

DUE DECEMBER 31 Pursuant to Public Resources Code § 6306

**Fiscal/Calendar Year:** 2023-2024

Grantee Name: City of Capitola

Contact Person: Luis Ruiz

Mailing Address: 420 Capitola Avenue, Capitola, CA 95010

## 1. Funds

- a. Is a separate fund maintained for trust assets, liabilities, revenues and expenditures?

YES ☐ NO ☐

If "Yes", please list the name(s) of the fund(s).

1311 - Wharf Fund

If "No", under what fund are they accounted for?

- b. Are separate financial statements prepared for the trust?

YES ☐ NO ☐

If "Yes," describe the organization of the separate financial statement.

If "No," in which financial statements are they included? (Name of the document(s) and the applicable page number(s)).

Financial transactions for the granted public lands are tracked in the "Wharf Fund" for the City of Capitola. The financial statements for the Wharf Fund are published in the City of Capitola, CA Annual Comprehensive Financial Report (ACFR) (attached and published link below). For the fiscal year ending June 30, 2024, they are shown on pages 99, and 107.  
<http://www.cityofcapitola.org/finance/page/comprehensive-annual-financial-reports>

## 2. Revenue

- a. What was the gross revenue received or generated from trust land or trust assets during the past fiscal year?

\$5,373

- b. Please list all sources of revenue and the amount of revenue generated from each source (e.g., permits, rentals, percentage of lease, etc.).

Please see attached.

### 3. Expenses

- a. What was the total expenditure of funds received or generated from trust land or assets during the past fiscal year?

\$46,778

- b. What expenses were allocated or charged directly to the trust? Please list the source of the expenditure and the amount expended.

Please see attached.

- c. Have there been any capital improvements over \$250,000 within the current fiscal year? Are any capital improvements over \$250,000 expected in the next fiscal year?

Yes, the wharf repair and rehabilitation project began August 2023 and the estimated cost is about \$10,500,000. Construction finished June and the Wharf re-opened in September of 2024.

- d. Describe any other disposition of trust funds or assets or any other disposition of the trust lands or trust assets themselves. Include any internal funds that were transferred to other grantees, to the management of entity or under the management of another political subdivision of the grantee under an agreement, settlement, or memorandum of understanding.

N/A

### 4. Beginning and Ending Balance

Please list the beginning and ending balances for the tidelands trust fund(s) for this past fiscal year.

Beginning Balance: \$166,194

Ending Balance: \$124,789

December 31, 2024

## **City of Capitola**

Capitola's trust land includes the Capitola Wharf and surrounding unimproved beach area. The Wharf has two commercial businesses operating on it, the Wharf House Restaurant and Capitola Mooring and Marine, which includes a small watercraft rental component. The beach area is a half moon shape area with the Wharf extending from the center and Soquel Creek splitting the beach and feeding into the ocean. The beach is adjacent to cliffs on the southwest side of the wharf and an extension of a flat flood plain on the northeast side. The beach, with its small surf break, is a popular day trip destination for locals and adjacent-county residents, as well as the area's many vacationers. At this time, the City has no plans to change the current use of these lands.

Revenues and expenditures related to Capitola's beachfront public trust land area are separately recorded in the City's Wharf fund. Total gross revenue was \$5,373 for FY 2023-24, with all of it coming from investment earnings. Total expenditures for the Wharf Fund was \$46,778 for FY 2023-24. \$32,572 was spent on wharf improvement services such as engineering. \$8,796 was spent on utilities, including gas and electric, sanitation, and water. \$5,322 was for long term wharf upkeep, repairs and maintenance. The remaining \$88 was for supplies.

Heavy storms hit Capitola in January 2023 which caused severe damage to the wharf. A section of the Wharf was completely destroyed, cutting off access to the Wharf Restaurant and Boat & Bait shop. The Capitola Wharf Repair and Rehabilitation Project began in August 2023. Storms in December 2024 further damaged the buildings of the Wharf Restaurant and Boat & Bait shop which led to the City's decision to tear the buildings down due to them no longer being structurally sound. Construction finished in June 2024 with costs of the entire project being about \$10,500,000. The Capitola Wharf fully re-opened in September 2024 with the Boat & Bait Shop in a temporary structure to conduct business in.

# Granted Public Trust Lands Standardized Reporting Form

Fiscal Year 2023-24

Grantee Name: City of Capitola  
Contact Person: Luis Ruiz  
Contact Phone: (831) 475-7300 x225  
Mailing Address: 420 Capitola Avenue, Capitola, CA 95010

## 1. Funds

- a. Is a separate fund maintained for trust assets , liabilities, revenues, and expenditures?

**Yes**

- b. Are separate financial statements prepared for the trust?

**No**

If "No," in which financial statements are they included? (Name of the document(s) and the applicable page number(s)). If "Yes," describe the organization of the separate financial statement.

**Financial transactions for the granted public lands are tracked in the "Wharf Fund" for the City of Capitola. The financial statements for the Wharf Fund are published in the City of Capitola, CA Comprehensive Annual Financial Report (CAFR) (attached and published link below). For the fiscal year ending June 30, 2024, they are shown on pages 99 and 107.**

<http://www.cityofcapitola.org/finance/page/comprehensive-annual-financial-reports>

## 2. Revenue

- a. What was the gross revenue received or generated from trust land or trust assets during the past fiscal year?

**\$ 5,373.18**

- b. Please list all sources of revenue and the amount of revenue generated from each source (e.g. permits, rentals, percentage of lease).

### Rents

Wharf House Restaurant	\$	-
Capitola Boat & Bait	\$	-
Total Rent	\$	-

### PG&E Gas and Electric

Wharf House Restaurant	\$	-
Capitola Boat & Bait	\$	-
Total Gas & Electric	\$	-

### Sanitation District

Wharf House Restaurant	\$	-
Capitola Boat & Bait	\$	-
Total Sanitation	\$	-
	\$	-

### Water rentals

Investment earnings \$ 5,373.18

**Total Revenue \$ 5,373.18**

### 3. Expenses

- a. What was the total expenditure of funds received or generated from the trust land or assets during the past fiscal year?

\$ **46,778.16**

- b. What expenses were allocated or charged directly to the trust? Please list the source of the expenditure and the amount expended.

#### Wharf improvement services

Wharf Condition Report-engineering services	\$	32,571.80
Wharf pilings removal & replacement	\$	-
Total Improvements	\$	32,571.80

#### Utilities

PG&E Gas and Electric	\$	5,299.59
Sanitation District	\$	2,569.48
Water	\$	927.17
Janitorial services	\$	-
Meter reader	\$	-
Total Utilities	\$	8,796.24

#### Repairs and Maintenance

Wharf repairs & maintenance	\$	-
Wharf restaurant repairs	\$	-
Portable toilets, hand wash station	\$	5,322.36
Fire equipment	\$	-
Total Repairs and Maintenance	\$	5,322.36

#### Supplies

General supplies	\$	87.76
Memorial plaque supplies	\$	-
Total Supplies	\$	87.76

**Total Expenses \$ 46,778.16**

- c. Have there been any capital improvements over \$250,000 within the current fiscal year? Are any capital improvements over \$250,000 expected in the next fiscal year?

The Wharf sustained severe damage during the storms in January 2023. The wharf repair and rehabilitation project began August 2023 and the estimated cost is about \$10,500,000. Construction finished June and the Wharf re-opened in September of 2024.

- d. Describe any other disposition of trust funds or assets or any other disposition of the trust lands or trust assets themselves. Include any internal funds that were transferred to other grantees, to the management of another entity or under the management of another political subdivision of the grantee per an agreement, settlement, or Memorandum of Understanding.

**None**

### 4. Beginning and Ending Balance

Please list the beginning and ending balances for the tidelands trust fund (s) for this past fiscal year.

Beginning Fund Balance - 07/01/2023	\$	166,193.94
Ending Fund Balance - 06/30/2024	\$	124,788.96
2023-24 Revenues less Expenses	\$	(41,404.98)

# City of Capitola

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2024

	Special Revenue Funds				
	Supplemental Law Enforcement Fund	Restricted Transient Occupancy Tax Fund	SB1 Road Rehabilitation and Maintenance Fund	Gas Tax Fund	Wharf Fund
<b>REVENUES</b>					
Taxes	\$ -	\$ 101,092	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	100,000	-	249,261	270,231	-
Charges for services	-	-	-	-	-
Use of money and property	7,526	3,392	16,517	10,618	5,373
Other revenue	-	-	-	-	-
<b>Total Revenues</b>	<b>107,526</b>	<b>104,484</b>	<b>265,778</b>	<b>280,849</b>	<b>5,373</b>
<b>EXPENDITURES</b>					
Current:					
General government	42,018	99,741	-	275,742	-
Culture and recreation	-	-	-	-	46,778
Capital outlay	42,343	-	21,801	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total Expenditures</b>	<b>84,361</b>	<b>99,741</b>	<b>21,801</b>	<b>275,742</b>	<b>46,778</b>
Excess (Deficiency) of Revenues over Expenditures	23,165	4,743	243,977	5,107	(41,405)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	23,165	4,743	243,977	5,107	(41,405)
Fund Balances Beginning	151,613	58,473	289,150	256,466	166,194
Prior Period Adjustments	-	-	-	-	-
Fund Balances Beginning, as Adjusted	151,613	58,473	289,150	256,466	166,194
Fund Balances Ending	\$ 174,778	\$ 63,216	\$ 533,127	\$ 261,573	\$ 124,789

Cont'd

# City of Capitola

## Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual (GAAP Basis) Nonmajor Governmental Funds For the Year Ended June 30, 2024

	Wharf Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Use of money and property	-	-	5,373	5,373
Other Revenue	-	-	-	-
<b>Total Revenues</b>	-	-	5,373	5,373
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Culture and recreation	-	-	46,778	(46,778)
Transportation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	-	-	46,778	(46,778)
Excess (Deficiency) of Revenues over Expenditures	-	-	(41,405)	(41,405)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	-	-	-
Net Change in Fund Balances	-	-	(41,405)	(41,405)
Prior Period Adjustments	-	-	-	-
Fund Balances Beginning, as Adjusted	166,194	166,194	166,194	-
Fund Balances Ending	\$ 166,194	\$ 166,194	\$ 124,789	\$ (41,405)

Cont'd