Estimated Revenue Analysis			
Fee No.	Fee Name	Notes	Estimated Average Labor Time Per Activity (hours)	FBHR	Cost of Service Per Activity	Current Fee / Deposit	Existing Cost Recovery %	Recommended Fee Level / Deposit	Recommended Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Recommended Fee
	For services requested of City staff which have no fee listed in this fee schedule, the City Manager or the City Manager's designee shall determine the appropriate fee based on the established hourly rates for this department/division. Additionally, the City will pass-through to the applicant any discrete costs incurred from the use of external service providers if required to process the specific application.												
TOTALS											409,202	364,148	357,594

Notes

- [1] Sourced from "9a - Scotts Valley Master Fee Charges Schedule FY 2017-18 Effective 20170807.pdf"
- [2] Fee Set by the State of California
- [3] Administrative Processing Fee only. Actual costs to the City are billed as work is performed.
- [4] Volume estimates taken from engineering estimated annual volume
- [5] Per Vehicle Code section 35795(b)(1)

APPENDIX A. 5

Cost of Service Analysis – Building Fees

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			Activity Service Cost Analysis			Cost Recovery Analysis				Annual Estimated Revenue Analysis			
Fee No.	Fee Name	Notes	Estimated Average Labor Time Per Activity (hours)	FBHR	Cost of Service Per Activity	Current Fee / Deposit	Existing Cost Recovery %	Recommended Fee Level / Deposit	Recommended Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Recommended Fee
NEW CONSTRUCTION, ADDITIONS, REMODELS													
1	Building Permits												
	\$ 5,000		3.00	\$ 154	\$ 462	\$ 111	24%	\$ 139	30%	90	\$ 10,013	\$ 41,564	\$ 12,469
	each additional \$1,000 or fraction thereof		0.13	\$ 154	\$ 19	\$ 14	n/a	\$ 21	n/a	436	\$ 6,110	\$ 8,398	\$ 8,986
	\$ 25,000		5.50	\$ 154	\$ 847	\$ 392	46%	\$ 550	65%	39	\$ 15,278	\$ 33,020	\$ 21,463
	each additional \$1,000 or fraction thereof		0.10	\$ 154	\$ 15	\$ 10	n/a	\$ 19	n/a	1,024	\$ 10,342	\$ 15,763	\$ 19,809
	\$ 100,000		13.00	\$ 154	\$ 2,001	\$ 994	50%	\$ 2,001	100%	29	\$ 28,819	\$ 58,036	\$ 58,036
	each additional \$1,000 or fraction thereof		0.06	\$ 154	\$ 10	\$ 6	n/a	\$ 10	n/a	2,467	\$ 13,818	\$ 23,740	\$ 23,740
	\$ 500,000		38.00	\$ 154	\$ 5,850	\$ 3,234	55%	\$ 5,850	100%	3	\$ 9,701	\$ 17,549	\$ 17,549
	each additional \$1,000 or fraction thereof		0.04	\$ 154	\$ 7	\$ 5	n/a	\$ 7	n/a	640	\$ 3,040	\$ 4,335	\$ 4,335
	\$ 1,000,000		60.00	\$ 154	\$ 9,236	\$ 5,609	61%	\$ 9,236	100%	5	\$ 28,044	\$ 46,182	\$ 46,182
	each additional \$1,000 or fraction thereof		0.01	\$ 154	\$ 2	\$ 4	n/a	\$ 2	n/a	3,031	\$ 11,063	\$ 5,832	\$ 5,832
	\$ 5,000,000		110.00	\$ 154	\$ 16,933	\$ 20,209	119%	\$ 16,933	100%	2	\$ 40,418	\$ 33,867	\$ 33,867
	each additional \$1,000 or fraction thereof		0.02	\$ 154	\$ 3	\$ 4	n/a	\$ 3	n/a	4,250	\$ 15,513	\$ 14,393	\$ 14,393
2	Building Plan Check and Processing (deposit)												
	\$ 5,000		3.00	\$ 154	\$ 462	\$ 72	16%	\$ 138.55	30%	2	\$ 145	\$ 924	\$ 277
	each additional \$1,000 or fraction thereof		0.15	\$ 154	\$ 23	\$ 9	n/a	\$ 23.09	n/a	12	\$ 105	\$ 266	\$ 266
	\$ 25,000		6.00	\$ 154	\$ 924	\$ 255	28%	\$ 600.37	65%	1	\$ 255	\$ 924	\$ 600
	each additional \$1,000 or fraction thereof		0.12	\$ 154	\$ 18	\$ 5	n/a	\$ 22.78	n/a	65	\$ 339	\$ 1,201	\$ 1,481
	\$ 100,000		15.00	\$ 154	\$ 2,309	\$ 646	28%	\$ 2,309.11	100%	1	\$ 646	\$ 2,309	\$ 2,309
	each additional \$1,000 or fraction thereof		0.08	\$ 154	\$ 12	\$ 4	n/a	\$ 11.55	n/a	200	\$ 728	\$ 2,309	\$ 2,309
	\$ 500,000		45.00	\$ 154	\$ 6,927	\$ 2,102	30%	\$ 6,927.34	100%	-	\$ -	\$ -	\$ -
	each additional \$1,000 or fraction thereof		0.07	\$ 154	\$ 11	\$ 3	n/a	\$ 10.78	n/a	-	\$ -	\$ -	\$ -
	\$ 1,000,000		80.00	\$ 154	\$ 12,315	\$ 3,646	30%	\$ 12,315.27	100%	-	\$ -	\$ -	\$ -
	each additional \$1,000 or fraction thereof		0.01	\$ 154	\$ 1	\$ 2	n/a	\$ 1.15	n/a	-	\$ -	\$ -	\$ -
	\$ 5,000,000		110.00	\$ 154	\$ 16,933	\$ 13,136	78%	\$ 16,933.50	100%	-	\$ -	\$ -	\$ -
	each additional \$1,000 or fraction thereof		0.02	\$ 154	\$ 3	\$ 3	78%	\$ 3.39	100%	-	\$ -	\$ -	\$ -
3	Building Permit - Electrical Work Inspection Fee												
	Per Square Foot		0.0005	\$ 154	\$ 0.08	NEW	%	\$ 0.08	100%	-	\$ -	\$ -	\$ -
	Minimum Fee		1.5	\$ 154	\$ 231	NEW	%	\$ 230.91	100%	-	\$ -	\$ -	\$ -
4	Building Permit - Mechanical Work Inspection Fee												
	Per Square Foot		0.0005	\$ 154	\$ 0.08	NEW	%	\$ 0.08	100%	-	\$ -	\$ -	\$ -
	Minimum Fee		1.5	\$ 154	\$ 231	NEW	%	\$ 230.91	100%	-	\$ -	\$ -	\$ -
5	Building Permit - Plumbing Work Inspection Fee												
	Per Square Foot		0.0005	\$ 154	\$ 0.08	NEW	%	\$ 0.08	100%	-	\$ -	\$ -	\$ -
	Minimum Fee		1.5	\$ 154	\$ 231	NEW	%	\$ 230.91	100%	-	\$ -	\$ -	\$ -

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			Activity Service Cost Analysis			Cost Recovery Analysis				Annual Estimated Revenue Analysis			
Fee No.	Fee Name	Notes	Estimated Average Labor Time Per Activity (hours)	FBHR	Cost of Service Per Activity	Current Fee / Deposit	Existing Cost Recovery %	Recommended Fee Level / Deposit	Recommended Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Recommended Fee
6	Green Building Education Fund		.0025 per \$1 building valuation (all building permits)										
MINOR IMPROVEMENT PROJECTS / MISCELLANEOUS PERMITS													
7	Demolition permit		3.50	\$ 154	\$ 539	\$ 187	35%	\$ 538.79	100%	7	\$ 1,309	\$ 3,772	\$ 3,772
8	Change of Occupancy Permit		4.00	\$ 154	\$ 616	\$ 172	28%	\$ 615.76	100%	-	\$ -	\$ -	\$ -
9	Re-roof permit		2.00	\$ 154	\$ 308	\$ 294	95%	\$ 307.88	100%	56	\$ 16,464	\$ 17,241	\$ 17,241
10	Septic tank inspection		5.00	\$ 154	\$ 770	\$ 197	26%	\$ 769.70	100%	-	\$ -	\$ -	\$ -
11	Sewer Lateral Connection Inspection		4.50	\$ 154	\$ 693	\$ 328	47%	\$ 692.73	100%	1	\$ 328	\$ 693	\$ 693
12	Solar / PV Permit Residential	[1]											
	15 kW or less		3.50	\$ 154	\$ 539	\$ -	0%	\$ -	0%	46	\$ -	\$ 24,784	\$ -
	per kW above 15kW		n/a	\$ 154	\$ -	\$ -	%	\$ -	%	-	\$ -	\$ -	\$ -
	Commercial												
	50 kW or less		6.50	\$ 154	\$ 1,001	\$ 585	58%	\$ 1,000	100%	1	\$ 585	\$ 1,001	\$ 1,000
	per kW up to 250		0.043	\$ 154	\$ 6.54	\$ 12	179%	\$ 6.54	100%	88	\$ 1,033	\$ 578	\$ 578
	250 kW		15.00	\$ 154	\$ 2,309	\$ 2,072	90%	\$ 2,309	100%	1	\$ 2,072	\$ 2,309	\$ 2,309
	per kW over 250		0.060	\$ 154	\$ 9.24	\$ 8	90%	\$ 5.00	54%	100	\$ 827	\$ 921	\$ 499
13	Window Retrofit		3.50	\$ 154	\$ 539	\$ -	0%	\$ 538.79	100%	-	\$ -	\$ -	\$ -
14	Window Replacement		10.50	\$ 154	\$ 1,616	\$ 298	18%	\$ 1,616.38	100%	5	\$ 1,490	\$ 8,082	\$ 8,082
MECHANICAL / PLUMBING / ELECTRICAL STAND ALONE			[2]										
15	Simple Inspection Items (up to 3 on one permit)		2.50	\$ 154	\$ 385	\$ 66	17%	\$ 384.85	100%	33	\$ 2,165	\$ 12,700	\$ 12,700
16	Multi-family residential, Commercial, Industrial, and Complex				PER VAL TABLE		PER VAL TABLE						
OTHER MISCELLANEOUS FEES AND CHARGES													
17	Appeal Processing-Building	[3]											
	City Council Appeals					25% of permit fee/app., min \$92		25% of permit fee/app., min \$154					
	Board of Appeals appeal					25% of permit fee/app., min \$92		25% of permit fee/app., min \$154					

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			Activity Service Cost Analysis			Cost Recovery Analysis				Annual Estimated Revenue Analysis			
Fee No.	Fee Name	Notes	Estimated Average Labor Time Per Activity (hours)	FBHR	Cost of Service Per Activity	Current Fee / Deposit	Existing Cost Recovery %	Recommended Fee Level / Deposit	Recommended Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Estimated Revenues at Recommended Fee
18	Inspections outside of normal business hours (per hour - minimum charge 2 hours)		1.00	\$ 154	\$ 154	\$ 47	31%	\$ 154	100%	-	\$ -	\$ -	\$ -
19	Other misc. inspections & reinspections (per inspection / trip)		1.00	\$ 154	\$ 154	\$ 96	62%	\$ 154	100%	-	\$ -	\$ -	\$ -
20	Additional plan review required by changes, additions or revisions to plans (per hour - minimum charge - one half hour)												
	First hour		1.00	\$ 154	\$ 154	\$ 47	31%	\$ 154	100%	-	\$ -	\$ -	\$ -
	Each Additional 1/2 Hour		0.50	\$ 154	\$ 77	\$ 24	31%	\$ 77	100%	-	\$ -	\$ -	\$ -
21	For use of outside consultants for plan checking and inspection, or both					Actual Costs		Actual Costs					
22	General Plan Maintenance	[3]				.0049 per \$1 building valuation (all building permits)		.0049 per \$1 building valuation (all building permits)					
23	Planning Application Review (per request/review)		1.50	\$ 154	\$ 231	\$ -	0%	\$ 231	100%	75	\$ -	\$ 17,318	\$ 17,318
	For services requested of City staff which have no fee listed in this fee schedule, the City Manager or the City Manager's designee shall determine the appropriate fee based on the established hourly rates for this department/division. Additionally, the City will pass-through to the applicant any discrete costs incurred from the use of external service providers if required to process the specific application.												
TOTAL											220,647	400,011	338,095

[Notes]

- [1] Fee structure as proposed by GC 66015.
[2] See list of MPE items defined as Simple and Complex per City policy
[3] Fee set by City policy; NBS did not evaluate

APPENDIX B. 1

Comparative Survey – Administrative & Miscellaneous Fees

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Fee No.	Fee Description	Notes	Scotts Valley		Comparative Agencies				
			Current Fee	Recommended/ Proposed Fee	City of Santa Cruz	County of Santa Cruz	City of Capitola	City of Watsonville	Town of Los Gatos
1	Entertainment permit		\$ 66	\$ 150	\$ 752	\$407 (community events); \$495 minor; \$1,237 major	\$155 minor; \$557 major	\$ 134	No comparison
2	Entertainment permit renewal		\$ 29	\$ 103	\$ 458	No comparison	No comparison	No comparison	No comparison
3	Rental of Council Chambers		\$ 21	\$ 21	\$32 - \$42/hr.	No comparison	No comparison	No comparison	No comparison
4	Solicitor's Permit		\$ 32	\$ 86	No comparison	No comparison	No comparison	\$ 252	\$ 117
5	Occasional Sales Permit		\$ 11	\$ 38	No comparison	No comparison	No comparison	\$ 24	No comparison
6	Returned check charges								
	First returned check		\$ 12	\$ 25	No comparison	\$ 40	\$ 37	\$ 25	\$ 25
	Each additional check		New	\$ 35					\$ 35
7	Notary service fee (per signature)		\$ 15.00	\$ 15	\$ 15	\$15 1 st page; \$3 each add'l	No comparison	No comparison	No comparison
8	Digital copies on CD or DVD		\$ 0.27	\$ 0.25	No comparison	\$ 75	\$50 plus cost of material; \$25/hr. each add'l hour	\$ 50	\$20 - \$30
9	Photocopies (per page)		\$ 0.13	\$ 0.10	No comparison	No comparison	\$ 0.10	\$ 0.10	\$ 0.25

Notes

- [1] Source: "Watsonville PLNG_BLDG_Fees 17_18 All Others.pdf"
- [2] Source: "Los Gatos_FY2017-2018 Fee Schedule.pdf"
- [3] Source: "City of Santa Crus_FeeSchedule2017.pdf"
- [4] Source: "Capitola_4077_5086_2017-18fee_schedule_amended.pdf"
- [5] Source: "Santa Cruz County Fee Schedule 4.28.18.pdf"

APPENDIX B. 2

Comparative Survey – Police Fees

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Fee No.	Fee Description	Scotts Valley		Comparative Agencies				
		Current Fee	Recommended/ Proposed Fee	City of Santa Cruz	County of Santa Cruz	City of Capitola	City of Watsonville	Town of Los Gatos
	POLICE ALARM SERVICES SUBSCRIBERS:							
1	Annual Subscriber Registration Fee	\$ 32	\$ 39	\$ 35	\$ 40	No comparison	\$ 58	\$ 53
	Fourth False Alarm In One Month	\$ 39	\$ 158	\$ 387	\$ 50		\$ 69	\$ 282
	Any False Alarm Over Four	\$ 87	\$ 158					\$422 - \$318
2	Release of Stored Vehicles (Auto Impound)	\$ 102	\$ 183	\$ 181	\$ 35	\$ 122		\$ 15
3	Repossession Verification Fee (Auto Repo Release)	\$ 15	\$ 15	\$ 15	\$ 15	No comparison	\$ 162	No comparison
4	Auto Abatement	\$ 182	\$ 204	No comparison	\$ 90	No comparison	\$ 285	No comparison
5	Bingo Games License Fee							
	Initial	\$ 87	\$ 109	\$ 70	No comparison	\$ 60	\$ 23	No comparison
	Renewal	New	\$ 60	\$ 57				
6	Clearance Letter	\$ 41	\$ 47	No comparison	No comparison	\$ -	\$ 35	\$ 29
7	Parking Citations Copies							
	Single Sided	\$ 0.13	\$ 0.10	\$ 0.25	\$ 1	\$ 0.25	No comparison	No comparison
	Double Sided	\$ 0.16	\$ 0.10	\$ 0.50	\$ 1	No comparison		
8	Police Photograph Sale:							
	Disc	\$ 3	n/a	\$ 1	No comparison	\$18 plus administration fee	\$ 44	\$ 62
	Per Page	\$ 0.27	n/a	\$ 0.25	\$2 - \$15		Actual cost	\$42 for first 3 plus \$13 for each add'l
9	Police Report / Document							
	Single Sided	\$ 0.13	\$ 0.10	\$ 0.25	No comparison	\$ 0.25	\$ 24	\$26 plus \$0.25 for each page over 20
	Double Sided	\$ 0.16	\$ 0.10	\$ 0.50		No comparison		
10	Special security service incurred in responding to loud or unruly gathering following 1st response (per minute)	\$ 2	\$ 7	Full Cost	No comparison	No comparison	No comparison	Billing Rate
11	Taxicab Driver's Permit	\$ 84	\$ 72	\$ 56	\$ 50	Set by state	\$ 322	\$ 300

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Fee No.	Fee Description	Scotts Valley		Comparative Agencies				
		Current Fee	Recommended/ Proposed Fee	City of Santa Cruz	County of Santa Cruz	City of Capitola	City of Watsonville	Town of Los Gatos
12	Fire Arms:							
	CCW permit - 2 yr. standard permit (new)	\$ 190	\$ 587	\$ 859	\$ 220	Set by state	\$ 100	No comparison
	CCW permit - 2 yr. standard (renewal)	\$ 42	\$ 294	\$ 324	\$ 77		\$ 100	
	CCW permit - 3 yr. judge permit (new)	\$ 90	\$ 587	\$ 859	\$ 242		\$ 100	
	CCW permit - 3 yr. judge (renewal)	\$ 59	\$ 294	\$ 324	\$ 99		\$ 100	
	Surrendered Firearm Storage Fee - Per firearm, 30	\$ 65	\$ 72	No comparison	\$ 75	No comparison	No comparison	\$125 admin fee plus \$1/day
	Surrendered Firearm Storage Fee - Per Day after 1st	New	\$ 1		\$ 1			No comparison
	Filing Fee for appeal to City Council of firearms	\$ 41	\$ 339		No comparison	No comparison		No comparison
13	Tobacco Retail License	New	\$ 98	No comparison	No comparison	No comparison	No comparison	No comparison
14	Second Hand Dealer License	New	\$ 98	\$ 112	\$ 233	Set by state	\$ 158	\$ 766
15	Massage Permit	New	\$ 245	\$ 150	No comparison	No comparison	\$ 258	\$ 213
16	JPA (Junior Police Academy)	\$ 160	\$ 60	No comparison	No comparison	No comparison	No comparison	No comparison
17	Body Cam Video Release/Editing	New	\$ 72	No comparison	\$ 40	\$50 plus cost of material; \$25/hr. each add'l hour	No comparison	No comparison
18	Appeals							
	City Council	New	\$ 613	No comparison	No comparison	\$ 500	\$ 207	No comparison
	Commission	New	\$ 401				No comparison	

Notes

- [1] Source: "Watsonville PLNG_BLDG_Fees 17_18 All Others.pdf"
- [2] Source: "Los Gatos_FY2017-2018 Fee Schedule.pdf"
- [3] Source: "City of Santa Cruz_FeeSchedule2017.pdf"
- [4] Source: "Capitola_4077_5086_2017-18fee_schedule_amended.pdf"
- [5] Source: "Santa Cruz County Fee Schedule 4.28.18.pdf"

APPENDIX B. 3

Comparative Survey – Planning Fees

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		Scotts Valley		Comparative Agencies				
Fee No.	Fee Description	Current Fee	Recommended/ Proposed Fee	City of Santa Cruz	County of Santa Cruz	City of Capitola	City of Watsonville	Town of Los Gatos
1	Addressing Fee	New	\$ 672	No comparison	\$ 33	No comparison	No comparison	\$ 272
2	Application Intake & File Maintenance							
	Minor or Singular Discretionary Permit Applications (per planning application)	\$ 77	\$ 448	\$ 60	\$ 165	No comparison	No comparison	No comparison
	Major Discretionary Permits or Multiple Applications Filed for One Project (per planning application)	\$ 148	\$ 895	\$ 120				
3	Annexation Fee							
	Minimum Deposit	\$ 3,731	\$ 7,831	\$ 5,140	Determined by acreage and parcels	\$3,000 deposit	\$36,250 - \$38,284	\$533 - \$3,201
	per hour in excess of 35 hours	\$ 148	\$ 224	No comparison				
4	Amendment - Minor - per hearing	\$ 894	\$ 2,238	No comparison				
5	Amendment							
	Minimum Deposit	\$ 894	\$ 2,238	No comparison	\$ 329	50% of initial cost	\$ 6,963	\$5,000 deposit
	per hour in excess of 10 hours	\$ 148	\$ 224					
6	Appeal Processing:	New	25% of original permit fee or approved application with minimum fee of \$224	\$ 600	\$ 1,250	\$ 500	\$ 207	\$381 Residential; \$1,533 Commercial
7	Bee Keeping Permit	\$ 148	\$ 224	\$ 1,043	No comparison	No comparison	\$ 124	No comparison
8	Certificate of Compliance							
	Minimum Deposit	\$ 746	\$ 2,238	\$ 1,526	At cost	\$ 529	\$ 1,570	\$ 3,711
	per hour in excess of 10 hours	\$ 148	\$ 224	No comparison				
9	Code Compliance (per hour)	\$ 148	\$ 224	Actual cost	No comparison	\$ 250	No comparison	No comparison
10	Cultural Resource Alteration	\$ 894	\$ 1,790	No comparison	No comparison	No comparison	No comparison	No comparison

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		Scotts Valley		Comparative Agencies				
Fee No.	Fee Description	Current Fee	Recommended/ Proposed Fee	City of Santa Cruz	County of Santa Cruz	City of Capitola	City of Watsonville	Town of Los Gatos
11	Design Review:							
	Commercial / Industrial	\$ 894	\$ 2,240	No comparison	\$1,000 deposit	\$4,000 deposit	\$ 2,091	No comparison
	Residential	\$ 894	\$ 2,240		\$433 per unit	\$773- \$3,701		
	Residential with Hillside	\$ 1,194	\$ 4,475					
	Sign Programs	\$ 370	\$ 4,475	\$ 311	No comparison	\$3,000 deposit	\$ 143	\$ 1,923
	Freestanding Signs	\$ 370	\$ 1,344			\$ 128		
	Signs with Staff Level Review	\$ 148	\$ 672					
12	Development Agreement							
	Minimum Deposit	\$ 3,731	\$ 7,831	\$ 1,017	No comparison	\$5,000 deposit	\$ 22,492	No comparison
	per hour in excess of 35 hours	\$ 148	\$ 224					
13	Environment Assessment	\$ 148	\$ 224	\$ 127	No comparison	No comparison	\$ 353	\$ 5,000
14	Environmental Impact Report, Administration							
	Minimum Deposit	\$ 26,231	\$ 16,558	25% of consultant cost	At cost	\$10,000 deposit (cost + 17% of consultant cost)	\$ 27,172	\$12,184 plus 10% of EIR cost
	per hour in excess of 74 hours	\$ 148	\$ 224	No comparison				
15	Final Inspection	\$ 336	\$ 1,343	No comparison	No comparison	20% of building permit fee	No comparison	No comparison
16	Fish & Game Certification:							
	City Filing Fee	\$ 148	\$ 448	No comparison				
	F & G Negative Declaration Fee	Set by Fish and Game						
	F & G EIR Fee							
17	General Plan and/or Specific Plan Amendment							
	Minimum Deposit	\$ 3,731	\$ 7,831	\$5,000 deposit	At cost	\$5,000 deposit	\$ 6,963	\$5,000 deposit
	per hour in excess of 35 hours	\$ 148	\$ 224					
18	Historical Landmark Determination	\$ 1,194	\$ 4,475	\$ 2,558	No comparison			
19	Home Occupation Review	\$ 93	\$ 168	\$ 163	At cost	\$ 159	\$ 202	\$ 167
20	IPHCP Certificate of Inclusion	\$ 336	\$ 448	No comparison				

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		Scotts Valley		Comparative Agencies				
Fee No.	Fee Description	Current Fee	Recommended/ Proposed Fee	City of Santa Cruz	County of Santa Cruz	City of Capitola	City of Watsonville	Town of Los Gatos
	LAND DIVISIONS:							
21	Subdivision / Tentative Map Entitlement (5 lots or more)							
	Minimum Deposit	\$ 3,731	\$ 7,831	\$ 1,272	At cost	No comparison	\$18,792 (1st 10 lots) \$491 each add'l lot	\$ 12,260
	per hour in excess of 35 hours	\$ 148	\$ 224	No comparison				
22	Subdivision / Tentative Map Recordation - Approval (5 lots or more)							
	Minimum Deposit	\$ 1,194	\$ 4,475	\$ 1,272	No comparison	No comparison	\$ 421	No comparison
	per hour in excess of 20 hours	\$ 148	\$ 224	\$ 360				
23	Minor Land Division / Parcel Map - Tentative (5 lots or more)							
	Minimum Deposit	\$ 3,731	\$ 7,831	No comparison	No comparison	No comparison	\$ 6,797	No comparison
	per hour in excess of 35 hours	\$ 148	\$ 224					
24	Minor Land Division / Parcel Map - Final (4 lots or less)							
	Minimum Deposit	\$ 596	\$ 2,238	No comparison	No comparison	\$3,000 deposit	No comparison	\$ 7,733
	per hour in excess of 10 hours	\$ 148	\$ 224					
25	Lot Line Adjustment Review	\$ 148	\$ 448	\$ 1,023	at cost	No comparison	\$ 1,396	\$ 1,850
26	Mitigation Monitoring							
	Minimum Deposit	\$ 740	\$ 2,238	No comparison	No comparison	Cost plus 21%	\$223 (Flat)	Actual cost
	per hour in excess of 5 hours	\$ 148	\$ 224					
						No comparison		
27	Mitigated Negative Declaration							
	Minimum Deposit	\$ 5,976	\$ 6,720	No comparison	No comparison	\$2,000 deposit	No comparison	No comparison
	per hour in excess of 40 hours	\$ 148	\$ 224					
28	Negative Declaration							
	Minimum Deposit	\$ 2,989	\$ 4,475	\$ 3,530	No comparison	\$2,000 deposit	\$ 3,130	No comparison
	per hour in excess of 20 hours	\$ 148	\$ 224					
29	Notice of Determination:							
	City Filing Fee	\$ 148	\$ 336	No comparison				
	County Fee (subject to change)	As set by County						

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Fee No.	Fee Description	Scotts Valley		Comparative Agencies				
		Current Fee	Recommended/ Proposed Fee	City of Santa Cruz	County of Santa Cruz	City of Capitola	City of Watsonville	Town of Los Gatos
30	Planned Development							
	Minimum Deposit	\$ 3,731	\$ 5,818	\$ 4,615	No comparison	\$3,500 deposit	\$ 32,873	Actual cost
	per hour in excess of 26 hours	\$ 148	\$ 224					
31	Preliminary Review	\$ 1,194	\$ 5,594	\$600 (Planning only); \$2,000 (all departments)	At cost	\$ 222	\$ 700	No comparison
32	Pre-review Meeting	New	\$ 2,461	No comparison				
33	Public Hearing Notice and Radius Noticing:							
	Planning Commission Meeting	\$ 203	\$ 336	No comparison	No comparison	No comparison	\$ 250	No comparison
	City Council Meeting	\$ 203	\$ 336					
34	Recordation Fee:							
	City Filing Fee	\$ 148	\$ 336	No comparison	No comparison	No comparison	\$ 421	No comparison
	County Recorder Fee (subject to change)	\$7 first page, \$3 per page after						
35	Road Name Change	\$ 148	\$ 1,566	No comparison	\$ 33	No comparison	\$ 342	No comparison
36	Time Extension:							
	Planning Commission Meeting	\$ 882	\$ 2,238	\$ 1,043	\$ 301	\$2,000 deposit	\$ 577	50% of fee
	City Council Meeting	\$ 1,187	\$ 2,685					
37	Tree Removal Permit -							
	Heritage Tree	\$ 713	\$ 3,356	No comparison	\$ 684	\$127 - \$271	No comparison	\$ 130
	Protected Tree	\$ 50	\$ 112		\$ 487			
38	Use Permit:							
	Commercial or Industrial or Residential - Minor	\$ 882	\$ 2,240	\$1,043 - \$1,953	At cost	\$ 1,587	\$ 1,396	\$3,361 - \$5,523
	Commercial or Industrial - Major	\$ 1,489	\$ 4,480			\$3,000 - \$3,500	\$ 4,876	
39	Variance Application	\$ 2,239	\$ 4,480	\$ 1,837	At cost	\$ 1,587	\$1,673 (major); \$700 (minor)	No comparison

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Fee No.	Fee Description	Scotts Valley		Comparative Agencies				
		Current Fee	Recommended/ Proposed Fee	City of Santa Cruz	County of Santa Cruz	City of Capitola	City of Watsonville	Town of Los Gatos
40	Zone Change							
	Minimum Deposit	\$ 3,731	\$ 5,818	No comparison	\$ 240	\$5,00 deposit	\$ 8,972	\$5,00 deposit
	per hour in excess of 26 hours	\$ 148	\$ 224		No comparison			
41	Zoning Ordinance Amendment							
	Minimum Deposit	\$ 3,731	\$ 5,818	No comparison	At cost	No comparison	\$ 8,972	\$5,00 deposit
	per hour in excess of 26 hours	\$ 148	\$ 224					
42	Zoning Plan Check:							
	Over the counter	\$ 77	Hourly - 1 hour minimum \$224	No comparison	\$ 57	No comparison	\$351 SFD; \$621 All others	No comparison
	Minor	\$ 370			\$ 591			
	Major	\$ 596			\$ 742			
	Hillside	\$ 746			No comparison			
43	Zoning Research / Letters (per hour)	\$ 148	\$ 224	\$ 127	\$ 87	At cost	\$ 151	No comparison

Notes

- [1] Source: "Watsonville PLNG_BLDG_Fees 17_18 All Others.pdf"
- [2] Source: "Los Gatos_FY2017-2018 Fee Schedule.pdf"
- [3] Source: "City of Santa Crus_FeeSchedule2017.pdf"
- [4] Source: "Capitola_4077_5086_2017-18fee_schedule_amended.pdf"
- [5] Source: "Santa Cruz County Fee Schedule 4.28.18.pdf"

APPENDIX B. 4

Comparative Survey – Engineering Fees

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		Scotts Valley		Comparative Agencies				
Fee No.	Fee Description	Current Fee	Recommended/ Proposed Fee	City of Santa Cruz	County of Santa Cruz	City of Capitola	City of Watsonville	Town of Los Gatos
	LAND DEVELOPMENT ENGINEERRING FEES							
16	Application Intake Fee - Final Map	\$ 77	\$ 256	No comparison				
17	Lot Line Adjustment (or Lot Merger)	\$ 853	\$ 768	\$ 1,051	\$1,000 deposit	\$2,000 deposit	\$ 1,396	\$904 for certificate, \$4,640 map checking
	plus recording fee	Actual Cost	\$ 128				No comparison	
18	Certificate of Correction	\$ 596	\$ 768	No comparison			\$ 202	No comparison
19	Certification of Compliance (deposit)	New	\$ 512	\$ 1,526	No comparison	\$ 579	\$583 res/ \$795 com	\$ 965
20	Easement/Abandonment Request	\$ 3,812	\$ 768	\$ 2,489	\$3,000 deposit	No comparison	\$ 795	\$ 4,297
	Encroachment Permits							
21	Minor: Non-development-related curb, gutter, sidewalk, driveway; up to 3 potholes on the same street; up to 3 monitoring wells on the same street; one latera street opening; routine maintenance by a utility company; street tree planting.	\$ 106	\$ 256	\$ 370	\$ 800	\$ 63	\$ 193	No comparison
22	Major: Work on construction requiring extended impact to traffic, multiple Inspections or other on-going disturbances such as utility mains, street widening and major undergrounding.							
	\$ 10,000	\$ 600	\$ 512	No comparison	\$2,056 deposit	No comparison	\$560 processing fee	\$ 679
	each additional \$1,000 or fraction thereof	\$ 60	\$ 32					\$ 40
	\$ 50,000	\$ 3,000	\$ 1,792					\$ 2,279
	each additional \$1,000 or fraction thereof	\$ 60	\$ 15					\$ 40
	\$ 100,000	\$ 6,000	\$ 2,561					\$ 4,279
	each additional \$1,000 or fraction thereof	\$ 60	\$ 10					\$ 40
	\$ 500,000	\$ 30,000	\$ 6,401					\$ 20,279
	each additional \$1,000 or fraction thereof	\$ 60	\$ 8					\$ 40
	\$ 1,000,000	\$ 60,000	\$ 10,242					\$ 40,279
	each additional \$1,000 or fraction thereof	\$ 60	\$ 10					\$ 40
23	Permit Extensions	New	\$ 128	\$ 1,043	\$1,000 minimum	No comparison	\$ 577	\$ 78
24	Utility - Annual Blanket Permit (Processing Fee)	New	\$ 896	No comparison			\$ 193	No comparison

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		Scotts Valley		Comparative Agencies				
Fee No.	Fee Description	Current Fee	Recommended/ Proposed Fee	City of Santa Cruz	County of Santa Cruz	City of Capitola	City of Watsonville	Town of Los Gatos
25	Parcel Map or Amending Parcel Map Check (4 lots or less)							
	City Processing Fee	\$ 2,109	\$ 640	No comparison			\$ 282	No comparison
	Surveyor Fee	Actual Costs over \$1,156						
26	Final Map or Amending Final Map Check (5 lots or more)			No comparison	\$450 First sheet, \$150 each add'l sheet	No comparison	\$ 282	No comparison
	City Processing Fee (first 4 lots)	\$ 2,109	\$ 640					
	City Processing Fee (per lot over 4)	\$ 183	\$ 640					
	Surveyor Fee	Actual Costs over \$1,176 plus \$147 per lot over 4						
27	Traffic Study Review	New	\$ 640	No comparison			\$ 282	No comparison
28	Request for Letter (e.g. Flood Hazard Confirmation)	\$ 67	\$ 256	No comparison			\$ 102	Consultant cost plus 25% admin fee
29	On-site Civil Engineering Plan Review Fee (per page)	\$ 191	\$ 384	No comparison				
30	On-site Civil Permit / Inspection (Private Property)							
	\$ 10,000	\$ 87	\$ 1,536	No comparison	\$ 4,120	No comparison	\$ 1,000	\$ 8
	each additional \$1,000 or fraction thereof	\$ 60	\$ 90				\$ 100	\$ 1
	\$ 50,000	\$ 3,000	\$ 5,121				\$ 5,000	\$ 28
	each additional \$1,000 or fraction thereof	\$ 60	\$ 51				\$ 100	\$ 1
	\$ 100,000	\$ 6,000	\$ 7,682				\$ 10,000	\$ 72
	each additional \$1,000 or fraction thereof	\$ 60	\$ 26				\$ 100	\$ 0.41
	\$ 500,000	\$ 30,000	\$ 17,924				\$ 50,000	\$ 234
	each additional \$1,000 or fraction thereof	\$ 30	\$ 15				\$ 100	\$ 0.34
	\$ 1,000,000	\$ 45,000	\$ 25,605				\$ 100,000	\$ 407
	each additional \$1,000 or fraction thereof	\$ 20	\$ 26				\$ 100	\$ 0.26
31	Public Improvements (ROW) - Inspection			\$ 270	\$21 per linear ft. frontage	No comparison	Based on dwelling units and acreage. \$1,807 - \$21,300 (10-200 dwellings)	
	\$ 10,000	New	\$ 1,536					\$ 600
	each additional \$1,000 or fraction thereof	New	\$ 90					\$ 60
	\$ 50,000	New	\$ 5,121					\$ 3,000
	each additional \$1,000 or fraction thereof	New	\$ 51					\$ 60
	\$ 100,000	New	\$ 7,682					\$ 6,000
	each additional \$1,000 or fraction thereof	New	\$ 26					\$ 60
	\$ 500,000	New	\$ 17,924					\$ 30,000
	each additional \$1,000 or fraction thereof	New	\$ 15					\$ 60
	\$ 1,000,000	New	\$ 25,605					\$ 60,000
	each additional \$1,000 or fraction thereof	New	\$ 26	\$ 60				

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		Scotts Valley		Comparative Agencies					
Fee No.	Fee Description	Current Fee	Recommended/ Proposed Fee	City of Santa Cruz	County of Santa Cruz	City of Capitola	City of Watsonville	Town of Los Gatos	
32	Agreements	New	\$ 1,024		No comparison				
33	Reversion to Acreage	\$ 364	\$ 1,280	No comparison	\$5,000 deposit	No comparison	No comparison	\$4,640 plus \$100 per lot	
34	Revision to Plan Check	\$ 148	\$ 256	No comparison	No comparison	No comparison	No comparison	\$273/hr.	
35	Segregation of Assessment	\$ 92	\$ 143	No comparison	\$ 150	No comparison	No comparison	No comparison	
	each additional lot	\$ 2			No comparison				
36	Storm Water Compliance Project Plan Review								
	Tier 1 (flat)	\$ 191	\$ 896	\$ 407	No comparison	\$ 105	No comparison	No comparison	
	Tier 2 (flat- 2 pages)	\$ 382	\$ 896			\$ 3,173			
	Tier 3 - City Admin Cost (consultant costs are passed	New	\$ 3,329	\$ 678		\$ 4,231			
	Tier 4 - City Admin Cost (consultant costs are passed	New	\$ 3,329						
37	Review of Annual Reports of privately maintained post-construction treatment devices	New	\$ 256	No comparison					
38	Storm Water Pollution Prevention Plan (SWPPP)	New	\$ 512	No comparison					\$ 500
39	Transportation/ Hauling								
	Transportation Permit (per trip)	New	\$ 16	\$ 17	\$ 16	No comparison	No comparison	No comparison	
	Hauling	New	\$ 128	No comparison	\$ 16			\$ 16	
	Oversize Load	New	\$ 50	\$ 93	\$ 90			\$666 per house, plus \$2,439	
	House Moving	New	\$ 128	No comparison	No Comparison			No comparison	
	Hazardous Waste Hauling	New	\$ 256		\$0.50 to \$25 per			No comparison	
40	Hourly Rates								
	Engineering Services	New	\$ 256	\$ 135	\$ 221	No comparison	\$ 111	No comparison	
	Inspection Services	New	\$ 256	No comparison	\$ 221		\$ 151		
	Miscellaneous Services	\$ 148	\$ 256		No comparison		\$ 151		
	Peer Review by City consultant	Actual Cost					No comparison		
	Records Research - Engineering	\$ 148	\$ 256				\$ 151		
							\$ 151	\$ 134	

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Fee No.	Fee Description	Scotts Valley		Comparative Agencies				
		Current Fee	Recommended/ Proposed Fee	City of Santa Cruz	County of Santa Cruz	City of Capitola	City of Watsonville	Town of Los Gatos
41	WASTEWATER OPERATIONS							
	Discharge Report Review	\$ 389	\$ 512	No comparison	No comparison	No comparison	No comparison	No comparison
	Wastewater Stoppage Investigation	\$ 90	\$ 1,024					
	Direct Discharge Permit	\$ 135	\$ 2,048		\$ 4,013			

Notes

- [1] Source: "Watsonville PLNG_BLDG_Fees 17_18 All Others.pdf"
- [2] Source: "Los Gatos_FY2017-2018 Fee Schedule.pdf"
- [3] Source: "City of Santa Cruz_FeeSchedule2017.pdf"
- [4] Source: "Capitola_4077_5086_2017-18fee_schedule_amended.pdf"
- [5] Source: "Santa Cruz County Fee Schedule 4.28.18.pdf"

APPENDIX B. 5

Comparative Survey – Building Fees

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			Scotts Valley		Comparative Agencies				
Fee No.	Fee Description	Notes	Current Fee	Recommended/ Proposed Fee	City of Santa Cruz	County of Santa Cruz	City of Capitola	City of Watsonville	Town of Los Gatos
NEW CONSTRUCTION, ADDITIONS, REMODELS									
1	Building Permits				No comparison			No comparison	
	\$ 5,000		\$ 111	\$ 139		\$ 400	\$ 118		\$ 111
	each additional \$1,000 or fraction thereof		\$ 14	\$ 21		\$ 21	\$ 15		\$ 14
	\$ 25,000		\$ 392	\$ 550		\$ 718	\$ 414		\$ 392
	each additional \$1,000 or fraction thereof		\$ 10	\$ 19		\$ 16	\$ 11		\$ 10
	\$ 100,000		\$ 994	\$ 2,001		\$ 1,948	\$ 1,051		\$ 994
	each additional \$1,000 or fraction thereof		\$ 6	\$ 10		\$ 9	\$ 6		\$ 6
	\$ 500,000		\$ 3,234	\$ 5,850		\$ 5,333	\$ 3,423		\$ 3,234
	each additional \$1,000 or fraction thereof		\$ 5	\$ 7		\$ 8	\$ 5		\$ 5
	\$ 1,000,000		\$ 5,609	\$ 9,236		\$ 8,636	\$ 5,933		\$ 5,609
	each additional \$1,000 or fraction thereof		\$ 4	\$ 2	\$ 5	\$ 3	\$ 4		
	\$ 5,000,000		\$ 20,209	\$ 16,933	\$ 26,736	\$ 16,893	\$ 20,209		
	each additional \$1,000 or fraction thereof		\$ 4	\$ 3	\$ 5	\$ 3	\$ 4		
2	Building Plan Check and Processing (deposit)				No comparison			No comparison	
	\$ 5,000		\$ 72	\$ 139		\$ 420	\$ 77		\$ 72
	each additional \$1,000 or fraction thereof		\$ 9	\$ 23		\$ 22	\$ 10		\$ 9
	\$ 25,000		\$ 255	\$ 600		\$ 754	\$ 269		\$ 255
	each additional \$1,000 or fraction thereof		\$ 7	\$ 23		\$ 17	\$ 7		\$ 7
	\$ 100,000		\$ 646	\$ 2,309		\$ 2,046	\$ 683		\$ 646
	each additional \$1,000 or fraction thereof		\$ 4	\$ 12		\$ 10	\$ 4		\$ 4
	\$ 500,000		\$ 2,102	\$ 6,927		\$ 5,600	\$ 2,225		\$ 2,102
	each additional \$1,000 or fraction thereof		\$ 3	\$ 11		\$ 8	\$ 3		\$ 3
	\$ 1,000,000		\$ 3,646	\$ 12,315		\$ 9,068	\$ 3,856		\$ 3,646
	each additional \$1,000 or fraction thereof		\$ 2	\$ 1	\$ 5	\$ 2	\$ 2		
	\$ 5,000,000		\$ 13,136	\$ 16,933	\$ 28,073	\$ 10,980	\$ 13,136		
	each additional \$1,000 or fraction thereof		\$ 3	\$ 3	\$ 5	\$ 2	\$ 2		
3	Building Permit - Electrical Work Inspection Fee								
	Per Square Foot		NEW	\$ 0.08	No comparison	\$ 512	No comparison	\$ 0.10	\$0.11/sq.ft. Residential; \$0.08 sq.ft. Commercial
	Minimum Fee		NEW	\$ 231				\$ 151	\$ 77

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Fee No.	Fee Description	Notes	Scotts Valley		Comparative Agencies				
			Current Fee	Recommended/ Proposed Fee	City of Santa Cruz	County of Santa Cruz	City of Capitola	City of Watsonville	Town of Los Gatos
4	Building Permit - Mechanical Work Inspection Fee								
	Per Square Foot		NEW	\$ 0.08	No comparison	\$393 (minor); \$633	No comparison	\$151/hr.	\$0.11/sq.ft. Residential; \$0.08 sq.ft. Commercial
	Minimum Fee		NEW	\$ 231					\$ 77
5	Building Permit - Plumbing Work Inspection Fee								
	Per Square Foot		NEW	\$ 0.08	No comparison	\$393 (minor); \$426 (standard); \$353 (greywater)	No comparison	\$151/hr.	\$0.11/sq.ft. Residential; \$0.08 sq.ft. Commercial
	Minimum Fee		NEW	\$ 231					\$ 77
6	Green Building Education Fund		.0025 per \$1 building valuation (all building permits)		No comparison	No comparison	.0025 time overall building permit valuation of project	No comparison	No comparison
MINOR IMPROVEMENT PROJECTS / MISCELLANEOUS PERMITS									
7	Demolition permit		\$ 187	\$ 539	No comparison	\$ 356	No comparison	\$113 - \$297	\$ 258
8	Change of Occupancy Permit		\$ 172	\$ 616	No comparison	No comparison	No comparison	No comparison	\$ 146
9	Re-roof permit		\$ 284	\$ 308	No comparison	\$265.20 < 600 sq. ft.; \$500.56 >600 sq. ft.; \$424.32 per unit (townhouses)	No comparison	No comparison	\$3/sq. ft.
10	Septic tank inspection		\$ 197	\$ 770	No comparison	No comparison	No comparison	No comparison	No comparison
11	Sewer Lateral Connection Inspection		\$ 328	\$ 693	No comparison	No comparison	No comparison	\$ 400	No comparison

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			Scotts Valley		Comparative Agencies				
Fee No.	Fee Description	Notes	Current Fee	Recommended/ Proposed Fee	City of Santa Cruz	County of Santa Cruz	City of Capitola	City of Watsonville	Town of Los Gatos
12	Solar / PV Permit								
	Residential								
	15 kW or less		\$ -	\$ -	No comparison	\$ 276	\$ -	\$ 76	\$ 273
	per kW above 15kW		\$ -	\$ -					
	Commercial								
	50 kW or less		\$ 585	\$ 1,000	No comparison	No comparison	At cost	\$ 76	\$ 156
	per kW up to 250		\$ 12	\$ 7					
	250 kW		\$ 2,072	\$ 2,309					
	per kW over 250		\$ 8	\$ 5					
13	Window Retrofit		\$ -	\$ 539	No comparison				
14	Window Replacement		\$ 298	\$ 1,616	No comparison	\$265 - \$589	No comparison	\$121 - \$ 372	No comparison
MECHANICAL / PLUMBING / ELECTRICAL STAND ALONE									
15	Simple Inspection Items (up to 3 on one permit)		\$ 66	\$ 385	No comparison	No comparison	No comparison	\$ 151	No comparison
16	Complex Inspection Items		PER VAL TABLE						
OTHER MISCELLANEOUS FEES AND CHARGES									
17	Appeal Processing-Building								
	City Council Appeals		25% of permit fee/appeal, min. \$92	25% of permit fee/app., min \$154	\$ 1,043	No comparison	\$ 500	\$ 700	\$381 Residential; \$1,533 Commercial
	Board of Appeals appeal								
18	Inspections outside of normal business hours (per		\$ 47	\$ 154	No comparison	\$ 560	No comparison	No comparison	\$ 178
19	Other misc. inspections & reinspections (per inspection / trip)		\$ 96	\$ 154	\$ 113	\$ 221	No comparison	\$ 151	\$ 156
20	Additional plan review required by changes, additions or revisions to plans (per hour - minimum charge - one half hour)								
	First hour		\$ 47	\$ 154	\$ 127	\$ 221	No comparison	\$ 151	\$ 273
	Each Additional 1/2 Hour		\$ 24	\$ 77	No comparison	\$ 111		\$ 76	No comparison
21	For use of outside consultants for plan checking and inspection, or both		Actual Costs		No comparison				Actual Costs

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Fee No.	Fee Description	Notes	Scotts Valley		Comparative Agencies				
			Current Fee	Recommended/ Proposed Fee	City of Santa Cruz	County of Santa Cruz	City of Capitola	City of Watsonville	Town of Los Gatos
22	General Plan Maintenance (\$50,000)		\$ 245	\$ 245	No comparison	\$ 3,000	\$ 2,500	No comparison	No comparison

Notes

- [1] Source: "Watsonville PLNG_BLDG_Fees 17_18 All Others.pdf"
- [2] Source: "Los Gatos_FY2017-2018 Fee Schedule.pdf"
- [3] Source: "City of Santa Cruz_FeeSchedule2017.pdf"
- [4] Source: "Capitola_4077_5086_2017-18fee_schedule_amended.pdf"
- [5] Source: "Santa Cruz County Fee Schedule 4.28.18.pdf"

ATTACHMENT B

SUMMARY OF PROPOSED CHANGES TO FEE STRUCTURE

The following summarizes the proposed changes to the user fees and charges structure studied by NBS based on staff recommendations.

Fee Category	Change Type	Fee Description	Comments
Planning	New	Addressing Fee	Fee established for staff review of proposed address changes
Planning	Change	Amendment – Major	Require a deposit against which hours will be charged at the fully burdened hourly rate (FBHR) and the deposit replenished as necessary (per hour charge is retained)
Planning	Change	Certificate of Compliance	Require a deposit against which hours will be charged at the FBHR and the deposit replenished as necessary (per hour charge is retained)
Planning	Change	Design Review	Eliminate square footage fees in excess of 1,000 square feet
Planning	Change	Development Agreement	Increase number of hours in baseline cost from 25 to 35
Planning	Change	Environmental Impact Report Administration	Change from flat fee to deposit-based fee with hours charged based on FBHR
Planning	Change	General Plan and/or Specific Plan Amendment	Change from flat fee to deposit-based fee with number of hours in baseline deposit set at 35 hours times the FBHR
Planning	Change	Land Divisions (Subdivisions, Minor Land Divisions)	Change from flat fee to deposit-based fee with number of hours in baseline deposit set at 35 hours times the FBHR
Planning	Change	Mitigation Monitoring	Require a deposit against which hours will be charged at the FBHR and the deposit replenished as necessary (per hour charge is retained)
Planning	Change	Negative Declaration	Increase number of hours in baseline cost from 20 to 40
Planning	Change	Planned Development	Change from flat baseline fee to deposit-based fee with hours charged based on FBHR
Planning	Change	Use Permit	Change from flat fee to a base fee that include 32 hours for minor projects and 62 hours for major projects, with staff time over those thresholds charged at the FBHR; all residential projects characterized as minor projects
Planning	Change	Variance Application	Change from flat fee to a base fee that include 38 hours, with staff time over that amount charged at the FBHR
Planning	Change	Zone Change, Zoning Ordinance Amendment	Change from flat baseline fees to deposit-based fees with hours charged based on FBHR
Building	Delete	Application Intake & File Maintenance	Eliminate the application intake and file maintenance fees and incorporate the time

AGENDA ITEM 1
DATE: 6-6-2018

Fee Category	Change Type	Fee Description	Comments
			estimates into the Building Permits and Building Plan Check and Processing fees
Building	Delete	Grading inspections (residential and commercial)	Eliminate fee, incorporate as part of Building Permit fees
Building	Delete	Final Occupancy Review	Eliminate fee, incorporate into Building Permit fees
Building	Delete	Records Research	Eliminate fee, handled based on public records requests or as part of customer service
Building	Change	Building Permits and Building Plan Check and Processing	Bifurcate fees as two separate fees; use project valuation with six tiers based on project valuation ranging from \$5,000 to \$5,000,000+; fees exclude electrical, mechanical and plumbing inspections
Building	New	Building Permit – Electrical, Mechanical and Plumbing	Created three separate fees based on square footage of project for electrical, mechanical and plumbing, charged only to the extent the project includes those trades
Building	New	Additional Plan Review	New fee for plan reviews required after initial submittal and approval charged in ½ hour increments at the FBHR subject to a one hour minimum
Building	New	Stand Alone Permits – Electrical, Mechanical and Plumbing	Created stand-alone permit fees for projects that only have one or more of the three trades; simple inspection items (up to 3 on one permit) are based on flat fee; multi-family residential, commercial, industrial and complex projects are based on valuation table used for Building Permits.
Building	New	Window Retrofit	Created new flat fee previously included in the Building Permit fee category
Building	New	Window Replacement	Created new flat fee previously included in the Building Permit fee category
Building	Change	Solar/PV Permits	Included permit fee categories on master fees and charges schedule for residential and commercial projects that are consistent with the Government Code; allows Council to establish fees for each category that does not exceed state law requirements
Public Works	Change	On-Site Civil Permits	Changed number of tiers based on project valuation from 3 tiers to 5 tiers ranging from \$10,000 to \$1,000,000
Public Works	New	Public Improvements (ROW) Inspections	Created new fee using same structure as On-Site Civil Permits to clarify improvements in the ROW requiring inspections
Public Works	Change	Transportation/Hauling	Clarified charges for fees related to transportation permits, hauling, oversize loads, house moving and hazardous waste hauling
Public Works	New	Hourly Rates	Created hourly rate charges for services not otherwise captured in the fee structure for engineering, inspections, records research and

Fee Category	Change Type	Fee Description	Comments
			miscellaneous services; also includes peer review by City consultant at actual cost
Public Works	Change	Storm Water Compliance Review	Change fee structure from flat fee based on number of plan pages submitted for review to 4 tiers of project types/sizes
Public Works	New	Review of Annual Reports of Privately Maintained Post-Construction Treatment Devices	Created a new flat fee for staff time required to review annual reports for privately owned treatment devices required under state law
Public Works	New	Storm Water Pollution Prevention Plan (SWPPP)	Created a new flat fee for staff time incurred in preparing a SWPPP for projects as required under state law
Police	Change	Police Alarm Services Subscribers	Reduced number of tiers for false alarms from 5 tiers to 3 tiers; created one fee structure for business and residential subscribers
Police	Change	Bingo Games License Fee	Created separate fees for initial license and reduced fee for renewals
Police	Change	Fire Arms – Surrendered Fire Arms	Changed fee structure as a flat per-firearm storage fee for initial 30 days, and a daily fee for each day after 30 days
Police	New	Tobacco Retail License; Second Hand Dealer License; Massage Permits	Created new flat fees for review of license applications for these three business types
Police	New	Body Cam Video Release/Editing	Created new flat fees for releasing and editing body worn camera video in anticipation of new program
Administrative	Delete	City overhead	Eliminated this from fees and charge schedule in light of cost allocation plan being developed
Administrative	Delete	COBRA Health Administrative Fee	Unnecessary as fee is charged by PEMHCA
Administrative	Delete	Sale of Aerial Photo Copies; Video Tape Duplication; Audio Tape Duplication; Map Blueprint Copies	Eliminated as services are no longer provided and/or would be outsourced by referral to private service providers

CITY OF SCOTTS VALLEY
MASTER FEES AND CHARGES SCHEDULE
PROPOSED FY 2018/19 FEES BASED ON THREE-YEAR PHASE IN OF FEE INCREASES

CURRENT FEE			PROPOSED FEES						
FY 2017/18 AS OF 8/7/2017			FEE BASIS / DESCRIPTION	Proposed Cost Recovery at Current Costs	Current Fee	Three Year Phase-In			
FY 2017/18						FY 2018/19	FY 2019/20	FY 2020/21	
PLANNING DEPARTMENT FEES									
Addressing Fee			Flat fee (NEW)	\$ 672	NEW	\$ 672	\$ 752	\$ 941	
Application Intake & File Maintenance									
Minor or Singular Discretionary Permit Applications	\$ 77	per Planning application	Per Planning application	\$ 448	\$ 77	\$ 155	\$ 312	\$ 627	
Major Discretionary Permits or Multiple Applications Filed for One Project	\$ 148	per Planning application	Per Planning application	\$ 895	\$ 148	\$ 302	\$ 616	\$ 1,253	
Annexation Fee									
Minimum Deposit	\$ 3,731	Minimum fee for up to 25 hours of processing, \$148 per hour to be charged after	Base fee includes 35 hours	\$ 7,831	\$ 3,731	\$ 5,344	\$ 7,654	\$ 10,963	
Hourly rate	\$ 148	first 25 hours	Hourly rate after 35 hours	\$ 224	\$ 148	\$ 190	\$ 244	\$ 314	
Amendment									
Minor	\$ 894	per hearing							
Major									
Minimum deposit	\$ 894	Minimum fee for up to 10 hours of processing	Base fee includes 10 hours	\$ 2,238	\$ 894	\$ 1,358	\$ 2,063	\$ 3,133	
Hourly rate	\$ 148	per hour	Hourly rate after 10 hours	\$ 224	\$ 148	\$ 190	\$ 244	\$ 314	
Appeal Processing:			25% of original permit fee or approved application with minimum fee based on one hour of processing at fully burdened hourly rate	\$ 224	\$ 148	\$ 190	\$ 244	\$ 314	
Bee Keeping Permit			Flat fee	\$ 224	\$ 148	\$ 190	\$ 244	\$ 314	
Certificate of Compliance									
Flat fee	\$ 746	plus any research required by City Attorney billed at hourly rate plus any research required by City Attorney billed at hourly rate	DELETED						
Minimum deposit	\$ 746		Base fee includes 10 hours	\$ 2,238	\$ 746	\$ 1,204	\$ 1,943	\$ 3,133	
Hourly rate	\$ 148		Hourly rate after 10 hours	\$ 224	\$ 148	\$ 190	\$ 244	\$ 314	
Code Compliance			Hourly rate	\$ 224	\$ 148	\$ 190	\$ 244	\$ 314	
Cultural Resource Alteration			Flat fee	\$ 1,790	\$ 894	\$ 1,261	\$ 1,778	\$ 2,506	
Design Review:									
Commercial/Industrial	\$ 894		Base fee includes 20 hours	\$ 2,240	\$ 894	\$ 1,358	\$ 2,063	\$ 3,136	

CITY OF SCOTTS VALLEY
MASTER FEES AND CHARGES SCHEDULE
PROPOSED FY 2018/19 FEES BASED ON THREE-YEAR PHASE IN OF FEE INCREASES

		CURRENT FEE	PROPOSED FEES										
			FEE BASIS / DESCRIPTION	Proposed Cost Recovery at Current Costs	Current Fee	Three Year Phase-In							
FY 2017/18 AS OF 8/7/2017					FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21					
Residential	\$	894	Base fee includes 20 hours	\$	2,240	\$	894	\$	1,358	\$	2,063	\$	3,136
Residential with hillside	\$	1,194	Flat fee	\$	4,475	\$	1,194	\$	2,075	\$	3,606	\$	6,265
Hourly rate	\$	148	Hourly rate after 20 hours applied to Commercial/Industrial and Residential (excluding Hillside)	\$	224	\$	148	\$	190	\$	244	\$	314
+ Per Each Additional 100 SQ FT in excess of 1,000 SQ FT of building for parcels to be developed with structure	\$	5	DELETED										
Sign Programs	\$	370	Flat fee	\$	4,475	\$	370	\$	950	\$	2,439	\$	6,265
Freestanding Signs	\$	370	Flat fee	\$	1,344	\$	370	\$	636	\$	1,094	\$	1,882
Signs with Staff Level Review	\$	148	Flat fee	\$	672	\$	148	\$	274	\$	508	\$	941
Development Agreement													
Minimum deposit	\$	3,731	minimum fee for up to 25 hours of processing	\$	7,831	\$	3,731	\$	5,344	\$	7,654	\$	10,963
Hourly rate	\$	148	Hourly rate after 35 hours	\$	224	\$	148	\$	190	\$	244	\$	314
Environment Assessment	\$	148	Flat fee	\$	224	\$	148	\$	190	\$	244	\$	314
Environmental Impact Report, Administration													
Minimum deposit	\$	26,231	Base fee includes 74 hours	\$	16,558	\$	26,231	\$	16,558	\$	18,523	\$	23,181
Hourly rate	\$	148	Hourly rate after 74 hours	\$	224	\$	148	\$	190	\$	244	\$	314
Consultant costs			Based on actual costs										
Final Inspection	\$	336	Flat fee	\$	1,343	\$	336	\$	597	\$	1,060	\$	1,880
Fish & Game Certification:													
City Filing Fee	\$	148	Flat fee	\$	448	\$	148	\$	239	\$	387	\$	627
F & G Negative Declaration Fee		As set by Fish and Game	As set by Fish and Game										
F & G EIR Fee		As set by Fish and Game	As set by Fish and Game										
General Plan and/or Specific Plan Amendment													
Minimum deposit	\$	3,731	minimum fee for up to 25 hours of processing	\$	7,831	\$	3,731	\$	5,344	\$	7,654	\$	10,963
Hourly rate	\$	148	Hourly rate after 35 hours	\$	224	\$	148	\$	190	\$	244	\$	314
General Plan Maintenance	\$	0.0049	per \$1 building valuation	\$	0.0049	\$	0.0049	\$	0.0049	\$	0.0049	\$	0.0049
Historical Landmark Determination	\$	1,194	Flat fee	\$	4,475	\$	1,194	\$	2,075	\$	3,606	\$	6,265
Home Occupation Review	\$	93	Flat fee	\$	168	\$	93	\$	127	\$	173	\$	235

CITY OF SCOTTS VALLEY
MASTER FEES AND CHARGES SCHEDULE
PROPOSED FY 2018/19 FEES BASED ON THREE-YEAR PHASE IN OF FEE INCREASES

CURRENT FEE			PROPOSED FEES												
FY 2017/18 AS OF 8/7/2017			FEE BASIS / DESCRIPTION	Proposed Cost Recovery at Current Costs	Current Fee	Three Year Phase-In									
					FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21							
IPHCP Certificate of Inclusion			\$	336	Flat fee	\$	448	\$	336	\$	414	\$	510	\$	627
Land Divisions:															
Subdivision / Tentative Map Entitlement (5 lots or more)															
Minimum deposit			\$	3,731	Minimum fee for up to 25 hours of processing,	\$	7,831	\$	3,731	\$	5,344	\$	7,654	\$	10,963
Hourly rate			\$	148	Charged after first 25 hours	\$	224	\$	148	\$	190	\$	244	\$	314
Per lot charge			\$	82	DELETED										
Subdivision / Tentative Map Recordation - Approval (5 lots or more)															
Minimum deposit			\$	1,194	Minimum fee for up to 8 hours of processing,	\$	4,475	\$	1,194	\$	2,075	\$	3,606	\$	6,265
Hourly rate			\$	148	Charged after first 8 hours	\$	224	\$	148	\$	190	\$	244	\$	314
Minor Land Division / Parcel Map - Tentative															
Minimum deposit			\$	3,731	Minimum fee for up to 25 hours of processing,	\$	7,831	\$	3,731	\$	5,344	\$	7,654	\$	10,963
Hourly rate			\$	148	Charged after first 25 hours	\$	224	\$	148	\$	190	\$	244	\$	314
Minor Land Division / Parcel Map - Final (4 lots or less)															
Minimum deposit			\$	596	Minimum fee for up to 4 hours of processing,	\$	2,238	\$	596	\$	1,036	\$	1,801	\$	3,133
Hourly rate			\$	148	Charged after first 4 hours	\$	224	\$	148	\$	190	\$	244	\$	314
Lot Line Adjustment Review			\$	148	Flat fee	\$	448	\$	148	\$	239	\$	387	\$	627
Mitigation Monitoring															
Base fee			N/A			\$	2,238	\$	740	\$	1,197	\$	1,936	\$	3,133
Hourly rate			\$	148	Per hour	\$	224	\$	148	\$	190	\$	244	\$	314
Mitigated Negative Declaration															
Minimum deposit			\$	5,976	Minimum fee for up to 40 hours of processing,	\$	6,720	\$	5,976	\$	6,952	\$	8,087	\$	9,408
Hourly rate			\$	148	Charged after first 40 hours	\$	224	\$	148	\$	190	\$	244	\$	314
Negative Declaration															

CITY OF SCOTTS VALLEY
MASTER FEES AND CHARGES SCHEDULE
PROPOSED FY 2018/19 FEES BASED ON THREE-YEAR PHASE IN OF FEE INCREASES

CURRENT FEE			PROPOSED FEES						
FY 2017/18 AS OF 8/7/2017			FEE BASIS / DESCRIPTION	Proposed Cost Recovery at Current Costs	Current Fee	Three Year Phase-In			
					FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	
Minimum fee for up to 20 hours of processing,			Base fee includes 20 hours	\$ 4,475	\$ 2,989	\$ 3,825	\$ 4,895	\$ 6,265	
Minimum deposit	\$ 2,989	Charged after first 20 hours	Hourly rate after 20 hours	\$ 224	\$ 148	\$ 190	\$ 244	\$ 314	
Hourly rate	\$ 148								
Notice of Determination:			Flat fee	\$ 336	\$ 148	\$ 218	\$ 320	\$ 470	
City Filing Fee	\$ 148	As set by County	Fee set by County						
County Fee (subject to change)									
Planned Development									
Minimum fee for up to 25 hours of processing,			Base fee includes 26 hours	\$ 5,818	\$ 3,731	\$ 4,840	\$ 6,279	\$ 8,145	
Minimum deposit	\$ 3,731	Charged after first 25 hours	Hourly rate after 26 hours	\$ 224	\$ 148	\$ 190	\$ 244	\$ 314	
Hourly rate	\$ 148								
Preliminary Review	\$ 1,194		Flat fee	\$ 5,594	\$ 1,194	\$ 2,235	\$ 4,184	\$ 7,832	
Public Hearing Notice and Radius Noticing:			Flat fee	\$ 336	\$ 203	\$ 269	\$ 356	\$ 470	
Planning Commission Meeting	\$ 203		Flat fee	\$ 336	\$ 203	\$ 269	\$ 356	\$ 470	
City Council Meeting	\$ 203								
Recordation Fee:			Flat fee	\$ 336	\$ 148	\$ 218	\$ 320	\$ 470	
City Filing Fee	\$ 148	\$7 first page, \$3 per page after	\$7 first page, \$3 per page after						
County Recorder Fee (subject to change)									
Road Name Change	\$ 148		Flat fee	\$ 1,566	\$ 148	\$ 363	\$ 891	\$ 2,192	
Time Extension:			Flat fee	\$ 2,238	\$ 882	\$ 1,346	\$ 2,054	\$ 3,133	
Planning Commission Meeting	\$ 882		Flat fee	\$ 2,685	\$ 1,187	\$ 1,743	\$ 2,560	\$ 3,759	
City Council Meeting	\$ 1,187								
Tree Removal Permit - Heritage Tree			Flat fee	\$ 3,356	\$ 713	\$ 1,337	\$ 2,507	\$ 4,698	
Heritage Tree	\$ 713		Flat fee	\$ 112	\$ 50	\$ 73	\$ 107	\$ 157	
Protected Tree	\$ 50								
Use Permit:			Base fee includes 32 hours	\$ 2,240	\$ 882	\$ 1,346	\$ 2,054	\$ 3,136	
Commercial, Industrial or Residential - Minor	\$ 882		Base fee includes 62 hours	\$ 4,480	\$ 1,489	\$ 2,405	\$ 3,884	\$ 6,272	
Commercial or Industrial - Major	\$ 1,489	Per hour	Hourly rate after allotted hours	\$ 224	\$ 148	\$ 190	\$ 244	\$ 314	
Hourly rate	\$ 148								
Variance Application			Base fee includes 38 hours	\$ 4,480	\$ 2,239	\$ 3,156	\$ 4,449	\$ 6,272	
Base Fee	\$ 2,239		Hourly rate after 38 hours (NEW)	\$ 224	\$ 148	\$ 190	\$ 244	\$ 314	
Hourly Rate	N/A								
Zone Change									

CITY OF SCOTTS VALLEY
MASTER FEES AND CHARGES SCHEDULE
PROPOSED FY 2018/19 FEES BASED ON THREE-YEAR PHASE IN OF FEE INCREASES

CURRENT FEE			PROPOSED FEES						
FY 2017/18 AS OF 8/7/2017			FEE BASIS / DESCRIPTION	Proposed Cost Recovery at Current Costs	Current Fee	Three Year Phase-In			
					FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	
Minimum deposit	\$	3,731	Minimum fee for up to 26 hours of processing,	Base fee includes 26 hours	\$ 5,818	\$ 3,731	\$ 4,840	\$ 6,279	\$ 8,145
Hourly rate	\$	148	Charged after first 26 hours	Hourly rate after 26 hours	\$ 224	\$ 148	\$ 190	\$ 244	\$ 314
Zoning Ordinance	\$	20		DELETED					
Zoning Ordinance Amendment									
Minimum deposit	\$	3,731	Minimum fee for up to 26 hours of processing,	Base fee includes 26 hours	\$ 5,818	\$ 3,731	\$ 4,840	\$ 6,279	\$ 8,145
Hourly rate	\$	148	Charged after first 26 hours	Hourly rate after 26 hours	\$ 224	\$ 148	\$ 190	\$ 244	\$ 314
Zoning Plan Check									
Over the counter	\$	77		Hourly rate (one-hour minimum)	\$ 224	\$ 148	\$ 190	\$ 244	\$ 314
Minor	\$	370		Hourly rate (one-hour minimum)	\$ 224	\$ 148	\$ 190	\$ 244	\$ 314
Major	\$	596		Hourly rate (one-hour minimum)	\$ 224	\$ 148	\$ 190	\$ 244	\$ 314
Hillside	\$	746		Hourly rate (one-hour minimum)	\$ 224	\$ 148	\$ 190	\$ 244	\$ 314
Zoning Research / Letters	\$	148	per hour	Hourly rate	\$ 224	\$ 148	\$ 190	\$ 244	\$ 314
BUILDING DEPARTMENT FEES									
New Construction, Additions, Remodels									
Application Intake & File Maintenance									
Minor or Singular Building Permit Applications	\$	77	per Building application	DELETED - INCORPORATED INTO BUILDING PERMIT FEES					
Major Building Permits or Multiple Applications Filed for One Project	\$	148	per Building application	DELETED - INCORPORATED INTO BUILDING PERMIT FEES					
Building Permits									
Up to \$5,000	\$	111.00		Valuation based flat fee	\$ 139.00	\$ 111.00	\$ 134.00	\$ 162.00	\$ 194.60
Each additional \$1,000 or fraction thereof	\$	14.05		Valuation based flat fee	\$ 20.55	\$ 14.05	\$ 17.85	\$ 22.65	\$ 28.77
\$25,000	\$	392.00		Valuation based flat fee	\$ 550.00	\$ 392.00	\$ 491.00	\$ 615.00	\$ 770.00
Each additional \$1,000 or fraction thereof	\$	8.03		Valuation based flat fee	\$ 19.35	\$ 8.03	\$ 12.17	\$ 18.24	\$ 27.09
\$100,000	\$	994.00		Valuation based flat fee	\$ 2,001.00	\$ 994.00	\$ 1,404.00	\$ 1,983.00	\$ 2,801.40
Each additional \$1,000 or fraction thereof	\$	5.60		Valuation based flat fee	\$ 9.62	\$ 5.60	\$ 7.51	\$ 10.06	\$ 13.47
\$500,000	\$	3,234.00		Valuation based flat fee	\$ 5,850.00	\$ 3,234.00	\$ 4,408.00	\$ 6,008.00	\$ 8,190.00
Each additional \$1,000 or fraction thereof	\$	4.75		Valuation based flat fee	\$ 6.77	\$ 4.75	\$ 6.00	\$ 7.56	\$ 9.48
\$1,000,000	\$	5,609.00		Valuation based flat fee	\$ 9,236.00	\$ 5,609.00	\$ 7,410.00	\$ 9,789.00	\$ 12,930.40
Each additional \$1,000 or fraction thereof	\$	3.65		Valuation based flat fee	\$ 1.92	\$ 3.65	\$ 2.38	\$ 2.56	\$ 2.69
\$5,000,000	\$	20,209.00		Valuation based flat fee	\$ 16,934.00	\$ 20,209.00	\$ 16,934.00	\$ 20,037.00	\$ 23,707.60
Each additional \$1,000 or fraction thereof	\$	3.65		Valuation based flat fee	\$ 3.39	\$ 3.65	\$ 3.39	\$ 4.01	\$ 4.75
Building Plan Check and Processing									

CITY OF SCOTTS VALLEY
MASTER FEES AND CHARGES SCHEDULE
PROPOSED FY 2018/19 FEES BASED ON THREE-YEAR PHASE IN OF FEE INCREASES

CURRENT FEE			PROPOSED FEES					
FY 2017/18 AS OF 8/7/2017			FEE BASIS / DESCRIPTION	Proposed Cost Recovery at Current Costs	Current Fee	Three Year Phase-In		
					FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
Up to \$5,000	\$	72.00	Valuation based flat fee	\$ 139.00	\$ 72.00	\$ 100.00	\$ 139.00	\$ 194.60
Each additional \$1,000 or fraction thereof	\$	9.15	Valuation based flat fee	\$ 23.05	\$ 9.15	\$ 13.95	\$ 21.25	\$ 32.27
\$25,000	\$	255.00	Valuation based flat fee	\$ 600.00	\$ 255.00	\$ 379.00	\$ 564.00	\$ 840.00
Each additional \$1,000 or fraction thereof	\$	5.21	Valuation based flat fee	\$ 22.79	\$ 5.21	\$ 9.68	\$ 17.68	\$ 31.90
\$100,000	\$	646.00	Valuation based flat fee	\$ 2,309.00	\$ 646.00	\$ 1,105.00	\$ 1,890.00	\$ 3,232.60
Each additional \$1,000 or fraction thereof	\$	3.64	Valuation based flat fee	\$ 11.55	\$ 3.64	\$ 5.99	\$ 9.84	\$ 16.16
\$500,000	\$	2,102.00	Valuation based flat fee	\$ 6,927.00	\$ 2,102.00	\$ 3,499.00	\$ 5,825.00	\$ 9,697.80
Each additional \$1,000 or fraction thereof	\$	3.09	Valuation based flat fee	\$ 10.78	\$ 3.09	\$ 5.24	\$ 8.89	\$ 15.09
\$1,000,000	\$	3,646.00	Valuation based flat fee	\$ 12,315.00	\$ 3,646.00	\$ 6,120.00	\$ 10,272.00	\$ 17,241.00
Each additional \$1,000 or fraction thereof	\$	2.37	Valuation based flat fee	\$ 1.15	\$ 2.37	\$ 2.70	\$ 2.44	\$ 1.62
\$5,000,000	\$	13,136.00	Valuation based flat fee	\$ 16,934.00	\$ 13,136.00	\$ 16,934.00	\$ 20,036.58	\$ 23,707.60
Each additional \$1,000 or fraction thereof	\$	2.37	Valuation based flat fee	\$ 3.39	\$ 2.37	\$ 3.39	\$ 4.01	\$ 4.75
Building Permit - Electrical Work Inspection Fee								
Permit fee per square foot	N/A		Per square foot based flat fee (NEW)	\$ 0.08	N/A	\$ 0.08	\$ 0.09	\$ 0.11
Minimum Fee	N/A	Actual cost	Minimum fee (NEW)	\$ 231	N/A	\$ 231	\$ 273	\$ 323
Building Permit - Mechanical Work Inspection Fee								
Permit fee per square foot	N/A		Per square foot based flat fee (NEW)	\$ 0.08	N/A	\$ 0.08	\$ 0.09	\$ 0.11
Minimum Fee	N/A	Actual cost	Minimum fee (NEW)	\$ 231	N/A	\$ 231	\$ 273	\$ 323
Building Permit - Plumbing Work Inspection Fee								
Permit fee per square foot	N/A		Per square foot based flat fee (NEW)	\$ 0.08	N/A	\$ 0.08	\$ 0.09	\$ 0.11
Minimum Fee	N/A	Actual cost	Minimum fee (NEW)	\$ 231	N/A	\$ 231	\$ 273	\$ 323
Green Building Education Fund	\$	0.0025	per \$1 building valuation (all building permits)	\$ 0.0025	\$ 0.0025	\$ 0.0025	\$ 0.0025	\$ 0.0025
Minor Improvement Projects and Miscellaneous Permits								
Demolition permit	\$	194	Flat fee	\$ 539	\$ 194	\$ 305	\$ 480	\$ 755
Change of Occupancy Permit	\$	172	Flat fee	\$ 616	\$ 172	\$ 294	\$ 503	\$ 862
Re-roof permit	\$	294	Flat fee	\$ 308	\$ 294	\$ 334	\$ 379	\$ 431
Septic tank inspection	\$	197	Flat fee	\$ 770	\$ 197	\$ 347	\$ 611	\$ 1,078
Sewer Lateral Connection Inspection	\$	197	Flat fee	\$ 693	\$ 197	\$ 335	\$ 570	\$ 970
Solar / PV Permit	Fee structure based on California Government Code §66015							
Residential								
15 kWh or less			Fee waived	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF SCOTTS VALLEY
MASTER FEES AND CHARGES SCHEDULE
PROPOSED FY 2018/19 FEES BASED ON THREE-YEAR PHASE IN OF FEE INCREASES

CURRENT FEE			PROPOSED FEES					
FY 2017/18 AS OF 8/7/2017			FEE BASIS / DESCRIPTION	Proposed Cost Recovery at Current Costs	Current Fee	Three Year Phase-In		
FY 2017/18						FY 2018/19	FY 2019/20	FY 2020/21
per kWh above 15 kWh Commercial			Fee waived	\$ -	\$ -	\$ -	\$ -	\$ -
50 kWh or less	\$	585	Minimum fee	\$ 1,000.00	\$ 585.00	\$ 782.00	\$ 1,046.00	\$ 1,400.00
per kWh up to 250 kWh	\$	12	Per kWh based flat fee	\$ 6.54	\$ 12.00	\$ 7.64	\$ 8.43	\$ 9.16
250 kWh	\$	2,072	Per kWh based flat fee	\$ 2,309.00	\$ 2,072.00	\$ 2,309.00	\$ 2,732.05	\$ 3,232.60
per kWh over 250 kWh	\$	8	Per kWh based flat fee	\$ 5.00	\$ 8.00	\$ 5.00	\$ 5.92	\$ 7.00
Window Retrofit	N/A		Flat fee (NEW)	\$ 539	NEW	\$ 539	\$ 603	\$ 755
Window Replacement	\$	298	Flat fee (NEW)	\$ 1,616	\$ 298	\$ 586	\$ 1,152	\$ 2,262
Mechanical / Plumbing / Electrical Stand Alone Permits								
Simple inspection items (up to 3 on one permit)	N/A		Flat fee (NEW)	\$ 385	NEW	\$ 385	\$ 431	\$ 539
Multi-family residential, commercial, industrial and complex projects	N/A		Based on Building Permit valuation table					
Other Miscellaneous Fees and Charges								
Appeal Processing-Building:								
City Council Appeals	\$	92	25% of original permit fee or approved application subject to minimum fee	\$ 154	\$ 92	\$ 122	\$ 162	\$ 216
Board of Appeals appeal	\$	92	25% of original permit fee or approved application subject to minimum fee	\$ 154	\$ 92	\$ 122	\$ 162	\$ 216
General Plan Maintenance	\$	0.0049	per \$1 building valuation	\$ 0.0049	\$ 0.0049	\$ 0.0049	\$ 0.0049	\$ 0.0049
Inspections outside of normal business hours	\$	47	Hourly rate (minimum charge of 2 hours)	\$ 154	\$ 47	\$ 78	\$ 130	\$ 216
Other misc. inspections & reinspections (per inspection/trip)	\$	96	Per trip flat fee	\$ 154	\$ 96	\$ 126	\$ 165	\$ 216
Plan review - Additional plan review required by changes, additions or revisions to plans								
First hour	\$	148	Hourly rate	\$ 154	\$ 148	\$ 168	\$ 191	\$ 216
Each additional 1/2 hour	\$	74	Hourly rate	\$ 77	\$ 74	\$ 84	\$ 95	\$ 108
Planning Application Review (per request/review)	N/A		Flat fee (NEW)	\$ 231	NEW	\$ 231	\$ 258	\$ 323
Use of outside consultants for plan checking and inspection, or both		Actual costs	Actual costs					

CITY OF SCOTTS VALLEY
MASTER FEES AND CHARGES SCHEDULE
PROPOSED FY 2018/19 FEES BASED ON THREE-YEAR PHASE IN OF FEE INCREASES

		CURRENT FEE	PROPOSED FEES							
		FY 2017/18 AS OF 8/7/2017	FEE BASIS / DESCRIPTION		Proposed Cost Recovery at Current Costs	Current Fee FY 2017/18	Three Year Phase-In			
							FY 2018/19	FY 2019/20	FY 2020/21	
Energy & handicapped accessibility regs.										
Residential	\$	66		DELETED						
Commercial	\$	197		DELETED						
Grading Inspection (residential)										
Residential	\$	194		DELETED - INCORPORATED INTO BUILDING PERMIT FEES						
Commercial	\$	389		DELETED - INCORPORATED INTO BUILDING PERMIT FEES						
Final Occupancy Review	\$	118		DELETED - INCORPORATED INTO BUILDING PERMIT FEES						
Records research - building (per hour)	\$	148 per hour		DELETED						
PUBLIC WORKS - Engineering Division										
Planning Application Review/Support										
Annexation	\$	929		Flat fee	\$ 512	\$ 929	\$ 512	\$ 606	\$ 717	
Design Review										
Commercial / Industrial	\$	54		Flat fee	\$ 512	\$ 54	\$ 128	\$ 303	\$ 717	
Residential	\$	54		Flat fee	\$ 256	\$ 54	\$ 101	\$ 190	\$ 358	
Residential with Hillside	\$	77		Flat fee	\$ 256	\$ 77	\$ 129	\$ 215	\$ 358	
Development Agreement	\$	265		Flat fee	\$ 512	\$ 265	\$ 369	\$ 514	\$ 717	
Engineering Plan Review Fee (per page)	\$	191		DELETED						
Environmental Assessment	N/A	N/A		Flat fee (NEW)	\$ 768	N/A	\$ 600	\$ 803	\$ 1,075	
Environmental Impact Report, Administration	\$	448		Flat fee	\$ 768	\$ 448	\$ 600	\$ 803	\$ 1,075	
General Plan Amendment	\$	189		Flat fee	\$ 256	\$ 189	\$ 234	\$ 290	\$ 358	
Land Divisions										
Minor Land Division / Parcel Map (4 lots or less)	\$	569		Flat fee	\$ 2,176	\$ 569	\$ 995	\$ 1,741	\$ 3,046	
Minor Land Division / Parcel Map Record Approval (4 lots or less)	\$	114		Flat fee	\$ 384	\$ 114	\$ 191	\$ 320	\$ 538	
Subdivision / Tentative Map Entitlement (5 lots or more)	\$	1,268		Flat fee	\$ 1,280	\$ 1,268	\$ 1,423	\$ 1,597	\$ 1,792	

CITY OF SCOTTS VALLEY
MASTER FEES AND CHARGES SCHEDULE
PROPOSED FY 2018/19 FEES BASED ON THREE-YEAR PHASE IN OF FEE INCREASES

CURRENT FEE			PROPOSED FEES										
FY 2017/18 AS OF 8/7/2017			FEE BASIS / DESCRIPTION	Proposed Cost Recovery at Current Costs	Current Fee	Three Year Phase-In							
FY 2017/18					FY 2018/19	FY 2019/20	FY 2020/21						
Subdivision / Tentative Map Recordation Approval (5 lots or more)	\$	403	Flat fee	\$	768	\$	403	\$	559	\$	775	\$	1,075
Mitigated Negative Declarations	\$	297	DELETED										
Planned Development	N/A		Flat fee (NEW)	\$	256	N/A		\$	234	\$	289	\$	358
Tentative Map Extension/Modification	N/A		Flat fee (NEW)	\$	512	N/A		\$	369	\$	514	\$	717
Use Permit													
Commercial or Industrial - Minor	\$	194	Flat fee	\$	256	\$	194	\$	238	\$	292	\$	358
Commercial or Industrial - Major	\$	332	Flat fee	\$	896	\$	332	\$	517	\$	805	\$	1,254
Residential	\$	194	Flat fee	\$	256	\$	194	\$	238	\$	292	\$	358
Variance	\$	77	Flat fee	\$	256	\$	77	\$	129	\$	215	\$	358
Zone Change / Zoning Ordinance Amendment	N/A	N/A	Flat fee (NEW)	\$	128	N/A		\$	128	\$	151	\$	179
Land Development Engineering Fees													
Application Intake Fee - Final Map	\$	77	Flat fee	\$	256	\$	77	\$	129	\$	215	\$	358
Lot Line Adjustment (or Lot Merger)													
Base fee	\$	853	Flat fee	\$	768	\$	853	\$	921	\$	995	\$	1,075
Recording fee		Actual cost	Flat fee (NEW)	\$	128	N/A		\$	128	\$	151	\$	179
Certificate of Correction	\$	596	Flat fee	\$	768	\$	596	\$	725	\$	883	\$	1,075
Certification of Compliance (deposit)	N/A		Deposit based on 2 hours (NEW)	\$	512	N/A		\$	512	\$	606	\$	717
Easement/Abandonment Request	\$	3,812	Flat fee	\$	768	\$	3,812	\$	768	\$	909	\$	1,075
Encroachment Permit													
Base fee		Greater of 6% of cost of improvement or \$106	DELETED										
Minor: Non-development-related curb, gutter, sidewalk, driveway; up to 3 potholes on the same street; up to 3 monitoring wells on the same street; one lateral street opening; routine maintenance by a utility company; street tree planting													
	N/A		Flat fee	\$	256	\$	106	\$	159	\$	239	\$	358

CITY OF SCOTTS VALLEY
MASTER FEES AND CHARGES SCHEDULE
PROPOSED FY 2018/19 FEES BASED ON THREE-YEAR PHASE IN OF FEE INCREASES

CURRENT FEE		PROPOSED FEES											
FY 2017/18 AS OF 8/7/2017		FEE BASIS / DESCRIPTION	Proposed Cost Recovery at Current Costs	Current Fee FY 2017/18	Three Year Phase-In								
					FY 2018/19	FY 2019/20	FY 2020/21						
Major: Work on construction requiring extended impact to traffic, multiple inspections or other on-going disturbances such as utility mains, street widening and major undergrounding													
Up to \$10,000	N/A	Valuation based flat fee											
Each additional \$1,000 or fraction thereof	N/A	Valuation based flat fee	\$	512.11	N/A	\$	512.11	\$	606.00	\$	717.00		
\$50,000	N/A	Valuation based flat fee	\$	32.01	N/A	\$	32.01	\$	38.00	\$	45.00		
Each additional \$1,000 or fraction thereof	N/A	Valuation based flat fee	\$	1,792.37	N/A	\$	1,792.37	\$	2,121.00	\$	2,509.00		
\$100,000	N/A	Valuation based flat fee	\$	15.36	N/A	\$	15.36	\$	18.00	\$	22.00		
Each additional \$1,000 or fraction thereof	N/A	Valuation based flat fee	\$	2,560.53	N/A	\$	2,560.53	\$	3,030.00	\$	3,585.00		
\$500,000	N/A	Valuation based flat fee	\$	9.60	N/A	\$	9.60	\$	11.00	\$	13.00		
Each additional \$1,000 or fraction thereof	N/A	Valuation based flat fee	\$	6,401.32	N/A	\$	6,401.32	\$	7,574.00	\$	8,962.00		
\$1,000,000	N/A	Valuation based flat fee	\$	7.68	N/A	\$	7.68	\$	9.00	\$	11.00		
Each additional \$1,000 or fraction thereof	N/A	Valuation based flat fee	\$	10,242.12	N/A	\$	10,242.12	\$	12,119.00	\$	14,339.00		
		Valuation based flat fee	\$	10.24	N/A	\$	10.24	\$	12.00	\$	14.00		
Permit Extensions	N/A	Flat fee (NEW)	\$	128	N/A	\$	128	\$	151	\$	179		
Utility - Annual Blanket Permit (Processing Fee)	N/A	Flat fee (NEW)	\$	896	N/A	\$	896	\$	1,060	\$	1,254		
Other Engineering Fees													
Parcel Map or Amending Parcel Map Check													
City Processing Fee	\$	2,109	REPLACED WITH FEE BASED ON NUMBER OF LOTS REPLACED WITH FEE BASED ON NUMBER OF LOTS										
Surveyor Fee		Actual surveyor cost over \$1,156											
Parcel Map or Amending Parcel Map Check (4 lots or less)													
City Processing Fee	\$	2,109	Flat fee	\$	640	\$	2,109	\$	640	\$	757	\$	896
Surveyor Fee		Actual surveyor cost over \$1,156	Not required										
Final Map or Amending Parcel Map Check (5 lots or more)													
City Processing Fee (first 4 lots)	\$	2,109	Flat fee up to 4 lots	\$	640	\$	2,109	\$	640	\$	757	\$	896
City Processing Fee (per lot over 4)	\$	183	Per lot over 4	\$	640	\$	106	\$	216	\$	440	\$	896
Surveyor Fee		Actual costs over \$1,176 plus \$147 per lot over 4 lots	Actual costs over \$1,176 plus \$147 per lot over 4 lots										
Traffic Study Review	N/A		Flat fee (NEW)	\$	640	N/A		\$	640	\$	757	\$	896
Request for Letter (e.g., Flood Hazard Confirmation)	\$	67	Flat fee	\$	256	\$	67	\$	117	\$	205	\$	358

CITY OF SCOTTS VALLEY
MASTER FEES AND CHARGES SCHEDULE
PROPOSED FY 2018/19 FEES BASED ON THREE-YEAR PHASE IN OF FEE INCREASES

CURRENT FEE		PROPOSED FEES					
FY 2017/18 AS OF 8/7/2017		FEE BASIS / DESCRIPTION	Proposed Cost Recovery at Current Costs	Current Fee	Three Year Phase-In		
				FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
On-site Civil Engineering Plan Review Fee (per page)	\$ 191 per page	Flat fee	\$ 384	\$ 191	\$ 270	\$ 381	\$ 538
On-site Civil Permit							
Up to \$500,000	greater of 6% of cost of improvement or \$87	REPLACED WITH FEE STRUCTURE INDICATED BELOW					
\$500,000 to \$1,000,000	\$30,000+3% over \$500,000	REPLACED WITH FEE STRUCTURE INDICATED BELOW					
\$1,000,000 plus	\$45,000+2% over\$1,000,000	REPLACED WITH FEE STRUCTURE INDICATED BELOW					
Up to \$10,000	\$ 600	Valuation based flat fee	\$ 1,536.32	\$ 600.00	\$ 918.00	\$ 1,405.00	\$ 2,150.85
Each additional \$1,000 or fraction thereof	\$ 60	Valuation based flat fee	\$ 89.62	\$ 60.00	\$ 77.33	\$ 98.95	\$ 125.47
\$50,000	\$ 3,000	Valuation based flat fee	\$ 5,121.06	\$ 3,000.00	\$ 4,011.00	\$ 5,363.00	\$ 7,169.48
Each additional \$1,000 or fraction thereof	\$ 60	Valuation based flat fee	\$ 51.21	\$ 60.00	\$ 65.54	\$ 69.80	\$ 71.69
\$100,000	\$ 6,000	Valuation based flat fee	\$ 7,681.59	\$ 6,000.00	\$ 7,288.00	\$ 8,853.00	\$ 10,754.23
Each additional \$1,000 or fraction thereof	\$ 60	Valuation based flat fee	\$ 25.61	\$ 60.00	\$ 26.59	\$ 30.89	\$ 35.85
\$500,000	\$ 30,000	Valuation based flat fee	\$ 17,923.70	\$ 30,000.00	\$ 17,923.70	\$ 21,207.61	\$ 25,093.18
Each additional \$1,000 or fraction thereof	\$ 30	Valuation based flat fee	\$ 15.36	\$ 30.00	\$ 15.36	\$ 18.17	\$ 21.50
\$1,000,000	\$ 45,000	Valuation based flat fee	\$ 25,605.29	\$ 45,000.00	\$ 25,605.29	\$ 30,296.59	\$ 35,847.41
Each additional \$1,000 or fraction thereof	\$ 20	Valuation based flat fee	\$ 25.61	\$ 20.00	\$ 25.61	\$ 30.30	\$ 35.85
Public Improvements (ROW) - Inspection							
Up to \$10,000	N/A	Valuation based flat fee (NEW)	\$ 1,536.32	\$ 600.00	\$ 918.00	\$ 1,405.00	\$ 2,150.85
Each additional \$1,000 or fraction thereof	N/A	Valuation based flat fee (NEW)	\$ 89.62	\$ 60.00	\$ 77.33	\$ 98.95	\$ 125.47
\$50,000	N/A	Valuation based flat fee (NEW)	\$ 5,121.06	\$ 3,000.00	\$ 4,011.00	\$ 5,363.00	\$ 7,169.48
Each additional \$1,000 or fraction thereof	N/A	Valuation based flat fee (NEW)	\$ 51.21	\$ 60.00	\$ 65.54	\$ 69.80	\$ 71.69
\$100,000	N/A	Valuation based flat fee (NEW)	\$ 7,681.59	\$ 6,000.00	\$ 7,288.00	\$ 8,853.00	\$ 10,754.23
Each additional \$1,000 or fraction thereof	N/A	Valuation based flat fee (NEW)	\$ 25.61	\$ 60.00	\$ 26.59	\$ 30.89	\$ 35.85
\$500,000	N/A	Valuation based flat fee (NEW)	\$ 17,923.70	\$ 30,000.00	\$ 17,923.70	\$ 21,207.61	\$ 25,093.18
Each additional \$1,000 or fraction thereof	N/A	Valuation based flat fee (NEW)	\$ 15.36	\$ 30.00	\$ 15.36	\$ 18.17	\$ 21.50
\$1,000,000	N/A	Valuation based flat fee (NEW)	\$ 25,605.29	\$ 45,000.00	\$ 25,605.29	\$ 30,296.59	\$ 35,847.41
Each additional \$1,000 or fraction thereof	N/A	Valuation based flat fee (NEW)	\$ 25.61	\$ 20.00	\$ 25.61	\$ 30.30	\$ 35.85
Agreements	N/A	Flat fee (NEW)	\$ 1,024	N/A	\$ 1,024	\$ 1,212	\$ 1,434
Reversion to Acreage	\$ 364	Flat fee	\$ 1,280	\$ 364	\$ 619	\$ 1,053	\$ 1,792
Revision to Plan Check	\$ 148	Flat fee	\$ 256	\$ 148	\$ 199	\$ 267	\$ 358
Retrieval of Illegal Signs	\$ 44	Flat fee	\$ 143	\$ 44	\$ 73	\$ 121	\$ 200
Segregation of Assessment	\$ 92	DELETED					
Plus: Per Lot	\$ 2 per Lot	DELETED					

CITY OF SCOTTS VALLEY
MASTER FEES AND CHARGES SCHEDULE
PROPOSED FY 2018/19 FEES BASED ON THREE-YEAR PHASE IN OF FEE INCREASES

CURRENT FEE			PROPOSED FEES					
FY 2017/18 AS OF 8/7/2017			FEE BASIS / DESCRIPTION	Proposed Cost Recovery at Current Costs	Current Fee	Three Year Phase-In		
					FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
Storm Water Compliance Review Fee (per page)								
			REPLACED WITH FEE STRUCTURE INDICATED BELOW					
Per page			Flat fee	\$ 896	\$ 191	\$ 358	\$ 670	\$ 1,254
Tier 1 (Flat)	\$	191	Flat fee	\$ 896	\$ 382	\$ 568	\$ 844	\$ 1,254
Tier 2 (Flat - 2 pages)	\$	382						
Tier 3 - City Administration (consultant costs are passed through to applicant)	N/A		Deposit based on 13 hours	\$ 3,329	N/A	\$ 3,329	\$ 3,939	\$ 4,661
Tier 4 - City Administration (consultant costs are passed through to applicant)	N/A		Deposit based on 13 hours	\$ 3,329	N/A	\$ 3,329	\$ 3,939	\$ 4,661
Waiver of Traffic Impact	\$	1,666	DELETED					
Review of Annual Reports of privately maintained post-construction treatment devices	N/A		Flat fee (NEW)	\$ 256	N/A	\$ 256	\$ 303	\$ 358
Storm Water Pollution Prevention Plan (SWPPP)	N/A		Flat fee (NEW)	\$ 512	N/A	\$ 512	\$ 606	\$ 717
Transportation/Hauling Fees								
		as established by the State of California	As provided by California Vehicle Code § 35795(b)(1)	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16
Transportation Permit (per trip)	\$	16	Flat fee (NEW)	\$ 128	N/A	\$ 128	\$ 151	\$ 179
Hauling	N/A		Flat fee (NEW)	\$ 50	N/A	\$ 50	\$ 59	\$ 70
Oversize Load (per hour)	N/A		Flat fee	\$ 128	\$ 2,525	\$ 128	\$ 151	\$ 179
House Moving	\$	2,525	Flat fee (NEW)	\$ 256	N/A	\$ 256	\$ 303	\$ 358
Hazardous Waste Hauling	N/A							
Hourly Rates								
Engineering Services	N/A		Hourly rate (NEW)	\$ 256	N/A	\$ 256	\$ 303	\$ 358
Inspection Services	N/A		Hourly rate (NEW)	\$ 256	N/A	\$ 256	\$ 303	\$ 358
Miscellaneous Hourly Rate	\$	148 per hour	Hourly rate	\$ 256	\$ 148	\$ 199	\$ 267	\$ 358
Peer Review by City Consultant	N/A		Actual cost (NEW)					
Records research - Engineering	\$	148 per hour	Hourly rate	\$ 256	\$ 148	\$ 199	\$ 267	\$ 358
WASTEWATER OPERATIONS								
Discharge report review	\$	389	Flat fee	\$ 512	\$ 389	\$ 477	\$ 585	\$ 717
Wastewater stoppage investigation	\$	90 per hour	Flat fee	\$ 1,024	\$ 360	\$ 571	\$ 905	\$ 1,434
Direct Discharge Permit	\$	135 per hour	Flat fee	\$ 2,048	\$ 1,080	\$ 1,495	\$ 2,070	\$ 2,867
POLICE								
Police alarm services			DELETED					
Business Subscribers:			DELETED					

CITY OF SCOTTS VALLEY
MASTER FEES AND CHARGES SCHEDULE
PROPOSED FY 2018/19 FEES BASED ON THREE-YEAR PHASE IN OF FEE INCREASES

CURRENT FEE			PROPOSED FEES											
FY 2017/18 AS OF 8/7/2017			FEE BASIS / DESCRIPTION	Proposed Cost Recovery at Current Costs	Current Fee FY 2017/18	Three Year Phase-In								
						FY 2018/19	FY 2019/20	FY 2020/21						
Annual subscriber registration fee	\$	32	DELETED											
Fourth false alarm in one month	\$	39	DELETED											
Fifth false alarm in one month	\$	46	DELETED											
Sixth false alarm in one month	\$	62	DELETED											
Any false alarm over six	\$	87	DELETED											
Residential Subscribers:			DELETED											
Annual subscriber registration fee	\$	32	DELETED											
Fourth false alarm in one month	\$	38	DELETED											
Fifth false alarm in one month	\$	45	DELETED											
Sixth false alarm in one month	\$	85	DELETED											
Police Alarm Services - All Subscribers														
Annual subscriber registration fee			Flat fee	\$	39	\$	32	\$	38	\$	46	\$	55	
Fourth false alarm in one month			Flat fee	\$	158	\$	39	\$	70	\$	125	\$	221	
Any false alarm over four			Per alarm over four	\$	158	\$	87	\$	119	\$	162	\$	221	
Release of stored vehicles (Auto Impound)	\$	102	Flat fee	\$	183	\$	102	\$	139	\$	189	\$	256	
		as established by the California	Flat fee as established by the California											
Repossession Verification Fee (Auto Repo Release)	\$	15	Vehicle Code	\$	15	\$	15	\$	15	\$	15	\$	21	
Auto Abatement	\$	182	Flat fee	\$	204	\$	182	\$	212	\$	246	\$	286	
Bingo Games License Fee														
Initial	\$	87	Flat fee	\$	109	\$	87	\$	105	\$	127	\$	153	
Renewal			Flat fee (NEW)	\$	60	\$	87	\$	84	\$	84	\$	84	
Clearance Letter	\$	41	Flat fee	\$	47	\$	41	\$	48	\$	56	\$	66	
Computer run (police)	\$	47	DELETED											
DUI Emergency Response	\$	2	per minute, per officer	DELETED										
Parking Citations Copies:														
- single-sided	\$	0	per page	DELETED										
- double-sided	\$	0	per page	DELETED										
Police Photograph Sale:														
- Polaroid	\$	3	per photo	DELETED										
- Digital	\$	0	per photo	DELETED										
Police Report														
- single-sided	\$	0	per page	DELETED										
- double-sided	\$	0	per page	DELETED										
Special security service incurred in responding to loud or unruly gathering following 1st response	\$	2	per minute, per officer	Per minute, per officer	\$	7.00	\$	2.24	\$	3.66	\$	5.99	\$	9.80
Speed Surveys (per street):														
- single-sided	\$	0	per page	DELETED										
- double-sided	\$	0	per page	DELETED										
Taxicab Driver's Permit	\$	84	Flat fee	\$	72	\$	84	\$	89	\$	95	\$	101	
Firearms:														

CITY OF SCOTTS VALLEY
MASTER FEES AND CHARGES SCHEDULE
PROPOSED FY 2018/19 FEES BASED ON THREE-YEAR PHASE IN OF FEE INCREASES

CURRENT FEE			PROPOSED FEES											
FY 2017/18 AS OF 8/7/2017			FEE BASIS / DESCRIPTION	Proposed Cost Recovery at Current Costs	Current Fee	Three Year Phase-In								
FY 2017/18						FY 2018/19	FY 2019/20	FY 2020/21						
CCW permit - 2 yr standard permit (new)	\$	190	Flat fee	\$	587	\$	190	\$	310	\$	505	\$	822	
CCW permit - 2 yr standard (renewal)	\$	42	Flat fee	\$	294	\$	42	\$	90	\$	193	\$	412	
CCW permit - 3 yr judge permit (new)	\$	90	Flat fee	\$	587	\$	90	\$	188	\$	393	\$	822	
CCW permit - 3 yr judge (renewal)	\$	59	Flat fee	\$	294	\$	59	\$	113	\$	216	\$	412	
1-3 firearms surrendered	\$	65	DELETED											
4-6 firearms surrendered	\$	96	DELETED											
7-9 firearms surrendered	\$	128	DELETED											
10 and above firearms surrendered	\$	150	+ \$12 per weapon over 10	DELETED										
Surrendered firearm storage fee - per firearm, 30 day initial	\$	65	Per firearm	\$	72	\$	65	\$	75	\$	87	\$	101	
Surrendered firearm storage fee - per day after first 30 days			Per firearm, per day (NEW)	\$	1.00	\$	1.00	\$	1.12	\$	1.25	\$	1.40	
Filing Fee for an appeal to the City Council of fierarms decision by Chief of Police	\$	41	Flat fee	\$	339	\$	41	\$	93	\$	210	\$	475	
Tobacco Retail License			Flat fee (NEW)	\$	98	NEW		\$	98	\$	110	\$	137	
Second Hand Dealer License			Flat fee (NEW)	\$	98	NEW		\$	98	\$	110	\$	137	
Massage Permit			Flat fee (NEW)	\$	245	NEW		\$	245	\$	274	\$	343	
Junior Police Academy (JPA)			Flat fee	\$	60	\$	60	\$	60	\$	60	\$	60	
Body Cam Video Release/Editing			Flat fee (NEW)	\$	72	NEW		\$	72	\$	81	\$	101	
Appeals														
City Council			Flat fee (NEW)	\$	613	NEW		\$	613	\$	686	\$	858	
Commission			Flat fee (NEW)	\$	401	NEW		\$	401	\$	448	\$	561	
MISCELLANEOUS & ADMINISTRATIVE														
Entertainment permit	\$	66	Flat fee	\$	150	\$	66	\$	97	\$	143	\$	210	
Entertainment permit renewal	\$	29	Flat fee	\$	103	\$	29	\$	49	\$	84	\$	144	
City overhead		15%	DELETED											
Rental of council chambers	\$	21	per hour	\$	21	\$	21	\$	23	\$	26	\$	29	
Solicitor's Permit	\$	32	per day, per person	\$	86	\$	32	\$	50	\$	78	\$	120	
Occasional Sales Permit	\$	11	Flat fee	\$	38	\$	11	\$	19	\$	32	\$	53	
Returned check charges	\$	12	First returned check, as set by State of California	\$	25	\$	12	\$	25	\$	25	\$	35	
			Each additional check, as set by State of California	\$	35	New		\$	35	\$	35	\$	35	
COBRA health administrative fee		2% of health premium	DELETED											
Notary service fee	\$	15	per signature, as set by the State of California	\$	15	\$	15	\$	15	\$	15	\$	15	
Miscellaneous Dupication														

CITY OF SCOTTS VALLEY
MASTER FEES AND CHARGES SCHEDULE
PROPOSED FY 2018/19 FEES BASED ON THREE-YEAR PHASE IN OF FEE INCREASES

CURRENT FEE				PROPOSED FEES										
FY 2017/18 AS OF 8/7/2017				FEE BASIS / DESCRIPTION	Proposed Cost Recovery at Current Costs	Current Fee	Three Year Phase-In							
						FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21					
Sale of Aerial Photo Copies - full page	\$	1	per page	DELETED										
- 1/4 page	\$	1	per page	DELETED										
Video Tape Duplication	\$	5	per VHS Tape	DELETED										
Audio tape duplication	\$	2	per tape	DELETED										
Digital copies on CD's	\$	0	per CD	DELETED										
Digital copies on DVD's	\$	1	per DVD	DELETED										
Digital copies on CD's or DVD's	N/A	N/A		Per CD or DVD	\$	0.25	N/A	\$	0.25	\$	0.25	\$	0.25	
Photocopies - other:						\$	-							
- single-sided page	\$	0	per page	Single- or Double-sided, Per page	\$	0.10	\$	0.13	\$	0.10	\$	0.10	\$	0.10
- double-sided page	\$	0	per page	DELETED										
Map blueprint copies (24x36 & up)						\$	-							
- Copied by City	\$	1	per page	DELETED										
- copied by vendor			Vendor cost	DELETED										
Miscellaneous Department Documents														
Residential Design Handbook	\$	6		DELETED										
Elections														
Petition Filing Fee	\$	200				\$	200	\$	200	\$	200	\$	200	

NOTE: For services requested of City staff which have no fee listed in this fee schedule, the City Manager or their designee shall determine the appropriate fee based on the established hourly rates for the department/division. Additionally, the City will pass-through to the applicant any discrete costs incurred from the use of external service providers if required to process the specific application.

City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: June 20, 2018

TO: Honorable Mayor and City Council

FROM: Jenny D. Haruyama, City Manager

SUBJECT: **INTRODUCTION AND FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY AMENDING CHAPTER 3.24 OF TITLE 3 (REVENUE AND FINANCE) OF THE CITY'S MUNICIPAL CODE REGARDING UNIFORM TRANSIENT OCCUPANCY TAXES (TOT)**

SUMMARY OF ISSUE

Is it recommended that the City Council introduce the attached amended Ordinance to consider administrative changes to the City's Uniform Transient Occupancy Tax (TOT) ordinance, codified in Chapter 3.24 of Title 3 (Revenue and Finance) of the City's Municipal Code. The proposed changes to the ordinance have been identified in a redline version of the Ordinance, attached to this staff report. The revisions are administrative in nature and do not impose, extend or increase the tax amount that would otherwise require approval by voters under the provisions of Proposition 218.

A review of TOT ordinances in other agencies in the County and in Santa Clara and San Mateo counties was conducted to determine best practices relative to administration and clarification of TOT collection and remittance practices and has been incorporated into the proposed changes to the ordinance.

The proposed changes are summarized below.

Remittance and Reporting

The City currently requires remittance of TOT revenues on a quarterly basis. To allow for better cash flow to the City, the ordinance has been revised to require monthly remittance of TOT revenues, which is the standard used in most other agencies with a significant number of hotels in operation.

The ordinance is further revised to require operators to report TOT revenues using the City's TOT tax return forms to streamline collection processing and analysis for the City's Finance Department. This is the current practice; however, codification of this requirement will enforce streamlined reporting and recordkeeping for the City.

Finally, a minor revision was made that indicates that payment shall be made to the City in a form of payment acceptable to the City, which would allow the City to receive payment in the form of cash, check, credit card, electronic transfer, or other means of payment to

the extent allowed by the City Finance Director by administrative policy applicable to all other revenue collections.

These changes are incorporated in the Reporting and Remitting section (section 3.24.070).

Long-term Corporate Rentals

A growing area of contention in other cities, especially those close to regional or international airports, comes from corporations that enter into long-term rentals of a block of rooms at local hotels. To the extent that those agreements extend for periods longer than 30 days, cities have experienced claims that those corporations, considered “persons” in the ordinances, are exempt from TOT collection in that TOT is not collected for stays greater than 30 days, yet the individuals in those rooms are not the same.

In order to close this loophole, a best practice used by other agencies is to require collection of TOT for any type of entity other than an individual, but continue to exempt individuals that stay longer than 30 days. The definition of “transient” has been modified to rectify this matter and allow the City to collect tax revenues for any type of agreements with corporate entities (section 3.24.020F).

Penalties for Intentional Misrepresentation

The current ordinance exacts a penalty of 25% of the delinquent tax in cases of fraud. This section has been expanded to include intentional, material misrepresentations or omissions that might not otherwise be considered fraud. (section 3.24.100)

Recordkeeping Requirements

The recordkeeping requirements section has been expanded to indicate that records shall be maintained at the operator’s premise or otherwise be made available to the City within one week of request. This prevents the City from the cost burden of obtaining or reviewing records that may not be located within a reasonable distance to the City. Revisions have also been proposed to provide the minimum records requirements in order for the City to ensure it is collecting the proper tax amounts. The existing ordinance already allows the city to review/audit such records, and that provision is maintained. (section 3.24.150)

Refunds

The current ordinance allows for a claim of refund to be filed by an operator or transient within three years from date of payment. Other agencies limit this to a period of less than three years (as low as one year). It is recommended that the refund period be limited to two years from date of payment. (section 3.24.160A)

Penalties

The current ordinance provides that any violation of the ordinance constitutes a misdemeanor. A TOT ordinance that includes criminal penalties for violations will be subject to greater scrutiny for unconstitutional vagueness and restrictions on the freedom of expression or freedom of movement; therefore, the proposed ordinance eliminates this section. Failure to pay the amount due under the TOT will be handled under Section 3.24.100.

Administrative/Clerical Revisions

Several other minor revisions have been included for grammar, clarification, and to remove gender-identifying references.

FISCAL IMPACT

There is no fiscal impact associated with the proposed revisions to the TOT ordinance.

STAFF RECOMMENDATION

It is recommended that the City Council introduce Ordinance No. 76.2 amending Chapter 3.24 of the Scotts Valley Municipal Code and waive the reading thereof.

TABLE OF CONTENTS

PAGE

An Ordinance of the City of Scotts Valley Amending Chapter 3.24 to Title 3 of the Scotts Valley Municipal Code Regarding Uniform Transient Occupancy Taxes	4
An Ordinance of the City of Scotts Valley Amending Chapter 3.24 to Title 3 of the Scotts Valley Municipal Code Regarding Uniform Transient Occupancy Taxes (Redline Version)	10

ORDINANCE NO. 76.2

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY AMENDING CHAPTER 3.24 TO TITLE 3 OF THE SCOTTS VALLEY MUNICIPAL CODE REGARDING UNIFORM TRANSIENT OCCUPANCY TAXES

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY AS
FOLLOWS:**

SECTION 1. Section 3.24.020 of Chapter 3.24 of Title 3 of the Scotts Valley Municipal Code is hereby amended to read as follows:

“3.24.020 - Definitions.

Except where the context otherwise requires, the definitions given in this section govern the construction of this chapter.

- A. "City" means the City of Scotts Valley.
- B. "Finance Director" means the director of finance as defined in Chapter 2.08 of the City's Municipal Code.
- C. "Hotel" means any structure or any portion of any structure in the City, including but not limited to, any hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, guesthouse, bed and breakfast inn, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location, or other similar structure or portion thereof, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes. The term "hotel" shall also include any space in a mobile home park, travel trailer park or similar facility which is occupied or intended or designed for occupancy by transients who occupy the space with a mobile home, travel trailer, camper or similar vehicle or portion thereof for dwelling, lodging or sleeping purposes
- D. "Occupancy" means the use or possession, or the right to the use or possession of any room or rooms or portion thereof, in any hotel for dwelling, lodging or sleeping purposes. The term "occupancy" shall also include the use or possession or the right to the use or possession of any space or portion thereof in a mobile home park, travel trailer park or similar facility by a person who occupies or has the right to occupy the space with a mobile home, travel trailer, camper or similar vehicle designed for dwelling, lodging or sleeping purposes.
- E. "Operator" means the person who is proprietor of the hotel, whether in the capacity of owner, lessee, sub-lessee, mortgagee in possession, licensee, or any other capacity. Where the operator performs its functions through a managing agent of any type or character other than an employee, the managing agent shall also be deemed an operator for the purposes of this chapter and shall have the same duties and liabilities as its principal. Compliance with the provisions of this chapter by either the principal or the managing agent shall, however, be considered to be compliance by both.

- F. "Person" means any individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, corporation, estate, trust, business trust, receiver, trustee, syndicate, or any other group or combination acting as a unit.
- G. "Rent" means the consideration charged, whether or not received, for the occupancy of space in a hotel valued in money, whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits and property and service of any kind or nature, without any deduction therefrom whatsoever.
- H. "Transient" means:
 - 1. Any person, other than an individual, who exercises occupancy or is entitled to occupancy by reason of concession, permit, right of access, license or other agreement, for any period of time; or
 - 2. Any individual who personally exercises occupancy or is entitled to occupancy by reason of concession, permit, right of access, license or other agreement, for a period of thirty (30) consecutive calendar days or less, counting portions of calendar days as full days. Any such individual so occupying space in a hotel shall be deemed to be a transient until the period of thirty (30) days has expired unless there is an agreement in writing between the operator and the occupant providing for a longer period of occupancy."

SECTION 2. Section 3.24.040 of Chapter 3.24 of Title 3 of the Scotts Valley Municipal Code is hereby amended to read as follows:

"3.24.040 - Exemptions.

A. No tax shall be imposed upon:

- 1. Any person as to whom, or any occupancy as to which, it is beyond the power of the city to impose the tax herein provided;
- 2. Any federal or state officers or employees when on official business;
- 3. Any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty.

B. No exemption shall be granted except upon a claim therefor made at the time rent is collected, and under penalty of perjury, upon a form prescribed by the Finance Director."

SECTION 3. Section 3.24.060 of Chapter 3.24 of Title 3 of the Scotts Valley Municipal Code is hereby amended to read as follows:

"3.24.060 - Registration.

Not later than thirty days after commencing business, each operator of any hotel renting occupancy to transients shall register the hotel with the city Finance Director and obtain a "Transient Occupancy Registration Certificate" to be at all times posted in a

conspicuous place on the premises. The certificate shall, among other things, state the following:

- A. The name of the operator;
- B. The address of the hotel;
- C. The date upon which the certificate was issued;
- D. "This Transient Occupancy Registration Certificate signifies that the person named on the face hereof has fulfilled the requirements of the Uniform Transient Occupancy Tax Ordinance of the City of Scotts Valley by registering with the City Finance Director for the purpose of collecting from transients the Transient Occupancy Tax and remitting said tax to the City Finance Director. This certificate does not authorize any person to conduct any unlawful business in an unlawful manner, nor to operate a hotel without strictly complying with all local applicable laws, including but not limited to those requiring a permit from any board, commission, department or office of this City. This certificate does not constitute a permit."

SECTION 4. Section 3.24.070 of Chapter 3.24 of Title 3 of the Scotts Valley Municipal Code is hereby amended to read as follows:

"3.24.070 - Reporting and remitting.

- A. Each operator shall, on or before the last day of each calendar month, prepare a tax return to the city Finance Director, on forms provided by the City, of the total rents charged and received and the amount of tax collected for transient occupancies for the preceding calendar month. At the time the tax return is filed, the full amount of the tax collected shall be remitted in a form of payment acceptable to the city Finance Director.
- B. All tax returns shall be completed on forms provided by the Finance Director."

SECTION 5. Section 3.24.100 of Chapter 3.24 of Title 3 of the Scotts Valley Municipal Code is hereby amended to read as follows:

"3.24.100 - Penalty—Intentional Misrepresentation/Fraud.

If the city Finance Director determines that the failure to remit any tax on or before the due date set forth in this chapter is because of an intentional, material misrepresentation or omission, or fraud by the operator, the Finance Director shall impose an additional penalty in the amount of twenty-five percent (25%) of the delinquent tax."

SECTION 6. Section 3.24.130 of Chapter 3.24 of Title 3 of the Scotts Valley Municipal Code is hereby amended to read as follows:

"3.24.130 - Failure to collect and report tax— Determination of tax by city Finance Director.

- A. If any operator fails or refuses to collect the tax and to make, within the time provided in this chapter, any report and remittance of the tax or any portion thereof required by this chapter, the city Finance Director shall proceed in such manner deemed best to obtain facts and information on which to base the estimate of the tax due.
- B. As soon as the city Finance Director procures such facts and information as the director is able to obtain upon which to base the assessment of any tax imposed by this chapter and payable by any operator who has failed or refused to collect the same and to make such report and remittance, the director shall proceed to determine and assess against such operator the tax, interest and penalties provided for by this chapter. In case such determination is made, the city Finance Director shall give a notice of the amount so assessed by serving it personally or by depositing it in the United States mail, postage prepaid, addressed to the operator so assessed at the operator's last known place of address.
- C. Such operator may within ten days after the serving or mailing of such notice make application in writing to the city Finance Director for a hearing on the amount assessed. If application by the operator for a hearing is not made within the time prescribed, the tax, interest and penalties, if any, determined by the city Finance Director shall become final and conclusive and immediately due and payable.
- D. If such application is made, the city Finance Director shall give not less than five days' written notice in the manner prescribed in this section to the operator to show cause at a time and place fixed in the notice why the amount specified therein should not be fixed for such tax, interest and penalties.
- E. At such hearing, the operator may appear and offer evidence why such specified tax, interest and penalties should not be so fixed. After such hearing the city Finance Director shall determine the proper tax to be remitted and shall thereafter give written notice to the person in the manner prescribed in this section of such determination and the amount of such tax, interest and penalties. The amount determined to be due shall be payable after fifteen days unless an appeal is made as provided in Section 3.24.140."

SECTION 7. Section 3.24.140 of Chapter 3.24 of Title 3 of the Scotts Valley Municipal Code is hereby amended to read as follows:

"3.24.140 - Appeal.

Any operator aggrieved by any decision of the city Finance Director with respect to the amount of such tax, interest and penalties, if any, may appeal to the council by filing a notice of appeal with the city clerk within fifteen days of the serving or mailing of the determination of tax due. The council shall fix a time and place for hearing such appeal, and the city clerk shall give notice in writing to such operator at its last known place of address. The findings of the council shall be final and conclusive and shall be served upon the appellant in the manner prescribed above for service of notice of hearing. Any amount found to be due shall be immediately due and payable upon the service of the notice."

SECTION 8. Section 3.24.150 of Chapter 3.24 of Title 3 of the Scotts Valley Municipal Code is hereby amended to read as follows:

“3.24.150 – Recordkeeping requirements.

It shall be the duty of every operator liable for the collection and payment to the city of any tax imposed by this chapter to keep and preserve, for a period of three years, all records as may be necessary to determine the amount of such tax as he may have been liable for the collection of and payment to the city, which records the city Finance Director shall have the right to inspect at all reasonable times. Such records shall be maintained at the operator’s premises or shall be available for delivery to the city Finance Director within one week after request. The records shall include at least the following:

- A. Daily summary of room occupancies, rents charged, and tax imposed and collected;
- B. A record of each occupancy charge for which an exemption is claimed, including the name of the individual occupying the room, dates of occupancy, and reasons for exemption.
- C. List of bad debts claimed for exemption, including names and addresses of debtor and amount of room rent unpaid.”

SECTION 8. Section 3.24.160 of Chapter 3.24 of Title 3 of the Scotts Valley Municipal Code is hereby amended to read as follows:

“3.24.160 - Refunds.

- A. Whenever the amount of any tax, interest or penalty has been overpaid or paid more than once or has been erroneously or illegally collected or received by the city under this chapter, it may be refunded as provided in subsections B and C of this section, provided a written claim for refund, stating under penalty of perjury, the specific grounds upon which the claim is founded, is filed with the city Finance Director within two years of the date of payment. The claim shall be on forms furnished by the city Finance Director.
- B. An operator may claim a refund or take as credit against taxes collected and remitted the amount overpaid, paid more than once or erroneously or illegally collected or received when it is established in a manner prescribed by the city Finance Director that the person from whom the tax has been collected was not a transient; provided, however, that neither a refund nor a credit shall be allowed unless the amount of tax so collected has either been refunded to the transient or credited to rent subsequently payable by the transient to the operator.
- C. A transient may obtain a refund of taxes overpaid or paid more than once or erroneously or illegally collected or received by the city by filing a claim in the manner provided in subsection A of this section, but only when the tax was paid by the transient directly to the city Finance Director, or when the transient having paid the tax to the operator, establishes to the satisfaction of the city Finance Director that the transient has been unable to obtain a refund from the operator who collected the tax.

D. No refund shall be paid under the provisions of this section unless the claimant establishes its right thereto by written records showing entitlement thereto.”

SECTION 9. Section 3.24.180 of Chapter 3.24 of Title 3 of the Scotts Valley Municipal Code is hereby repealed.

SECTION 10. SEVERABILITY. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction such portion shall be deemed a separate, distinct and independent provision of such Ordinance and shall not affect the validity of the remaining portions thereof.

SECTION 11. REPEALS CONFLICTING ORDINANCES. All other ordinances of the City of Scotts Valley or provisions of the Scotts Valley Municipal Code which are in conflict with this Ordinance are hereby repealed to the extent of such conflict.

SECTION 12. CEQA. The City Council finds and determines that the enactment of this Ordinance is statutorily exempt from environmental review pursuant to the State CEQA Guideline Section 15061(b)(3) because the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

SECTION 13. EFFECTIVE DATE. This Ordinance shall take effect thirty (30) days after the date of its adoption. Prior to the expiration of fifteen (15) days from the date of adoption, this Ordinance shall be published in at least three (3) public places.

This Ordinance was introduced on the 20th day of June, 2018, and passed and adopted by the City Council of the City of Scotts Valley on the 1st day of August, 2018, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED: _____
Jim Reed, Mayor

ATTEST:

Tracy A. Ferrara, City Clerk

APPROVED AS TO FORM:

Kirsten Powell, City Attorney

Chapter 3.24 - UNIFORM TRANSIENT OCCUPANCY TAX

Sections:

3.24.010 - Citation.

The ordinance codified in this chapter shall be known as the uniform transient occupancy tax ordinance of the city. (~~Ord. 76 § 1, 1978~~)

3.24.020 - Definitions.

Except where the context otherwise requires, the definitions given in this section govern the construction of this chapter.

- A. "City" means the City of Scotts Valley.
- B. "Finance Director" means the director of finance as defined in Chapter 2.08 of the City's Municipal Code.
- A. "Hotel" means any structure, or any portion of any structure in the City, including but not limited to, any hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, guesthouse, bed and breakfast inn, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location, or other similar structure or portion thereof, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes and includes any hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodginghouse, roominghouse, apartment house, dormitory, public or private club, mobile home or house trailer, at a fixed location, or other similar structure or portion thereof. The term "hotel" shall also include any space in a mobile home park, travel trailer park or similar facility which is occupied or intended or designed for occupancy by transients who occupy the space with a mobile home, travel trailer, camper or similar vehicle or portion thereof for dwelling, lodging or sleeping purposes -
- B. "Occupancy" means the use or possession, or the right to the use or possession of any room or rooms or portion thereof, in any hotel for dwelling, lodging or sleeping purposes. The term "occupancy" shall also include the use or possession or the right to the use or possession of any space or portion thereof in a mobile home park, travel trailer park or similar facility by a person who occupies or has the right to occupy the space with a mobile home, travel trailer, camper or similar vehicle designed for dwelling, lodging or sleeping purposes.
- C. "Operator" means the person who is proprietor of the hotel, whether in the capacity of owner, lessee, sub-lessee, mortgagee in possession, licensee, or any other capacity. Where the operator performs hisits functions through a managing agent of any type or character other than an employee, the managing agent shall also be deemed an operator for the purposes of this chapter and shall have the same duties and liabilities as hisits principal. Compliance with the provisions of this chapter by either the principal or the managing agent shall, however, be considered to be compliance by both.
- D. "Person" means any individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, corporation, estate, trust, business trust, receiver, trustee, syndicate, or any other group or combination acting as a unit.
- E. "Rent" means the consideration charged, whether or not received, for the occupancy of space in a hotel valued in money, whether to be received in money, goods, labor or

otherwise, including all receipts, cash, credits and property and service of any kind or nature, without any deduction therefrom whatsoever.

F. "Transient" means:

1. Any person, other than an individual, who exercises occupancy or is entitled to occupancy by reason of concession, permit, right of access, license or other agreement, for any period of time; or
2. Any individual who personally exercises occupancy or is entitled to occupancy by reason of concession, permit, right of access, license or other agreement, for a period of thirty (30) consecutive calendar days or less, counting portions of calendar days as full days. Any such ~~person~~individual so occupying space in a hotel shall be deemed to be a transient until the period of thirty (30) days has expired unless there is an agreement in writing between the operator and the occupant providing for a longer period of occupancy. ~~In determining whether a person is a transient, uninterrupted periods of time extending both prior and subsequent to the effective date of the ordinance codified in this chapter may be considered. (Ord. 76.1 §§ 1 and 2, 1984; Ord. 76 § 2, 1978)~~

3.24.030 - Tax imposed.

For the privilege of occupancy in any hotel, each transient is subject to and shall pay a tax in the amount of ten percent (10%) of the rent charged by the operator. The tax constitutes a debt owed by the transient to the city, which is extinguished only by payment to the operator or to the city. The transient shall pay the tax to the operator of the hotel at the time the rent is paid. If the rent is paid in installments, a proportionate share of the tax shall be paid with each installment. The unpaid tax shall be due upon the transient's ceasing to occupy space in the hotel. If for any reason the tax due is not paid to the operator of the hotel, the city finance director may require that such tax shall be paid directly to the city finance director. ~~(Ord. 76 § 3, 1978)~~

3.24.040 - Exemptions.

A. No tax shall be imposed upon:

- A1. Any person as to whom, or any occupancy as to which, it is beyond the power of the city to impose the tax herein provided;
- B2. Any federal or state officers or employees when on official business;
- C3. Any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty. ~~No exemption shall be granted except upon a claim therefor made at the time rent is collected and under penalty of perjury upon a form prescribed by the city finance director. (Ord. 76 § 4, 1978)~~

B. No exemption shall be granted except upon a claim therefor made at the time rent is collected, and under penalty of perjury, upon a form prescribed by the finance director.

3.24.050 - Operator duties.

Each operator shall collect the tax imposed by this chapter to the same extent and at the same time as the rent is collected from every transient. The amount of tax shall be separately stated from the amount of the rent charged, and each transient shall receive a receipt for payment from the operator. No operator of a hotel shall advertise or state in any manner, whether directly

or indirectly, that the tax or any part thereof will be assumed or absorbed by the operator, or that it will not be added to the rent, or that, if added, any part will be refunded except in the manner provided in Section 3.24.160. ~~(Ord. 76 § 5, 1978)~~

3.24.060 - Registration.

~~Within thirty days after the effective date of the ordinance codified in this chapter or within~~ Not later than thirty days after commencing business, ~~whichever is later~~, each operator of any hotel renting occupancy to transients shall register the hotel with the city finance director and obtain ~~from him~~ a "Transient Occupancy Registration Certificate" to be at all times posted in a conspicuous place on the ~~premise~~ premises. The certificate shall, among other things, state the following:

- A. The name of the operator;
- B. The address of the hotel;
- C. The date upon which the certificate was issued;
- D. "This Transient Occupancy Registration Certificate signifies that the person named on the face hereof has fulfilled the requirements of the Uniform Transient Occupancy Tax Ordinance of the City of Scotts Valley by registering with the City Finance Director for the purpose of collecting from transients the Transient Occupancy Tax and remitting said tax to the City Finance Director. This certificate does not authorize any person to conduct any unlawful business in an unlawful manner, nor to operate a hotel without strictly complying with all local applicable laws, including but not limited to those requiring a permit from any board, commission, department or office of this City. This certificate does not constitute a permit." ~~(Ord. 76 § 6, 1978)~~

3.24.070 - Reporting and remitting.

- A. Each operator shall, on or before the last day of ~~the month following the close of each~~ calendar ~~quarter, or at the close of any shorter reporting period which may be established by the city finance director, make a month, prepare a tax~~ return to the city finance director, on forms provided by ~~him~~ the City, of the total rents charged and received and the amount of tax collected for transient occupancies ~~for the preceding calendar month~~. At the time the tax return is filed, the full amount of the tax collected shall be remitted in a form of payment acceptable to the city finance director. ~~The city finance director may establish shorter reporting periods for any certificate holder if he deems it necessary in order to insure collection of the tax and he may require further information in the return. Returns and payments are due immediately upon cessation of business for any reason.~~
- C. ~~All taxes collected by operators pursuant to this chapter~~ tax returns shall be held in trust for completed on forms provided by the account of the city until payment thereof is made ~~to the city finance director.~~ ~~(Ord. 76 § 7, 1978)~~

3.24.080 - Penalty—Original delinquency.

Any operator who fails to remit any tax imposed by this chapter within the time required shall pay a penalty of ten percent (10%) of the amount of the tax in addition to the amount of the tax. ~~(Ord. 76 § 8(a), 1978)~~

3.24.090 - Penalty—Continued delinquency.

Any operator who fails to remit any delinquent remittance on or before a period of thirty days following the date on which the remittance first became delinquent shall pay a second delinquency

penalty of ten percent (10%) of the amount of the tax in addition to the amount of the tax and the ten percent penalty first imposed. (~~Ord. 76 § 8(b), 1978~~)

3.24.100 - Penalty—Intentional Misrepresentation/Fraud.

If the city finance director determines that the ~~nonpayment of failure to remit any remittance tax on or before the due under date set forth in~~ this chapter is ~~due to because of an intentional, material misrepresentation or omission, or fraud, a~~ by the operator, the finance director shall impose an additional penalty in the amount of twenty-five percent (25%) of the ~~amount of the tax shall be added thereto in addition to the penalties stated in Sections 3.24.080 and 3.24.090. (Ord. 76 § 8(c), 1978)~~ delinquent tax.

3.24.110 - Penalty—Interest.

In addition to the penalties imposed, any operator who fails to remit any tax imposed by this chapter shall pay interest at the rate of one percent per month or fraction thereof on the amount of the tax, exclusive of penalties, from the date on which the remittance first became delinquent until paid. (~~Ord. 76 § 8(d), 1978~~)

3.24.120 - Penalty—Merged with tax.

Every penalty imposed and such interest as accrues under the provisions of Sections 3.24.080 through 3.24.110 and this section shall become a part of the tax required to be paid by this chapter. (~~Ord. 76 § 8(e), 1978~~)

3.24.130 - Failure to collect and report tax— Determination of tax by city finance director.

- A. If any operator fails or refuses to collect the tax and to make, within the time provided in this chapter, any report and remittance of the tax or any portion thereof required by this chapter, the city finance director shall proceed in such manner ~~as he may deem~~ deemed best to obtain facts and information on which to base ~~his~~the estimate of the tax due.
- B. As soon as the city finance director procures such facts and information as ~~he~~the director is able to obtain upon which to base the assessment of any tax imposed by this chapter and payable by any operator who has failed or refused to collect the same and to make such report and remittance, ~~he~~the director shall proceed to determine and assess against such operator the tax, interest and penalties provided for by this chapter. In case such determination is made, the city finance director shall give a notice of the amount so assessed by serving it personally or by depositing it in the United States mail, postage prepaid, addressed to the operator so assessed at ~~his~~the operator's last known place of address.
- C. Such operator may within ten days after the serving or mailing of such notice make application in writing to the city finance director for a hearing on the amount assessed. If application by the operator for a hearing is not made within the time prescribed, the tax, interest and penalties, if any, determined by the city finance director shall become final and conclusive and immediately due and payable.
- D. If such application is made, the city finance director shall give not less than five days' written notice in the manner prescribed in this section to the operator to show cause at a time and place fixed in the notice why the amount specified therein should not be fixed for such tax, interest and penalties.
- E. At such hearing, the operator may appear and offer evidence why such specified tax, interest and penalties should not be so fixed. After such hearing the city finance director shall determine the proper tax to be remitted and shall thereafter give written notice to the person

in the manner prescribed in this section of such determination and the amount of such tax, interest and penalties. The amount determined to be due shall be payable after fifteen days unless an appeal is taken made as provided in Section 3.24.140. ~~(Ord. 76 § 9, 1978)~~

3.24.140 - Appeal.

Any operator aggrieved by any decision of the city finance director with respect to the amount of such tax, interest and penalties, if any, may appeal to the council by filing a notice of appeal with the city clerk within fifteen days of the serving or mailing of the determination of tax due. The council shall fix a time and place for hearing such appeal, and the city clerk shall give notice in writing to such operator at hisits last known place of address. The findings of the council shall be final and conclusive and shall be served upon the appellant in the manner prescribed above for service of notice of hearing. Any amount found to be due shall be immediately due and payable upon the service of the notice. ~~(Ord. 76 § 10, 1978)~~

3.24.150 ~~—Records—~~ Recordkeeping requirements.

It shall be the duty of every operator liable for the collection and payment to the city of any tax imposed by this chapter to keep and preserve, for a period of three years, all records as may be necessary to determine the amount of such tax as he may have been liable for the collection of and payment to the city, which records the city finance director shall have the right to inspect at all reasonable times. ~~(Ord. 76 § 11, 1978)~~ Such records shall be maintained at the operator's premises or shall be available for delivery to the city finance director within one week after request. The records shall include at least the following:

- A. Daily summary of room occupancies, rents charged, and tax imposed and collected;
- B. A record of each occupancy charge for which an exemption is claimed, including the name of the individual occupying the room, dates of occupancy, and reasons for exemption.
- C. List of bad debts claimed for exemption, including names and addresses of debtor and amount of room rent unpaid.

3.24.160 - Refunds.

- A. Whenever the amount of any tax, interest or penalty has been overpaid or paid more than once or has been erroneously or illegally collected or received by the city under this chapter, it may be refunded as provided in subsections B and C of this section, provided a written claim ~~in writing therefor~~ for refund, stating under penalty of perjury, the specific grounds upon which the claim is founded, is filed with the city finance director within threetwo years of the date of payment. The claim shall be on forms furnished by the city finance director.
- B. An operator may claim a refund or take as credit against taxes collected and remitted the amount overpaid, paid more than once or erroneously or illegally collected or received when it is established in a manner prescribed by the city finance director that the person from whom the tax has been collected was not a transient; provided, however, that neither a refund nor a credit shall be allowed unless the amount of tax so collected has either been refunded to the transient or credited to rent subsequently payable by the transient to the operator.
- C. A transient may obtain a refund of taxes overpaid or paid more than once or erroneously or illegally collected or received by the city by filing a claim in the manner provided in subsection A of this section, but only when the tax was paid by the transient directly to the city finance director, or when the transient having paid the tax to the operator, establishes to the

satisfaction of the city finance director that the transient has been unable to obtain a refund from the operator who collected the tax.

- D. No refund shall be paid under the provisions of this section unless the claimant establishes his right thereto by written records showing entitlement thereto. (~~Ord. 76 § 12, 1978~~)

3.24.170 - Actions to collect.

Any tax required to be paid by any transient under the provisions of this chapter shall be deemed a debt owed by the transient to the city. Any such tax collected by an operator, which has not been paid to the city, shall be deemed a debt owed by the operator to the city. Any person owing money to the city under the provisions of this chapter shall be liable to an action brought in the name of the city for the recovery of such amount. (~~Ord. 76 § 13, 1978~~)

~~3.24.180 - Violation - Penalty.~~

~~Any operator or other person who fails or refuses to register as required in this chapter, or to furnish any return required to be made, or who fails or refuses to furnish a supplemental return or other data required by the city finance director, or who renders a false or fraudulent return or claim, is guilty of a misdemeanor, and is punishable therefor. Any person required to make, render, sign or verify any report or claim who makes any false or fraudulent report or claims with intent to defeat or evade the determination of any amount due required by this chapter to be made is guilty of a misdemeanor and is punishable therefor. (Ord. 76 § 14, 1978)~~

City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: June 20, 2018

TO: Honorable Mayor and City Council

FROM: Jenny D. Haruyama, City Manager

SUBJECT: **CONSIDERATION OF CHANGES TO UNIFORM TRANSIENT
OCCUPANCY TAX RATE AND PLACING THE MEASURE
BEFORE VOTERS AT THE NOVEMBER 6, 2018 GENERAL
ELECTION**

SUMMARY OF ISSUE

After providing direction regarding its preliminary Fiscal Sustainability Plan (FSP) on May 2, 2018, Council requested that staff return on June 6, 2018 with proposed modifications to the Uniform Transient Occupancy (TOT) ordinance, including adjustments to the TOT rate from 10% up to 12% for discussion purposes. At that time, Council also directed staff to reach out to local hoteliers about the scheduled agenda item. A meeting was held on June 4, 2018 with hotel representatives; the Mayor and Vice Mayor were present.

At its regular meeting on June 6, 2018, the City Council reviewed and considered changes to the City's Uniform Transient Occupancy Tax (TOT) ordinance, codified in Chapter 3.24 of Title 3 (Revenue and Finance) of the City's Municipal Code. The City Council indicated concurrence with most of the administrative revisions to the ordinance. Those revisions are part of a separate agenda item that will be heard at tonight's meeting.

With respect to the TOT rate, the Council indicated it would continue its discussion about the proposed TOT rate adjustment at the next meeting (June 20, 2018) and directed staff to prepare the appropriate resolutions should it wish to submit a local ballot measure to increase the City's TOT rate as part of the November 6, 2018 election. A majority of Council also requested that staff further engage Visit Santa Cruz and Scotts Valley hotel representatives to determine if there was interest in exploring alternative implementation approaches regarding the proposed rate increase.

Subject to further Council deliberations, staff is seeking City Council policy direction regarding any proposed changes to the tax rate to be brought to voters in the November 6, 2018 election. Any increase in the tax rate requires voter approval under the provisions of California Proposition 218, and action must be taken by the August 1, 2018 regular City Council meeting or a special meeting scheduled prior to August 10, 2018, to meet the deadlines imposed by the County Registrar of Voters.

FISCAL IMPACT OF TAX RATE INCREASE

Increasing the TOT tax rate was one of several budget strategies explored during the City Council's review of the preliminary Fiscal Sustainability Plan (FSP) in March and May of this year. The City Council reviewed options to increase the tax rate from 10% to 11% or 12%; if approved by voters, would go into effect January 1, 2019. Based upon the latest projections that are incorporated into the General Fund 10-Year Financial Forecast in the proposed FY 2018/19 Annual Budget, the fiscal impact to the General Fund would be as follows:

Projection of Transient Occupancy Tax Revenues in General Fund 10-Year Forecast

	FY 2018/19 (Effective 1/1/2019)	FY 2019/20 (first full year of potential increase)	FY 2022/23 (Year 5)	FY 2027/28 (Year 10)
Baseline Tax Rate (10%)	\$1,814,400	\$2,313,000	\$3,019,600	\$3,582,800
TOT Rate of 11%	\$1,905,100	\$2,544,300	\$3,321,600	\$3,941,100
Increased revenues from baseline	\$90,700	\$231,300	\$302,000	\$358,300
TOT rate of 12%	\$1,995,800	2,775,600	\$3,623,500	\$4,229,400
Increased revenues from baseline	\$181,400	\$462,600	\$603,900	\$716,600

Note: the TOT revenue assumptions include continued operation of existing hotels, the addition of the Four Points Sheraton in FY 2018/19, and the addition of the proposed Marriott/Residence Inn in FY 2019/20

The preliminary FSP assumed at 12% tax rate. In the case of either an 11% or 12% increase, the City could address its fiscal gap assuming that a future action is taken to increase the local transactions and use (local sales) tax rate from ½ cent to ¾ cent. However, if the TOT tax was increased to 11%, the amount of resources available to fund underfunded capital improvement projects in the long-term would be reduced from \$500,000 per year to \$150,000 per year. While some funding would be available under this scenario, additional transfers from the General Fund will be required to fully fund capital projects. This scenario does not take into account the potential repeal of Senate Bill 1, the Road Repair and Accountability Act of 2017, which will be on the November 2018 ballot. If repealed, the City would lose approximately \$216,000 annually.

SUBMITTING ORDINANCE FOR VOTER APPROVAL

Ballot Measure

Proposition 218, enacted by voters in 1996 and codified as Section 2 of Article 13 of the California Constitution, requires that a local agency cannot “impose, extend or increase” any general tax unless that tax is submitted to the electorate and approved by a majority of registered voters voting in that election. Except in the case of an emergency declared by a unanimous vote of the legislative body’s members present, the election must be consolidated with a “regularly scheduled general election for members of the governing body of the local government.” General taxes require a simple majority approval (50% + 1). Special taxes imposed for a specific purpose require a two-thirds (2/3) voter approval.

The City Council may submit to the voters a measure to amend an ordinance to be voted upon at a succeeding regular or special city election. Proposition 218 requires that the resolution submitting a general tax measure to voters must receive a yes vote of not less than two-thirds (2/3) of the entire legislative body in order to proceed. For Scotts Valley, this means that four (4) of the five (5) Councilmembers must vote yes on the resolution to submit it to voters.

Impartial Analysis

For an impartial analysis, the City Council may direct the City Clerk to transmit a copy of the ballot measure to the City Attorney to prepare an impartial analysis of the measure, not exceeding 500 words, showing the effect of the measure on the existing law and the operation of the measure. The impartial analysis will be printed preceding the arguments for and against the measure (if any) pursuant to the Elections Code §9280. Impartial analyses are typically prepared for local ballot measures. Accordingly, it is recommended that the City Council direct preparation of such an analysis for this measure.

Next Steps

If the City Council votes to place a measure on the ballot for the November 6, 2018, election, staff will return at the next City Council meeting with resolutions to consider authorizing arguments for the measure and directing the Finance Director to prepare a Fiscal Impact Statement which details the financial impacts of the measure.

FISCAL IMPACT

Placing a measure on the ballot for the November 6, 2018 election is estimated to have a nominal cost (less than \$1,000) for incremental printing costs.

Increasing the TOT tax rate to 11% would generate approximately 240,000 a year; a 12% increase would generate \$480,000. Long term, General Fund revenues would increase in a range of \$300,000 to \$350,000 per year if increased to 11%, and \$600,000 to \$700,000 per year if increased to 12%.

STAFF RECOMMENDATION

Subject to Council consideration of the tax rate, the City Council could determine to approve the necessary resolutions to submit the increase in the TOT tax rate for voter approval. If so, staff recommends that the City Council adopt the attached resolution submitting the TOT ordinance on the November 6, 2018 ballot:

Resolution No. 1949.2 of the City Council requesting submission to the voters of a local ballot measure regarding an increase in the City's Transient Occupancy Tax for inclusion on the November 6, 2018 Consolidated General Election Ballot and Directing the City Attorney to Prepare an Impartial Analysis

TABLE OF CONTENTS

PAGE

1. Resolution No. 1949.2 of the City Council requesting submission to the voters of a local ballot measure regarding an increase in the City's Transient Occupancy Tax for inclusion on the November 6, 2018 Consolidated General Election Ballot and Directing the City Attorney to Prepare an Impartial Analysis	5
2. Exhibit A: Ordinance No. 76.3 of the City Council amending Section 3.24.030 of the Scotts Valley Municipal Code pertaining to the City of Scotts Valley Transient Occupancy Tax	7

RESOLUTION NO. 1949.2

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY
REQUESTING SUBMISSION TO THE VOTERS OF A LOCAL BALLOT MEASURE
REGARDING AN INCREASE IN THE CITY'S TRANSIENT OCCUPANCY TAX FOR
INCLUSION ON THE NOVEMBER 6, 2018 CONSOLIDATED GENERAL ELECTION
BALLOT AND DIRECTING THE CITY ATTORNEY TO PREPARE AN
IMPARTIAL ANALYSIS OF THE MEASURE**

WHEREAS, the City Council has approved Resolution No's 1949 and 1949.1 ordering an election, requesting county elections to conduct the election, and requesting consolidation of the General Municipal Election in the City of Scotts Valley on Tuesday, November 6, 2018; and,

WHEREAS, the Election is a regularly scheduled general election for members of the City Council; and

WHEREAS, the City imposes a transient occupancy tax upon hotels conducting business in the City; and,

WHEREAS, the transient occupancy tax is imposed to raise revenue and not for regulation and constitutes a general tax; and,

WHEREAS, the ordinance attached hereto as Exhibit "A" and incorporated herein by reference (the "Ordinance") would update the existing ordinance to modernize its language and to reflect inflation; and,

WHEREAS, Elections Code Section 9222 authorizes the City Council to submit an ordinance directly to the voters; and,

WHEREAS, the City Council wishes to submit the Ordinance to the voters at the Election.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Santa Cruz County Elections Department shall conduct the election for the following measure to be voted on at the November 6, 2018 election:

Shall the City of Scotts Valley adopt an ordinance amending Section 3.24.030 of the Municipal Code raising the transient occupancy tax rate from 10% to ____%	Yes	
	No	

BE IT FURTHER RESOLVED AND ORDERED that the Santa Cruz County Elections Department is requested to print the attached text exactly as filed or indicated on the filed document in the Voter's Information Pamphlet section of the Sample Ballot for the November 6, 2018 election. Cost of printing and distribution of the measure text will be paid for by the city.

BE IT FURTHER RESOLVED AND ORDERED that the City Clerk of the City of Scotts Valley is hereby ordered and directed to cause said proposed ordinance and notice of election to be published in accordance with the provisions of the California State Elections Code.

BE IT FURTHER RESOLVED AND ORDERED that in accordance with section 9280 of the California Elections Code, the City Attorney is hereby directed to prepare an impartial analysis of this measure.

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 20th day of June, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: _____
Jim Reed, Mayor

Attest: _____
Tracy A. Ferrara, City Clerk

EXHIBIT A

Measure to be voted on: November 6, 2018

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF SCOTTS VALLEY AMENDING SECTION 3.24.030 OF THE SCOTTS VALLEY MUNICIPAL CODE PERTAINING TO THE CITY OF SCOTTS VALLEY TRANSIENT OCCUPANCY TAX

THE PEOPLE OF THE CITY OF SCOTTS VALLEY, CALIFORNIA, DO ORDAIN AS FOLLOWS:

WHEREAS, it is the purpose of this Ordinance to amend the City of Scotts Valley Municipal Code Section 3.24.030 entitled Tax Imposed, to increase the Transient Occupancy Tax from 10% to ____%; and,

WHEREAS, this Ordinance shall be known as the City of Scotts Valley Transient Occupancy Tax increase. The City of Scotts Valley hereinafter shall be call "City". This Ordinance shall be applicable in the incorporated territory of the City; and,

WHEREAS, this Ordinance is adopted to achieve the following, among other purposes, and directs the provisions hereof be interpreted in order to accomplish those purposes:

NOW THEREFORE BE IT HEREBY ORDAINED BY THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY AS FOLLOWS:

SECTION 1. Section 3.24.030 of Chapter 3.24 of Title 3 of the Scotts Valley Municipal Code is hereby amended to read as follows:

"3.24.030 - Tax imposed.

For the privilege of occupancy in any hotel, each transient is subject to and shall pay a tax in the amount of ~~ten percent (10%)~~ **eleven percent (11%)** of the rent charged by the operator. The tax constitutes a debt owed by the transient to the city, which is extinguished only by payment to the operator or to the city. The transient shall pay the tax to the operator of the hotel at the time the rent is paid. If the rent is paid in installments, a proportionate share of the tax shall be paid with each installment. The unpaid tax shall be due upon the transient's ceasing to occupy space in the hotel. If for any reason the tax due is not paid to the operator of the hotel, the city finance director may require that such tax shall be paid directly to the city finance director."

SECTION 2. It is the purpose of this Ordinance to amend the City of Scotts Valley Municipal Code Section 3.24.030 entitled Tax Imposed, of Chapter 3.24 entitled Uniform Transient Occupancy Tax, to increase the Transient Occupancy Tax from 10% to ____%; and,

SECTION 3. This Ordinance shall be considered as adopted upon the date that the vote is declared by the City Council, and shall go into effect on January 1, 2019.

This Ordinance was introduced on the __ day of ____, 2018, and passed and adopted by the City Council of the City of Scotts Valley on the __ day of ____, 2018, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED: _____
Jim Reed, Mayor

ATTEST:

Tracy A. Ferrara, City Clerk

APPROVED AS TO FORM:

Kirsten Powell, City Attorney

City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: June 20, 2018

TO: Honorable Mayor and City Council

FROM: Jenny D. Haruyama, City Manager
Steve Toler, Budget and Financial Consultant

APPROVED: Jenny D. Haruyama, City Manager

SUBJECT: **APPROVAL OF FY 2018/19 ANNUAL OPERATING AND CAPITAL BUDGET**

SUMMARY OF ISSUE

Over the past 6 months, the City Council has provided policy and budget direction at six City Council meetings:

- **January 16, 2018** – as part of its annual budget development process, the Council held a Goal-Setting Workshop to review the status of its FY 2017/18 goals and priorities and identify new goals for FY 2018/19.
- **March 7, 2018** – the Council received the FY 2017/18 Mid-Year Financial Report and provided policy direction on City goals and priorities relative to the preparation of the Preliminary FY 2018/19 Annual Budget and Five-Year Financial Plan. The Council also reviewed a report from Management Partners regarding the budget strategies identified in preparation of a Fiscal Sustainability Plan and provided direction on strategies that should be included in a preliminary plan.
- **April 18, 2018** – the Council provided direction regarding the draft Five-Year Capital Improvement and Capital Purchase Plan (“Five-Year CIP Plan”).
- **May 2, 2018** – the Council reviewed an updated ten-year financial forecast for the fiscal sustainability plan that included the budget strategies identified in the March 7 meeting and provided direction regarding the implementation action plan and timing of the strategies to be incorporated in the preliminary fiscal sustainability plan.
- **May 16, 2018** – the Council reviewed the Preliminary FY 2018/19 Annual Budget and Five-Year Financial Plan and provided direction.
- **June 6, 2018** – the Council held a special study session to consider the results of the user fee study conducted by NBS and reviewed possible changes to the Transient Occupancy Tax ordinance. Both items are scheduled to be discussed further at tonight’s Council meeting.

The final budget incorporates the Council's direction received at these meetings. The fund balances (reserves) in all City funds begin and end the fiscal year meeting or exceeding minimum fund balance requirements provided by Council direction during those meetings.

Final FY 2018/19 Annual Budget

The FY 2018/19 General Fund indicates an annual deficit of \$1,208,625 that will draw down reserves from \$3.6 million to \$2.4 million. Ending reserves equate to 18.7% of annual operating expenditures plus net transfers out to other funds, exceeding the City Council's targeted minimum reserve of 17%. The Five-Year Financial Plan included in the final budget indicates that, without any corrective action, the General Fund would have a long-term annual structural deficit of \$2.2 million and draw down reserves below the targeted 17% minimum reserve balance starting in FY 2019/20. The City Council is committed to preserving the City's fiscal health and has developed a preliminary fiscal sustainability plan incorporate various revenue enhancements, expenditure controls and service delivery changes that, if fully enacted through City Council action and/or voter approval, will solve the City's structural deficit and replenish reserves at or above the minimum reserve target.

The Five-Year Financial Plan also included a review of the Five-Year Capital Improvement and Purchase Plan, which included 55 capital improvement projects and purchases totaling \$22.6 million, of which \$13.3 million of projects were funded and scheduled over the five years. Twenty-seven capital improvement projects and purchases totaling \$3,291,300 scheduled for FY 2018/19 have been incorporated in the FY 2018/19 Annual Budget. The City Council is required to approve a five-year program of projects for the use of Measure D funds through a separate resolution on tonight's agenda for separate City Council consideration.

It should be noted that there are no assumptions built into the FY 2018/19 annual budget regarding 1) Council direction on user fees or 2) changes that may result of negotiations with the City's labor groups concerning successor memoranda of understanding. Until which time action is taken on these items, the annual budget will be amended accordingly. Furthermore, no assumptions are made concerning any changes to the TOT rate pending Council direction and voter approval. Only upon approval of any tax measure will the budget be amended accordingly.

Attached are the financial and personnel summary pages for the final FY 2018/19 Annual Budget. Once the City Council adopts the resolutions approving the final budget, the entire budget document will be produced and distributed by June 30.

Fund Balances and Minimum Reserve Policy

Council approved a fund balance minimum reserves policy in FY 2017/18 to implement a minimum reserve targets for the City's various operating and capital funds. The targeted minimum reserves are as follows:

General Fund – 17% of annual operating expenditures plus net transfers out to other funds, equivalent to approximately two months of operating expenditures.

- General CIP Fund - \$500,000 for emergency capital infrastructure replacement needs not funded by other sources
- Recreation Enterprise Fund – a minimum reserve equal to zero, with the General Fund subsidizing any deficits through a transfer of available reserves
- Wastewater Enterprise Funds – 67% of annual operating expenses (equivalent to eight months of operating expenses), plus \$1,000,000 in capital reserves for emergency capital infrastructure replacement

These minimum reserves policies have been incorporated into the FY 2018/19 annual budget. A resolution is attached affirming these fund balance minimum reserve targets by policy.

Utility Users Tax Continuation

Ordinance No. 109.3 (SVMC §3.35.180) requires, concurrent with budget adoption, that the Council also approve the continued collection of the utility users' tax placed upon gas and electric service providers serving Scotts Valley properties. The final Annual Budget assumes the continued collection of the Utility Users' Tax, which is estimated to total \$740,000 in FY 2018/19.

FISCAL IMPACT

The City's final FY 2018/19 Annual Budget, including all funds, indicates total expenditures of \$19,788,287, and transfers between funds totaling \$4,248,521.

STAFF RECOMMENDATION

It is recommended that the City Council adopt the following resolutions:

1. Resolution No. 630.38 approving the final FY 2018/19 Annual Budget and making appropriations for the amounts budgeted.
2. Resolution No. 1932.1 approving a minimum reserve policy for the City's General Fund, General CIP Fund, Recreation Enterprise Fund and Wastewater Enterprise Funds (Council Policy No. 04-17).
3. Resolution No. 1501.25 approving the continued collections of the Utility Users' Tax for FY 2018/19.

TABLE OF CONTENTS

Resolution No. 630.38 Approving the FY 2018/19 Annual Budget.....	4
Exhibit A – FY 2018/19 Financial and Personnel Summaries	6
Resolution No.1932.1 Approving a Minimum Reserve Policy for the City's General Fund, General CIP Fund, Recreation Enterprise Fund and Wastewater Enterprise Funds.....	33
Exhibit A – Council Minimum Reserve Policy 04-17	35
Resolution No. 1501.25 Approving the Continued Collection of Utility Users Tax.....	36

City of Scotts Valley
Summary of Financial Resources and Requirements
FY 2018/19

Fund		Beginning Fund Balance 7/1/2018	Estimated Revenue	Transfers In	Total Funds Available	Budgeted Expenditures	Transfers Out	Projected Ending Fund Balance 6/30/2019
General Funds								
1	General Fund	2,894,900	11,409,700	235,000	14,539,600	11,923,206	989,769	1,626,625
6	Equipment Replacement Reserve	679,700	60,100		739,800	450		739,350
Subtotal General Funds		3,574,600	11,469,800	235,000	15,279,400	11,923,656	989,769	2,365,975
General Capital Improvement Fund								
150	General Capital Improvements	(95,200)	113,500	620,000	638,300	630,370	-	7,930
Special Revenue Funds - Development Impact Fees								
7	Drainage Construction Impact Fees	(82,900)	11,505	-	(71,395)	25	-	(71,420)
8	Traffic Impact Mitigation Fees	601,000	847,000	-	1,448,000	23,400	-	1,424,600
9	Park & Recreation Facilities Impact Fees	654,200	1,098,200	-	1,752,400	90,380	-	1,662,020
21	General Facility Impact Fees	85,600	68,950	-	154,550	40,055	-	114,495
27	Police Facility Building Impact Fees	286,900	157,800	-	444,700	244,170	-	200,530
51	Mt. Hermon Traffic Mitigation	51,800	300	-	52,100	55	-	52,045
86	Library Impact Fees	253,400	117,950	-	371,350	210	-	371,140
315	Police Development Fees	66,200	900	-	67,100	150	-	66,950
Subtotal Special Revenue Funds - Development Impact Fees		1,916,200	2,302,605	-	4,218,805	398,445	-	3,820,360
Special Revenue Funds - Other								
2	Recycling/Environment	46,600	66,060	-	112,660	60,680	-	51,980
3	Gas Tax	(314,100)	515,500	-	201,400	200,160	235,000	(233,760)
5	SMIP Fees	25,800	5,060	-	30,860	8,070	-	22,790
18	Senior Center Designated Donations	-	-	-	-	-	-	-
19	Affordable Housing	233,400	38,860	-	272,260	59,339	-	212,921
24	Lennar Funds	492,200	-	-	492,200	58,800	-	433,400
28	Senior Center Operations	9,800	77,650	-	87,450	102,112	3,552	(18,214)
31	STP Exchange Projects	27,000	768,250	-	795,250	768,270	-	26,980
33	Tree Replacement	15,300	610	-	15,910	10,025	-	5,885
35	Green Building Funding	388,100	108,900	-	497,000	4,240	-	492,760
36	Disability Compliance	3,800	750	-	4,550	5,005	-	(455)
50	Pinewood Estates Maintenance District	11,000	6,290	-	17,290	5,515	-	11,775
77	Skypark Landscape Maintenance District	3,800	41,750	-	45,550	46,000	-	(450)
78	Skypark Landscape Maintenance District Insurance	501,500	11,230	-	512,730	400	-	512,330
88	Library Facilities Improvements (Measure S)	43,300	300	-	43,600	170	-	43,430
89	Library County MOE Excess Distribution	-	339,321	-	339,321	-	-	339,321
123	Community Facility Center Operations	80,100	110,850	-	190,950	75,115	1,445	114,390
155	Measure D Sales Tax for Transportation	(20,500)	265,900	-	245,400	265,020	-	(19,620)
306	Supplemental Law Enforcement Services	185,600	100,300	-	285,900	146,900	-	139,000
312	Police Budget Act 2016	49,000	-	-	49,000	15,000	-	34,000
316	Homeland Security Grant	(300)	-	-	(300)	30	-	(330)
317	EDG Revolving Loan	600	-	-	600	-	-	600
Subtotal Special Revenue Funds - Other		1,782,000	2,457,581	-	4,239,581	1,830,851	239,997	2,168,733

City of Scotts Valley
Summary of Financial Resources and Requirements
FY 2018/19

Fund		Beginning Fund Balance 7/1/2018	Estimated Revenue	Transfers In	Total Funds Available	Budgeted Expenditures	Transfers Out	Projected Ending Fund Balance 6/30/2019
Debt Service Funds								
26	Pension Obligation Bond	-	-	443,825	443,825	443,825	-	-
66	COP Debt Service Reserve	953,100	4,100	-	957,200	700	-	956,500
Subtotal Debt Service Funds		953,100	4,100	443,825	1,401,025	444,525	-	956,500
Recreation Enterprise Fund								
4	Recreation	81,800	1,050,100	-	1,131,900	1,067,759	24,490	39,651
Wastewater Enterprise Funds								
10	Wastewater Operations	(891,300)	2,478,383	2,321,786	3,908,869	2,256,400	44,569	1,607,900
11	Tertiary Operating	(204,500)	121,200	-	(83,300)	230,039	-	(313,339)
12	Wastewater Capital Reserve	2,385,100	853,800	627,910	3,866,810	935,700	2,321,786	609,324
14	Wastewater Equipment Replacement	725,400	3,000	-	728,400	490	627,910	100,000
15	TTP District Reserve	25,900	11,100	-	37,000	12	-	36,988
Subtotal Wastewater Enterprise Funds		2,040,600	3,467,483	2,949,696	8,457,779	3,422,641	2,994,265	2,040,873
Internal Service Fund								
112	Dental Insurance	23,700	70,190	-	93,890	70,040	-	23,850
Total All Funds		10,276,800	20,935,359	4,248,521	35,460,680	19,788,287	4,248,521	11,423,872

**City of Scotts Valley
Summary of Revenues
FY 2018 / 19**

ACCT#	ACCOUNT TITLE	2016 / 2017 Actual	2017 / 2018 Budget	2017 / 2018 Projected Revenue	2018 / 2019 Estimated Revenue
GENERAL FUNDS					
	<u>1-GENERAL</u>				
	TAXES:				
3010	PROPERTY TAXES/CURR/SEC	864,390	891,000	1,066,000	958,700
3011	PROPERTY TAXES/CURR/UNSEC	17,562	18,500	18,500	20,000
3012	SUPPLEMENTAL ROLL/CURR/SEC	17,600	10,000	10,000	16,000
3013	SUPPLEMENTAL ROLL/CURR/UNSEC	666	300	300	500
3014	PROPERTY TAXES - TEA	318,830	320,000	320,000	351,100
3015	PROPERTY TAXES - SUCCESSOR AGENCY	334,031	60,000	60,000	120,000
3021	PROPERTY TAXES/PRIOR/UNSECURED	1,723	1,000	1,000	1,000
3022	SUPPLEMENTAL ROLL/PRIOR/SEC	745	900	900	900
3023	SUPPLEMENTAL ROLL/PRIOR/UNSEC	547	500	500	500
3040	PENALTIES ON DELINQUENT TAX	23,803	2,000	2,000	1,000
3080	SALES AND USE TAXES	2,023,565	2,124,000	2,124,000	2,070,000
3081	SALES TAXES - PROP 172	54,505	35,000	35,000	45,000
3083	SALES TAX - MEASURE U	1,265,724	1,233,000	1,333,000	1,340,000
3120	BUSINESS LICENSE TAX	342,312	360,000	360,000	350,000
3121	DELINQUENT BUSINESS LIC TAX	1,980	1,700	1,700	1,700
3150	UTILITY USER'S TAX	747,585	740,000	740,000	740,000
3160	TRANSIENT OCCUPANCY TAX	1,218,063	-	-	-
	Hilton Scotts Valley		1,000,000	1,043,000	1,084,700
	Best Western SV		250,000	250,000	260,000
	Santa Cruz Ranch RV		44,000	44,000	45,800
	1440 Project		-	250,000	275,000
	Four Points Sheraton (former Lexington)				148,900
3582	HOMEOWNER'S PROPERTY TAX RELIEF	6,110	5,800	5,800	5,800
3140	REAL PROPERTY TRANSFER TAX	88,162	85,000	85,000	80,000
3521	STATE IN LIEU TAXES/MOTOR VEHICLE	1,019,933	1,056,000	1,056,000	1,086,700
	TOTAL TAXES	8,347,839	8,238,700	8,806,700	9,003,300
	FRANCHISE FEES:				
3101	FRANCHISE - GAS	34,320	35,300	35,300	41,000
3102	FRANCHISE - ELECTRIC	158,800	164,800	164,800	169,000

**City of Scotts Valley
Summary of Revenues
FY 2018 / 19**

ACCT#	ACCOUNT TITLE	2016 / 2017 Actual	2017 / 2018 Budget	2017 / 2018 Projected Revenue	2018 / 2019 Estimated Revenue
3104	FRANCHISE - SOLID WASTE	606,551	615,900	615,900	625,000
3105	FRANCHISE - VIDEO SERVICES	194,943	210,000	210,000	201,900
	TOTAL FRANCHISE FEES	994,613	1,026,000	1,026,000	1,036,900
FINES & FORFEITURES:					
3310	VEHICLE CODE FINES	2,545	2,000	2,000	2,000
3311	LOCAL CRIME PREVENTION	50	100	100	100
3312	GENERAL FINES	32,521	30,000	30,000	20,000
3313	NARCO FINES	73	50	50	100
3320	PARKING FINES	2,491	5,500	5,500	2,000
	TOTAL FINES & FORFEITURES	37,680	37,650	37,650	24,200
CHARGES FOR SERVICES:					
3250	CONSTRUCTION PERMITS - Recurring	798,824	240,000	240,000	240,000
3250	CONSTRUCTION PERMITS - Significant		345,000	345,000	150,000
3280	ENCROACHMENT PERMITS - Recurring	40,926	30,000	30,000	30,000
3280	ENCROACHMENT PERMITS - Significant		5,000	5,000	3,000
3290	OTHER LICENSES & PERMITS	538	500	500	500
3430	RENTS & CONCESSIONS	60,008	62,000	62,000	62,000
3608	GENERAL PLAN MAINTENANCE FEE - Recurring	279,733	90,000	90,000	90,000
3608	GENERAL PLAN MAINTENANCE FEE - Significant		180,000	180,000	70,000
3609	TREE REMOVAL	1,900	1,500	1,500	1,500
3611	FEES & PERMITS - ZONING	10,710	8,000	8,000	15,000
3612	FEES & PERMITS - USE PERMITS	7,029	7,000	7,000	7,000
3615	FEES & PERMITS - GEN PLAN AMEND	3,844	4,000	4,000	8,000
3616	FEES & PERMITS - OTHER PLANNING	282	500	500	500
3617	FEES & PERMITS - DESIGN REVIEW	55,314	20,000	20,000	15,000
3618	FEES & PERMITS - SITE PLAN	6,463	7,000	7,000	20,000
3620	SUBDIVISION FEES	26,808	20,000	20,000	20,000
3623	CONCEPTUAL REVIEW FEES	-	1,000	1,000	1,000
3624	LOT LINE ADJUSTMENT	800	1,000	1,000	1,000
3630	SALE OF MAPS, PUBLICATIONS & COPIES	91	200	200	200
3640	OTHER FILING & CERTIFICATION FEES	16,445	-	-	-
3650	SPECIAL POLICE DEPT SERVICES	117	-	-	-
3651	ALARM SERV FEE & FALSE ALARM	11,749	10,000	10,000	10,000
3652	ABANDONED VEHICLE ABATEMENT	7,316	7,000	7,000	5,000

**City of Scotts Valley
Summary of Revenues
FY 2018 / 19**

ACCT#	ACCOUNT TITLE	2016 / 2017 Actual	2017 / 2018 Budget	2017 / 2018 Projected Revenue	2018 / 2019 Estimated Revenue
3654	VEHICLE RELEASE/IMPOUND FEE	8,682	8,000	8,000	8,000
3660	ENGINEERING PLAN CHECK FEES - Recurring	38,359	13,000	13,000	13,000
3660	ENGINEERING PLAN CHECK FEES - Significant		31,000	31,000	10,000
3662	ON-SITE CIVIL IMPROVEMENT PERMIT	261,758	12,500	12,500	2,500
3711	ENVIRONMENTAL ASSESSMENT	3,399	3,000	3,000	2,000
3712	NEGATIVE DECLARATION	8,662	8,000	8,000	3,000
3713	PUBLIC HEARING NOTICE	1,386	1,500	1,500	2,000
3718	PLANNING SERVICES	1,526	1,500	1,500	2,000
3750	OTHER BLDG DEPT SERVICES	3	-	-	-
3760	COLLECTION FEE - FIRE DISTRICT	2,637	2,000	2,000	2,000
3762	COLLECTION FEE - TOURISM MKTG DIST	1,995	2,700	2,700	2,000
3891	RETURNED CHECK FEES	33	50	50	100
	TOTAL CHARGES FOR SERVICES	1,657,335	1,122,950	1,122,950	796,300
3410	INVESTMENT EARNINGS	17,037	10,000	10,000	10,000
	OTHER REVENUE:				
3550	OTHER STATE GRANTS	8,197	-	-	-
3551	POST	1,320	25,000	25,000	10,000
3555	STATE MANDATED COSTS REIMB		2,500	2,500	1,000
3815	IMPACT FEES/ADMINISTRATION - Recurring	37,669	12,000	12,000	12,000
3815	IMPACT FEES/ADMINISTRATION - Significant		53,000	53,000	5,000
3818	LEGAL FEE REIMBURSEMENTS	477,007	-	-	-
3819	COST REIMBURSEMENT	239,439	50,000	50,000	10,000
3890	OTHER REVENUE	195,858	100,000	100,000	240,000
3996	COST ALLOCATION	286,689	255,200	255,200	261,000
	TOTAL OTHER REVENUE	1,246,179	497,700	497,700	539,000
	TOTAL GENERAL FUND (1)	12,300,682	10,933,000	11,501,000	11,409,700
	<u>6-GENERAL EQUIPMENT RESERVE</u>				
3410	INVESTMENT EARNINGS	3,779	2,100	2,100	2,100
	OTHER REVENUE:				
3110	PEG VIDEO FEE	37,864	28,000	28,000	28,000
3716	MODERNIZATION FEE	30,589	30,000	30,000	30,000

**City of Scotts Valley
Summary of Revenues
FY 2018 / 19**

ACCT#	ACCOUNT TITLE	2016 / 2017 Actual	2017 / 2018 Budget	2017 / 2018 Projected Revenue	2018 / 2019 Estimated Revenue
	TOTAL GENERAL EQUIPMENT RESERVE FUND (6)	72,233	60,100	60,100	60,100
	TOTAL GENERAL FUNDS	12,372,915	10,993,100	11,561,100	11,469,800
GENERAL CAPITAL IMPROVEMENT FUND					
	<u>150-GENERAL CAPITAL PROJECTS</u>				
3410	INVESTMENT EARNINGS	314	1,000	1,000	500
	OTHER REVENUE:				
3550	OTHER STATE GRANTS		-	-	12,000
3890	OTHER REVENUE	2,140	161,000	161,000	101,000
	TOTAL OTHER REVENUE	2,140	161,000	161,000	113,000
	TOTAL GENERAL CAPITAL PROJECTS FUND (150)	2,454	162,000	162,000	113,500
SPECIAL REVENUE FUNDS - DEVELOPMENT IMPACT FEES					
	<u>7-DRAINAGE CONSTRUCTION</u>				
3410	INVESTMENT EARNINGS	173	105	105	105
	OTHER REVENUE:				
3815	IMPACT FEES - Recurring	12,733	7,500	7,500	7,500
3815	IMPACT FEES - Significant		47,000	47,000	3,900
	TOTAL DRAINAGE CONSTRUCTION FUND (7)	12,906	54,605	54,605	11,505
	<u>8-TRAFFIC IMPACT MITIGATION</u>				
3410	INVESTMENT EARNINGS	8,023	4,600	4,600	4,600
	OTHER REVENUE:				
3815	IMPACT FEES - Recurring	117,085	30,000	30,000	30,000
3815	IMPACT FEES - Significant		140,000	140,000	812,400
	TOTAL TRAFFIC IMPACT MITIGATION FUND (8)	125,108	174,600	174,600	847,000

**City of Scotts Valley
Summary of Revenues
FY 2018 / 19**

ACCT#	ACCOUNT TITLE	2016 / 2017 Actual	2017 / 2018 Budget	2017 / 2018 Projected Revenue	2018 / 2019 Estimated Revenue
<u>9-PARK & RECREATION FACILITIES</u>					
3410	INVESTMENT EARNINGS	3,036	1,900	1,900	1,900
	OTHER REVENUE:				
3815	IMPACT FEES - Recurring	104,743	40,000	40,000	40,000
3815	IMPACT FEES - Significant		209,000	209,000	1,055,300
3890	OTHER REVENUE		1,000	1,000	1,000
	TOTAL OTHER REVENUE	104,743	250,000	250,000	1,096,300
	TOTAL PARK & RECREATION FACILITIES FUND (9)	107,779	251,900	251,900	1,098,200
<u>21-GENERAL FACILITY</u>					
3410	INVESTMENT EARNINGS	379	250	250	250
	OTHER REVENUE:				
3815	IMPACT FEES - Recurring	6,803	3,000	3,000	3,000
3815	IMPACT FEES - Significant		22,200	22,200	65,700
	TOTAL GENERAL FACILITY FUND (21)	7,182	25,450	25,450	68,950
<u>27-POLICE FACILITY BUILDING</u>					
3410	INVESTMENT EARNINGS	1,309	800	800	800
	OTHER REVENUE:				
3815	IMPACT FEES - Recurring	23,486	5,000	5,000	5,000
3815	IMPACT FEES - Significant		97,000	97,000	152,000
	TOTAL OTHER REVENUE	23,486	102,000	102,000	157,000
	TOTAL POLICE FACILITY BUILDING FUND (27)	24,795	102,800	102,800	157,800
<u>51-MT HERMON TRAFFIC MITIGATION</u>					
3410	INVESTMENT EARNINGS	338	300	300	300
	TOTAL MT HERMON TRAFFIC MITIGATION FUND (51)	338	300	300	300

**City of Scotts Valley
Summary of Revenues
FY 2018 / 19**

ACCT#	ACCOUNT TITLE	2016 / 2017 Actual	2017 / 2018 Budget	2017 / 2018 Projected Revenue	2018 / 2019 Estimated Revenue
<u>86-LIBRARY</u>					
3410	INVESTMENT EARNINGS	1,565	1,150	1,150	1,150
OTHER REVENUE:					
3815	IMPACT FEES - Recurring	11,885	5,000	5,000	5,000
3815	IMPACT FEES - Significant		30,000	30,000	111,800
	TOTAL OTHER REVENUE	11,885	35,000	35,000	116,800
	TOTAL FUND 86	13,450	36,150	36,150	117,950
<u>315 - POLICE DEVELOPMENT FEES</u>					
3410	INVESTMENT EARNINGS	1,083	900	900	900
	TOTAL POLICE DEVELOPMENT FEES FUND (315)	1,083	900	900	900
TOTAL SPECIAL REVENUE FUNDS - DEVELOPMENT IMPACT FEES		292,639	646,705	646,705	2,302,605

SPECIAL REVENUE FUNDS - OTHER

<u>2-RECYCLING</u>					
3410	INVESTMENT EARNINGS	169	60	60	60
OTHER REVENUE:					
3090	CSA 9CA RECYCLING	61,695	61,000	61,000	61,000
3550	OTHER STATE GRANTS	5,000	5,000	5,000	5,000
	TOTAL OTHER REVENUE	66,695	66,000	66,000	66,000
	TOTAL RECYCLING FUND (2)	66,864	66,060	66,060	66,060
<u>3-GAS TAX</u>					
3410	INVESTMENT EARNINGS	3,118	2,500	2,500	2,500
TAXES:					
3536	STATE GAS TAX/2103	32,410	48,600	48,600	93,200

**City of Scotts Valley
Summary of Revenues
FY 2018 / 19**

ACCT#	ACCOUNT TITLE	2016 / 2017 Actual	2017 / 2018 Budget	2017 / 2018 Projected Revenue	2018 / 2019 Estimated Revenue
3530	STATE GAS TAX/2105	68,231	70,500	70,500	70,000
3531	STATE GAS TAX/2106 SELECT	43,703	47,400	47,400	44,300
3532	STATE GAS TAX/2107 NON-SELECT	86,505	91,100	91,100	86,800
3533	STATE GAS TAX/2107.5 ENGINEERING	3,000	3,000	3,000	3,000
3534	STATE GAS TAX/2030 RMRA ACT 2017		70,000	70,000	215,700
	TOTAL TAXES	233,849	330,600	330,600	513,000
	TOTAL GAS TAX FUND (3)	236,966	333,100	333,100	515,500
<u>5-SMIP</u>					
3410	INVESTMENT EARNINGS	129	60	60	60
	OTHER REVENUE:				
3240	SMIP FEES	15,200	5,000	5,000	5,000
	TOTAL FUND 5	15,330	5,060	5,060	5,060
<u>18-SENIOR CENTER DESIGNATED DONATIONS</u>					
3410	INVESTMENT EARNINGS	-	-	-	-
	TOTAL SENIOR CENTER DESIGNATED DONATIONS FUND (18)	-	-	-	-
<u>19-AFFORDABLE HOUSING</u>					
3410	INVESTMENT EARNINGS	1,802	6,100	6,100	6,100
	OTHER REVENUE:				
3430	RENTAL INCOME	32,760	32,760	32,760	32,760
3440	LOAN REPAYMENT	48,284			-
3442	LOAN/NOTE INTEREST	8,140			-
3810	SALE OF REAL OR PERSONAL PRO	746,925			-
3890	OTHER REVENUE	1,056	-	-	-
	TOTAL OTHER REVENUE	837,164	32,760	32,760	32,760
	TOTAL AFFORDABLE HOUSING FUND (19)	838,966	38,860	38,860	38,860

25-LENNAR FUNDS

**City of Scotts Valley
Summary of Revenues
FY 2018 / 19**

ACCT#	ACCOUNT TITLE	2016 / 2017 Actual	2017 / 2018 Budget	2017 / 2018 Projected Revenue	2018 / 2019 Estimated Revenue
3410	INVESTMENT EARNINGS	-	-	-	-
	<u>28-SENIOR CENTER OPERATIONS</u>				
	CHARGES FOR SERVICES:				
3632	BOUTIQUE SALES	8,461	10,000	10,000	10,000
3770	MEMBERSHIP FEES	14,434	10,000	10,000	10,000
3897	SR CENTER VAN INCOME	3	300	300	300
3898	SR CENTER ACTIVITIES	33,852	41,800	41,800	40,300
3940	FACILITY/BUILDING RENTAL	15,273	13,000	13,000	14,500
	TOTAL CHARGES FOR SERVICES:	72,023	75,100	75,100	75,100
3410	INVESTMENT EARNINGS	41	50	50	50
	OTHER REVENUE:				
3840	CONTRIBUTIONS FROM NON-GVMT	2,865	2,000	2,000	2,000
3890	OTHER REVENUE	1,247	500	500	500
	TOTAL OTHER REVENUE	4,111	2,500	2,500	2,500
	TOTAL SENIOR CENTER OPERATIONS FUND (28)	76,175	77,650	77,650	77,650
	<u>31-SURFACE TRANSPORTATION GRANTS</u>				
3410	INVESTMENT EARNINGS	177	-	-	-
	OTHER REVENUE:				
3563	OTHER STATE GRANTS	-	711,000	711,000	768,250
	TOTAL STP EXCHANGE FOR STORM DAMAGE FUND (31)	177	711,000	711,000	768,250
	<u>33-TREE REPLACEMENT FUND</u>				
3410	INVESTMENT EARNINGS	158	110	110	110
	OTHER REVENUE:				
3622	TREE REPLANTING FEES	2,010	500	500	500
	TOTAL OTHER REVENUE	2,010	500	500	500

**City of Scotts Valley
Summary of Revenues
FY 2018 / 19**

ACCT#	ACCOUNT TITLE	2016 / 2017 Actual	2017 / 2018 Budget	2017 / 2018 Projected Revenue	2018 / 2019 Estimated Revenue
	<i>TOTAL TREE REPLACEMENT FUND (33)</i>	2,168	610	610	610
	<i><u>35-GREEN BUILDING FUNDING</u></i>				
3410	INVESTMENT EARNINGS	1,613	900	900	900
	CHARGES FOR SERVICES:				
3242	GREEN BLDG STANDARD FEES - Recurring	3,212	1,000	1,000	1,000
3242	GREEN BLDG STANDARD FEES - Significant		5,000	5,000	5,000
3707	GREEN BUILDING FEES - Recurring	122,327	25,000	25,000	25,000
3707	GREEN BUILDING FEES - Significant		69,500	69,500	77,000
	TOTAL OTHER REVENUE	125,539	100,500	100,500	108,000
	<i>TOTAL GREEN BUILDING FUND (35)</i>	127,152	101,400	101,400	108,900
	<i><u>36-DISABILITY COMPLIANCE FUND</u></i>				
3410	INVESTMENT EARNINGS	21	-	-	-
	OTHER REVENUE:				
3244	DISABILITY COMPLIANCE FEE	1,277	750	750	750
	<i>TOTAL DISABILITY COMPLIANCE FUND (36)</i>	1,298	750	750	750
	<i><u>50-PINEWOOD EST LNDSCP MAINT DIST</u></i>				
3410	INVESTMENT EARNINGS	59	50	50	50
	OTHER REVENUE:				
3890	OTHER REVENUE	6,120	6,240	6,240	6,240
	<i>TOTAL PINEWOOD EST LNDSCP MAINT DIST FUND (50)</i>	6,179	6,290	6,290	6,290
	<i><u>77-SKYPARK MAINTENANCE ASSESSMENT DISTRICT</u></i>				
3410	INVESTMENT EARNINGS	31			-
	OTHER REVENUE:				
3890	OTHER REVENUE	41,751	41,750	41,750	41,750

**City of Scotts Valley
Summary of Revenues
FY 2018 / 19**

ACCT#	ACCOUNT TITLE	2016 / 2017 Actual	2017 / 2018 Budget	2017 / 2018 Projected Revenue	2018 / 2019 Estimated Revenue
	<i>TOTAL SKYPARK MAINT ASSESSMENT DIST FUND (77)</i>	41,751	41,750	41,750	41,750
	<u>78-SKYPARK MAINTENANCE ASSESSMENT DISTRICT INSURANCE</u>				
3410	INVESTMENT EARNINGS	3,153	2,230	2,230	2,230
	OTHER REVENUE:				
3895	PREMIUMS	9,000	9,000	9,000	9,000
	<i>TOTAL SKYPARK MAINT ASSESSMENT DIST INSURANCE FUND (78)</i>	12,153	11,230	11,230	11,230
	<u>88-LIBRARY FACILITIES AUTHORITY</u>				
3410	INVESTMENT EARNINGS	413	50	50	300
	OTHER REVENUE:				
3030	TAXES-SPECIAL ASSESSMENTS	177,674	165,000	165,000	-
	<i>TOTAL LIBRARY FACILITIES AUTHORITY (88)</i>	178,087	165,050	165,050	300
	<u>89-LIBRARY COUNTY MOE EXCESS DISTRIBUTION</u>				
3410	INVESTMENT EARNINGS	-	-	-	-
	OTHER REVENUE:				
3030	TAXES-SPECIAL ASSESSMENTS	-	-	-	339,321
	<i>TOTAL LIBRARY COUNTY MOE EXCESS DISTRIBUTION (89)</i>	-	-	-	339,321
	<u>123-COMMUNITY FACILITY CENTER</u>				
	CHARGES FOR SERVICES:				
3940	FACILITY/BUILDING RENTAL	115,655	112,300	112,300	110,000
	<i>TOTAL CHARGES FOR SERVICES</i>	115,655	112,300	112,300	110,000
3410	INVESTMENT EARNINGS:	558	350	350	350

**City of Scotts Valley
Summary of Revenues
FY 2018 / 19**

ACCT#	ACCOUNT TITLE	2016 / 2017 Actual	2017 / 2018 Budget	2017 / 2018 Projected Revenue	2018 / 2019 Estimated Revenue
	OTHER REVENUE:				
3890	OTHER REVENUE		1,000	1,000	500
	TOTAL OTHER REVENUE	-	1,000	1,000	500
	TOTAL COMMUNITY CENTER FUND (123)	116,213	113,650	113,650	110,850
	<u>155-MEASURE D SALES TAX FOR TRANSPORTATION</u>				
3410	INVESTMENT EARNINGS	-	100	100	100
	OTHER REVENUE:				
3084	SALES TAX-MEASURE D FUNDS		240,000	240,000	265,800
	TOTAL MEASURE D SALES TAX FOR TRANSPORTATION (155)	-	240,100	240,100	265,900
	<u>306-SUPPLEMENTAL LAW ENFORCEMENT SERVICES (SLESF)</u>				
3410	INVESTMENT EARNINGS	592	280	280	300
	OTHER REVENUE:				
3550	OTHER STATE GRANTS	100,000	100,000	100,000	100,000
	TOTAL OTHER REVENUES	100,000	100,000	100,000	100,000
	TOTAL SLESF FUND (306)	100,592	100,280	100,280	100,300
	<u>312 - POLICE BUDGET ACT OF 2016 FUND</u>				
	OTHER REVENUE:				
3890	OTHER REVENUE	-	-	49,000	-
	TOTAL POLICE BUDGET ACT OF 2016 FUND (312)	-	-	49,000	-
	<u>316 -HOMELAND SECURITY GRANT</u>				
3410	INVESTMENT EARNINGS	3	-	-	-
	OTHER REVENUE:				
3550	OTHER STATE GRANTS	2,231	47,500	47,500	-
	TOTAL HOMELAND SECURITY GRANT FUND (316)	2,234	47,500	47,500	-

**City of Scotts Valley
Summary of Revenues
FY 2018 / 19**

ACCT#	ACCOUNT TITLE	2016 / 2017 Actual	2017 / 2018 Budget	2017 / 2018 Projected Revenue	2018 / 2019 Estimated Revenue
<u>317 - EDG REVOLVING LOAN FUND</u>					
3410	INVESTMENT EARNINGS	4	-	-	
	TOTAL EDG REVOLVING LOAN FUND (317)	4	-	-	-
TOTAL SPECIAL REVENUE FUNDS - OTHER		1,822,309	2,060,340	2,109,340	2,457,581
DEBT SERVICE FUNDS					
<u>26-PENSION OBLIGATION BONDS</u>					
3410	INVESTMENT EARNINGS	-	-	-	-
<u>66-COP DEBT SERVICE RESERVE</u>					
3410	INVESTMENT EARNINGS	6,217	4,100	4,100	4,100
	TOTAL COP DEBT SERVICE RESERVE FUND (66)	6,217	4,100	4,100	4,100
TOTAL DEBT SERVICE FUNDS		6,217	4,100	4,100	4,100
RECREATION ENTERPRISE FUND					
<u>4-RECREATION</u>					
CHARGES FOR SERVICES:					
3871	AQUATICS	41,139	65,400	65,400	65,400
3872	CLASSES	118,267	74,600	74,600	74,600
3873	FACILITIES RENTALS	89,463	132,500	132,500	132,500
3874	SCHOOL AGE RECREATION	728,420	700,000	700,000	700,000
3875	SPECIAL EVENTS	240			
3876	SPORTS	30,961	75,100	75,100	75,100
	TOTAL CHARGES FOR SERVICES	1,008,491	1,047,600	1,047,600	1,047,600

**City of Scotts Valley
Summary of Revenues
FY 2018 / 19**

ACCT#	ACCOUNT TITLE	2016 / 2017 Actual	2017 / 2018 Budget	2017 / 2018 Projected Revenue	2018 / 2019 Estimated Revenue
3410	INVESTMENT EARNINGS	-	-	-	-
	OTHER REVENUE:				
3874	SPECIAL EVENTS		500	500	500
3890	OTHER REVENUE	1,785	2,000	2,000	2,000
	TOTAL OTHER REVENUE	<u>1,785</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>
	TOTAL RECREATION ENTERPRISE FUND	<u><u>1,010,276</u></u>	<u><u>1,050,100</u></u>	<u><u>1,050,100</u></u>	<u><u>1,050,100</u></u>

WASTEWATER ENTERPRISE FUNDS

10-WASTEWATER OPERATIONS

	CHARGES FOR SERVICES:				
3670	SEWER SERVICE FEES	1,853,122	1,900,000	1,900,000	2,469,283
3775	PENALTIES FOR DELINQUENCIES	5,496	7,000	7,000	7,100
	TOTAL CHARGES FOR SERVICES	<u>1,858,618</u>	<u>1,907,000</u>	<u>1,907,000</u>	<u>2,476,383</u>
	OTHER REVENUE				
3890	OTHER REVENUE	19,375	2,000	2,000	2,000
	TOTAL OTHER REVENUE	<u>19,375</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
3410	INVESTMENT EARNINGS	-	-	-	-
	TOTAL WASTEWATER OPERATIONS FUND (10)	<u><u>1,877,993</u></u>	<u><u>1,909,000</u></u>	<u><u>1,909,000</u></u>	<u><u>2,478,383</u></u>

11-TERTIARY TREATMENT PLANT

	CHARGES FOR SERVICES:				
3571	SCOTTS VALLEY WATER DEPT REIMB.	101,538	120,000	120,000	121,200
	TOTAL TERTIARY TREATMENT PLANT FUND (11)	<u><u>101,538</u></u>	<u><u>120,000</u></u>	<u><u>120,000</u></u>	<u><u>121,200</u></u>

12-WASTEWATER CAPITAL RESERVE

3410	INVESTMENT EARNINGS	8,236	5,600	5,600	5,600
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**City of Scotts Valley
Summary of Revenues
FY 2018 / 19**

ACCT#	ACCOUNT TITLE	2016 / 2017 Actual	2017 / 2018 Budget	2017 / 2018 Projected Revenue	2018 / 2019 Estimated Revenue
	OTHER REVENUE:				
3815	IMPACT FEES - Recurring	58,280	50,000	50,000	51,500
3815	IMPACT FEES - Significant		412,000	412,000	796,700
	TOTAL OTHER REVENUE	58,280	462,000	462,000	848,200
	TOTAL WASTEWATER CAPITAL RESERVE FUND (12)	66,516	467,600	467,600	853,800
	<u>14-WASTEWATER EQMT REPLACEMENT RESERVE</u>				
3410	INVESTMENT EARNINGS	4,837	3,700	3,700	3,000
	TOTAL WASTEWATER EQUIPMENT REPLACEMENT RESERVE FUND (14)	4,837	3,700	3,700	3,000
	<u>15-TTP - DISTRICT RESERVE FUND</u>				
3410	INVESTMENT EARNINGS	72	50	50	100
	OTHER REVENUE:				
3890	OTHER REVENUE	8,672	11,000	11,000	11,000
	TOTAL TTP DISTRICT RESERVE FUND (15)	8,744	11,050	11,050	11,100
	TOTAL WASTEWATER ENTERPRISE FUNDS	2,059,628	2,511,350	2,511,350	3,467,483

INTERNAL SERVICE FUND

	<u>112 - DENTAL INSURANCE</u>				
3410	INVESTMENT EARNINGS:	233	190	190	190
	OTHER REVENUE:				
3895	PREMIUMS	63,294	63,800	63,800	70,000
	TOTAL DENTAL INSURANCE FUND (112)	63,526	63,990	63,990	70,190

**City of Scotts Valley
Summary of Revenues
FY 2018 / 19**

ACCT#	ACCOUNT TITLE	2016 / 2017 Actual	2017 / 2018 Budget	2017 / 2018 Projected Revenue	2018 / 2019 Estimated Revenue
	TOTAL ALL FUNDS	17,629,964	17,491,685	18,108,685	20,935,359

City of Scotts Valley
Summary of Expenditures by Fund/Department
FY 2018 / 19

Fund/ Dept	Fund/Department Title	FY 2016/17 Actual	FY 2017/18 Revised	FY 2018/19 Proposed
General Funds				
General Fund (#001)				
41	Legislative	246,847	251,686	265,817
42	City Attorney	177,780	184,000	184,000
43	General Government	1,243,624	977,171	1,245,190
44	City Manager/Administration	379,885	404,874	476,037
45	Admin Services - Finance	531,269	716,170	684,504
46	Admin Services - Human Resources	-	91,800	16,800
47	Admin Services - Information Technology	-	119,190	156,500
48	Admin Services - Risk Management	-	118,100	234,773
51	Police	4,766,241	5,087,823	5,102,083
52	Animal Control	118,136	120,000	120,000
53	Emergency Services	84,936	102,241	104,962
61	Community Development - Planning	499,696	528,490	560,094
62	Community Development - Building	803,722	756,475	913,761
71	Public Works - Engineering	605,695	672,113	692,199
72	Public Works - Streets	416,679	410,923	432,463
73	Public Works - Vehicle/Equipment Maintenance	124,183	154,477	149,593
75	Public Works - Parks	242,838	358,288	335,832
76	Public Works - Building Maintenance	280,363	257,526	248,598
	Total General Fund (#001)	10,521,894	11,311,347	11,923,206
6	Equipment Replacement Fund	799	600	450
	Total General Funds	10,522,693	11,311,947	11,923,656
General Capital Improvement Fund				
150	General Capital Improvement	960,698	1,480,833	630,370
Special Revenue Funds - Development Impact Fees				
7	Drainage Construction Fund	36	240,030	25

City of Scotts Valley
Summary of Expenditures by Fund/Department
FY 2018 / 19

Fund/ Dept	Fund/Department Title	FY 2016/17 Actual	FY 2017/18 Revised	FY 2018/19 Proposed
8	Traffic Impact Mitigation	32,845	9,500	23,400
9	P&R Facilities	62,455	85,700	90,380
21	General Facility Fees	80	80	40,055
27	Police Facility Impact Fees	277	26,250	244,170
51	Mt. Hermon Traffic Mitigation	72	70	55
86	Library Impact Fees	2,618	23,300	210
315	Police Development Fees	231	100,240	150
	Total Special Revenue Funds - Development Impact Fees	98,615	485,170	398,445
Special Revenue Funds - Other				
2	Recycling/Env	44,406	60,650	60,680
3	Gas Tax	88,472	131,093	200,160
5	SMIP	26	5,020	8,070
18	Sr Ctr Designated Donations	-	-	-
19	Affordable Housing	29,866	284,520	59,339
24	Lennar Funds	-	134,800	58,800
28	Senior Center	80,929	105,729	102,112
31	STP Exchange Projects	38	855,888	768,270
33	Tree Replacement Fund	930	10,000	10,025
35	Green Building Fund	2,420	2,250	4,240
36	Disability Compliance	5	760	5,005
50	Pinewood Estates Maintenance District	5,733	5,512	5,515
77	Skypark Landscape Maintenance District	42,576	41,000	46,000
78	Skypark Landscape Maintenance District Insurance	673	700	400
88	Library Facilities Improvements Measure S	7,802	292,000	170
123	Community Facility Center	62,710	68,970	75,115
155	Measure D Transportation	-	100,000	265,020
306	SLESF	54,376	-	146,900
312	Police Budget Act 2016	-	-	15,000
316	Homeland Security Grants	2,299	47,500	30
317	EDG Revolving Loan Fund	1	-	-

City of Scotts Valley
Summary of Expenditures by Fund/Department
FY 2018 / 19

Fund/ Dept	Fund/Department Title	FY 2016/17 Actual	FY 2017/18 Revised	FY 2018/19 Proposed
Total Special Revenue Funds - Other		423,260	2,146,392	1,830,851
Debt Service Funds				
26	Pension Obligation Bonds	446,605	448,786	443,825
66	COP Debt Service Reserve	1,329	1,400	700
Total Debt Service Funds		447,934	450,186	444,525
Recreation Enterprise Fund				
4	Recreation	1,321,072	1,136,892	1,067,759
Wastewater Enterprise Funds				
10	Wastewater Operations	4,004,330	2,148,657	2,256,400
11	Tertiary Treatment Plant	184,615	203,368	230,039
12	Wastewater Capital Reserve	46,615	251,500	935,700
14	Wastewater ERF	41,896	7,000	490
15	TTP District Reserve	15	12	12
Total Wastewater Enterprise Funds		4,277,471	2,610,537	3,422,641
Internal Service Fund				
112	Dental Insurance	71,548	70,050	70,040
Total All Funds		18,123,292	19,692,007	19,788,287

City of Scotts Valley
Summary of Expenditures by Fund/Type
FY 2018/19

		FY 2018/19 Proposed				
Fund/ Dept	Fund/Department Title	Salaries and Benefits	Services and Supplies	Fixed Assets/ Capital Outlay	Other	Total
General Funds						
General Fund (#001)						
41	Legislative	219,057	46,760	-		265,817
42	City Attorney	180,000	4,000			184,000
43	General Government	320,600	249,120	-	675,470	1,245,190
44	City Manager/Administration	417,737	58,300	-		476,037
45	Admin Services - Finance	631,784	52,720			684,504
46	Admin Services - Human Resources	5,600	11,200			16,800
47	Admin Services - Information Technology		156,500			156,500
48	Admin Services - Risk Management		234,773			234,773
51	Police	4,757,768	302,165	5,150	37,000	5,102,083
52	Animal Control		120,000			120,000
53	Emergency Services		2,660		102,302	104,962
61	Community Development - Planning	530,519	29,575			560,094
62	Community Development - Building	266,811	646,950			913,761
71	Public Works - Engineering	514,659	175,040	2,500		692,199
72	Public Works - Streets	300,863	131,600	-		432,463
73	Public Works - Vehicle/Equipment Maintenance	143,793	5,800	-		149,593
75	Public Works - Parks	161,432	99,400	75,000		335,832
76	Public Works - Building Maintenance	167,993	80,605	-		248,598
Total General Fund (#001)		8,618,616	2,407,168	82,650	814,772	11,923,206
6	Equipment Replacement Fund	-	450	-	-	450
Total General Funds		8,618,616	2,407,618	82,650	814,772	11,923,656
General Capital Improvement Fund						
150	General Capital Improvement	-	170	630,200	-	630,370
Special Revenue Funds - Development Impact Fees						
7	Drainage Construction Fund	-	25	-	-	25
8	Traffic Impact Mitigation	-	650	22,750	-	23,400
9	P&R Facilities	-	380	90,000	-	90,380
21	General Facility Fees	-	55	40,000	-	40,055

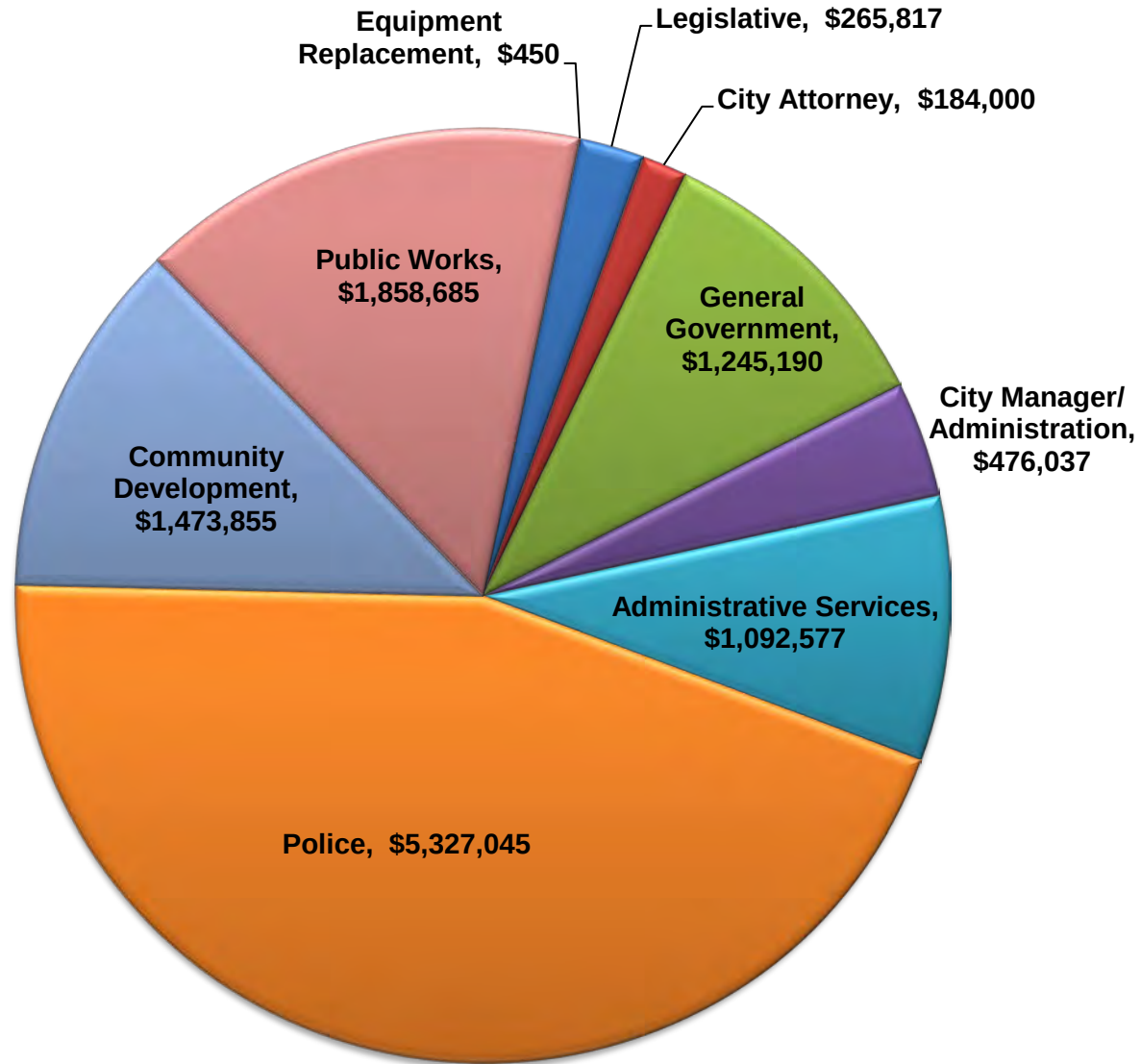
City of Scotts Valley
Summary of Expenditures by Fund/Type
FY 2018/19

Fund/ Dept	Fund/Department Title	FY 2018/19 Proposed				
		Salaries and Benefits	Services and Supplies	Fixed Assets/ Capital Outlay	Other	Total
27	Police Facility Impact Fees	-	170	244,000	-	244,170
51	Mt. Hermon Traffic Mitigation	-	55		-	55
86	Library Impact Fees	-	210	-	-	210
315	Police Development Fees	-	150	-	-	150
Total Special Revenue Funds - Development Impact Fees		-	1,695	396,750	-	398,445
Special Revenue Funds - Other						
2	Recycling/Env		60,680		-	60,680
3	Gas Tax		160	200,000	-	200,160
5	SMIP		8,070		-	8,070
18	Sr Ctr Designated Donations			-	-	-
19	Affordable Housing		54,100		5,239	59,339
24	Lennar Funds			58,800	-	58,800
28	Senior Center	67,202	34,910	-	-	102,112
31	STP Exchange Projects		20	768,250	-	768,270
33	Tree Replacement Fund		25	10,000	-	10,025
35	Green Building Fund		4,240		-	4,240
36	Disability Compliance		5,005		-	5,005
50	Pinewood Estates Maintenance District		5,515		-	5,515
77	Skypark Landscape Maintenance District		46,000		-	46,000
78	Skypark Landscape Maintenance District Insurance		400		-	400
88	Library Facilities Improvements Measure S		170	-	-	170
123	Community Facility Center	30,745	44,370	-	-	75,115
155	Measure D Transportation		20	265,000	-	265,020
306	SLESF		9,400	37,500	-	46,900
312	Police Budget Act 2016		15,000			15,000
316	Homeland Security Grants		30	100,000	-	100,030
317	EDG Revolving Loan Fund		-		-	-
Total Special Revenue Funds - Other		97,947	288,115	1,439,550	5,239	1,830,851
Debt Service Funds						
26	Pension Obligation Bonds	-	3,500	-	440,325	443,825
66	COP Debt Service Reserve	-	700	-	-	700

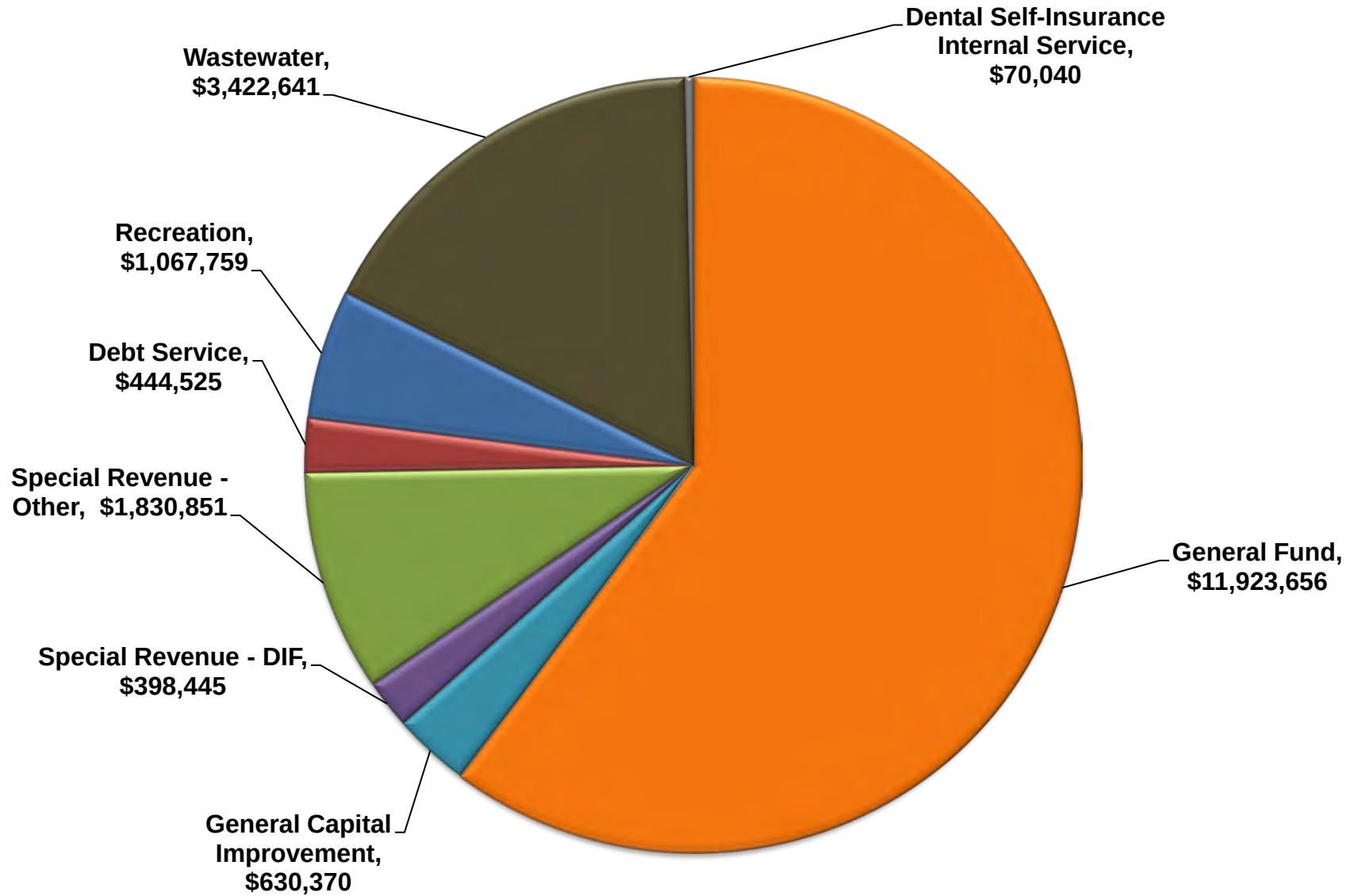
City of Scotts Valley
Summary of Expenditures by Fund/Type
FY 2018/19

Fund/ Dept	Fund/Department Title	FY 2018/19 Proposed				
		Salaries and Benefits	Services and Supplies	Fixed Assets/ Capital Outlay	Other	Total
	Total Debt Service Funds	-	4,200	-	440,325	444,525
Recreation Enterprise Fund						
4	Recreation	810,204	257,555	-	-	1,067,759
Wastewater Enterprise Funds						
10	Wastewater Operations	996,400	914,000	76,000	270,000	2,256,400
11	Tertiary Treatment Plant	53,289	164,750	12,000		230,039
12	Wastewater Capital Reserve	-	900	934,800		935,700
14	Wastewater ERF		490	-		490
15	TTP District Reserve		12			12
	Total Wastewater Enterprise Funds	1,049,689	1,080,152	1,022,800	270,000	3,422,641
Internal Service Fund						
112	Dental Insurance	70,000	40	-	-	70,040
	Total All Funds	10,646,456	4,039,545	3,571,950	1,530,336	19,788,287

General Fund Expenditures by Department FY 2018/19 Proposed



Total Expenditures by Fund FY 208/19 Proposed

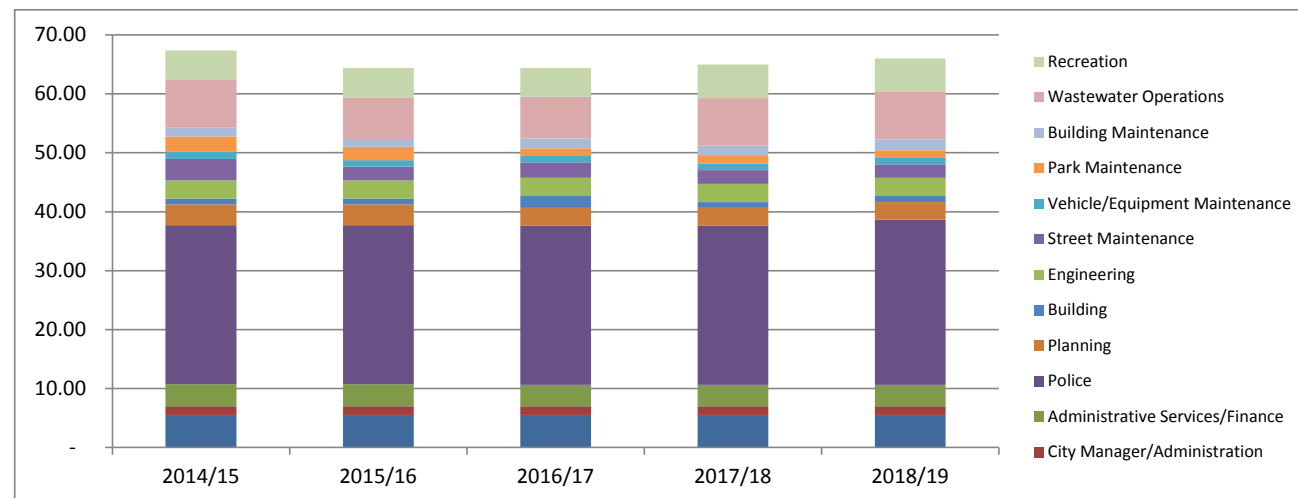


**City of Scotts Valley
Personnel Summary by Department
FY 2018/19**

Department	Fiscal Year				
	Actual			Approved	Proposed
	2014/15	2015/16	2016/17	2017/18	2018/19
Legislative	5.50	5.50	5.50	5.50	5.50
City Manager/Administration	1.50	1.50	1.50	1.50	1.50
Administrative Services/Finance	3.75	3.75	3.65	3.65	3.65
Police	27.00	27.00	27.00	27.00	28.00
Community Development					
Planning	3.50	3.50	3.00	3.00	3.00
Building	1.00	1.00	2.00	1.00	1.00
Public Works					
Engineering	3.10	3.10	3.10	3.10	3.10
Street Maintenance	3.60	2.30	2.60	2.30	2.30
Vehicle/Equipment Maintenance	1.20	1.10	1.10	1.10	1.10
Park Maintenance	2.60	2.30	1.30	1.30	1.30
Building Maintenance	1.60	1.30	1.70	1.80	1.80
Wastewater Operations	8.05	7.05	7.05	8.05	8.05
Recreation	5.00	5.00	4.90	5.70	5.70
Total	67.40	64.40	64.40	65.00	66.00

Proposed Change in Personnel in FY 2018/19

Police - add one (1) Police Officer position (conversion of temporary School Resource Officer to full-time)



City of Scotts Valley
Schedule of Fund Balance Transfers
FY 2018/19

Fund #				Transfers In										
				1		26		150		10		12		
				General Fund		Pension Obligation Bond		General CIP Fund		Wastewater Operations		Wastewater Capital		Total
Fund #	Fund Title													
Transfers out	1	General Fund		B	369,769	C	620,000					989,769		
	3	Gas Tax Fund	A	235,000								235,000		
	4	Recreation Fund		B	24,490							24,490		
	28	Senior Center Operations		B	3,552							3,552		
	123	Community Facility Center Operations		B	1,445							1,445		
	10	Wastewater Operations		B	44,569							44,569		
	12	Wastewater Capital					D	2,321,786				2,321,786		
	14	Wastewater Equipment Replacement							E	627,910		627,910		
	Totals				235,000		443,825		620,000		2,321,786		627,910	4,248,521

Notes:
A - Transfer Gas Tax revenues to General Fund for streets maintenance expenditures.
B - Transfer from operating department budgets to fund allocation of costs associated with Pension Obligation Bond debt service and administrative costs.
C - Transfer to Recreation Fund from General Fund to subsidize recreation programs and liquidate deficit fund balance from FY 2016/17
D - Transfer to Wastewater Operations from Wastewater Capital to retain eight months (67%) of annual operating expenditures as a reserves per Council reserve policy.
E - Transfer excess reserves from Wastewater Equipment Replacement to Wastewater Capital maintaining \$100,000 reserves in the Wastewater Equipment Replacement fund.

RESOLUTION NO. 1932.1

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY APPROVING A MINIMUM RESERVE POLICY FOR THE GENERAL FUND, GENERAL CAPITAL IMPROVEMENT FUND, RECREATION ENTERPRISE FUND AND WASTEWATER ENTERPRISE FUNDS FOR FY 2018/19

WHEREAS, the terms “fund balances” and “reserves” describe the net position of governmental and/or proprietary funds that measure the financial resources available within a fund; and,

WHEREAS, maintaining adequate levels of reserves that help mitigate current and future financial risks due to revenue shortfalls and/or unanticipated capital or operating expenditures represent a best practice used by governmental agencies; and,

WHEREAS, the City Council desires to establish a formal policy on the level of unassigned fund balance/reserves that should be maintained in the City’s General Fund, General Capital Improvement Fund, Recreation Enterprise Fund and Wastewater Enterprise Funds; and,

WHEREAS, the level of fund balances/reserves to be maintained represent a targeted minimum reserve level that will be used for fiscal planning purposes that would trigger action on the part of the City Council and staff to implement remedies to maintain the fiscal health of the City.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that a minimum reserve policy is hereby established for the General Fund, General Capital Improvement Fund, Recreation Enterprise Fund and Wastewater Enterprise Funds for FY 2018/19 as follows:

- **General Fund** – a targeted minimum reserve equal to 17% (or, approximately two months) of annual operating expenditures plus net transfers out to other funds
- **General Capital Improvement Fund** – a targeted minimum reserve equal to \$500,000 for emergency capital infrastructure replacement needs not funded by other sources
- **Recreation Enterprise Fund** – a targeted minimum reserve equal to zero (\$0), with the General Fund subsidizing any deficits through a transfer of unassigned available reserves
- **Wastewater Enterprise Funds** – a targeted minimum operating reserve equal to 67% (or, approximately eight months) of annual operating expenses, plus \$1,000,000 in capital reserves for emergency capital infrastructure replacement.

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 20th day of June, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: _____
Jim Reed, Mayor

Attest: _____
Tracy A. Ferrara, City Clerk



CITY OF SCOTTS VALLEY COUNCIL POLICY MANUAL

TITLE: MINIMUM RESERVE POLICY

POLICY NUMBER: 04-17

EFFECTIVE DATE: 6/21/2017

PAGES: 1

REVISED DATES: 6/20/2018

APPROVED BY: Jim Reed, Mayor

POLICY

This policy establishes a minimum reserve policy for the General Fund, General Capital Improvement Fund, Recreation Enterprise Fund and Wastewater Enterprise Funds for FY 2018/19.

SCOPE

- The terms “fund balances” and “reserves” describe the net position of governmental and/or proprietary funds that measure the financial resources available within a fund; and,
- Maintaining adequate levels of reserves that help mitigate current and future financial risks due to revenue shortfalls and/or unanticipated capital or operating expenditures represent a best practice used by governmental agencies; and,
- The City Council desires to establish a formal policy on the level of unassigned fund balance/reserves that should be maintained in the City’s General Fund, General Capital Improvement Fund, Recreation Enterprise Fund and Wastewater Enterprise Funds; and,
- Level of fund balances/reserves to be maintained represent a targeted minimum reserve level that will be used for fiscal planning purposes that would trigger action on the part of the City Council and staff to implement remedies to maintain the fiscal health of the City.

OBJECTIVES

A minimum reserve policy is hereby established for the General Fund, General Capital Improvement Fund, Recreation Enterprise Fund and Wastewater Enterprise Funds for FY 2018/19 as follows:

- **General Fund** – a targeted minimum reserve equal to 17% (or, approximately two months) of annual operating expenditures plus net transfers out to other funds;
- **General Capital Improvement Fund** – a targeted minimum reserve equal to \$500,000 for emergency capital infrastructure replacement needs not funded by other sources;
- **Recreation Enterprise Fund** – a targeted minimum reserve equal to zero (\$0), with the General Fund subsidizing any deficits through a transfer of unassigned available reserves;
- **Wastewater Enterprise Funds** – a targeted minimum operating reserve equal to 67% (or, approximately eight months) of annual operating expenses, plus \$1,000,000 in capital reserves for emergency capital infrastructure replacement.

APPROVED AS TO FORM:

Kirsten Powell, City Attorney

RESOLUTION NO. 1501.25

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY
APPROVING THE CONTINUED COLLECTION OF THE UTILITY USERS' TAX
FOR THE FISCAL YEAR 2018/19**

WHEREAS, the City Council adopted Ordinance 109.3 in July 1992 imposing a utility users' tax subject to voter approval (Measure R); and,

WHEREAS, Measure R was approved by the voters on November 5, 2002; and,

WHEREAS, the utility users' tax is solely for the purpose of providing revenue for the usual current expenditures of the City; and,

WHEREAS, Ordinance 109.3 requires that the City Council review this tax on an annual basis at the same time as it reviews its proposed annual budget; and,

WHEREAS, the proposed FY 2018/19 requires the continuation of the collection of the utilities users' tax for FY 2018/19.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the City Council hereby approves the continued collection of the utility users' tax through June 30, 2019.

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 20th day of June, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: _____
Jim Reed, Mayor

Attest: _____
Tracy A. Ferrara, City Clerk