

# Record \$8 million Capitola budget proposed

By KEITH MURAOKA  
Sentinel Staff Writer

CAPITOLA — A record-breaking preliminary budget of \$8 million for 1987-88 — up 36 percent from this year's budget — has been released by city officials.

It includes money for a number of ambitious projects which swell the final budget figure, including \$1 million for traffic and road improvements for the Capitola Mall expansion.

The total budget is \$2.1 million more than the current budget and \$1.3-million more than the city's

## Traffic, road improvements planned for mall expansion

previously-high budget of \$6.7-million in 1984.

The \$1 million traffic project is part of a \$35 million mall expansion plan, which will nearly double the size of the county's only covered mall. Construction will begin this summer and completion is slated for late next year.

City Manager Steve Burrell said about \$500,000 of the \$1 million will be used on the Clares Street Loop Road, which will run around the rear

of the expanded mall between 41st Avenue and Capitola Road. Other costs relate to new traffic signals and median strips.

The lucrative 41st Avenue commercial district continues to pay off for the city. According to Burrell's projections, the city will receive \$2.3 million from sales and use taxes, up 10 percent.

This growth, along with many of the smaller revenues, such as prop-

erty tax and state subventions, "allows the City Council the ability to continue to provide the level of service that Capitola residents and visitors have come to expect," said Burrell.

Other ambitious city projects include \$480,000 proposed for Capitola's entry into the low-income housing market. The city is building seven units of low-income senior housing on 38th Avenue. Another \$344,000 will be used to reconstruct

Wharf Road from Capitola Road to the city limits.

Some \$300,000 will be spent on the debt-service on city-owned Pacific Cove Mobile Home Park. Capitola bought the park in 1985 for \$1.5-million and is partially converting it into a parking lot to help alleviate Capitola Village's perennial parking crunch. The 232-space lot is expected to open next month.

The city's general fund revenues — revenues that are generally used to run the city — are up approximately 7 percent from the current

fiscal year to \$4-million. General fund expenditures are also up to \$3.8-million, an increase of 3 percent.

The city will lose \$55,000 in revenue-sharing funds due to the federal government's phasing out of the program. In past years, Capitola received upwards of \$120,000. In turn, the City Council distributed much of it to community groups.

Despite the loss, representatives from 20 community groups have already requested more than \$140,000. Council member say they hope to fund some of the groups, even though it would mean dipping into city reserves.

The second revenue loss will be some \$55,000 in special gas-tax funds, which the city has the past three years for street repairs.

Of the city's 17 general-fund expenditure categories, the biggest proposed increase is in the government building (City Hall) budget. It has jumped 71 percent to \$111,500.

The single biggest category, as always, is in the Police Department

budget. It is up 9 percent to \$1.8-million. The next-biggest category is in the Public Works Department, which is up 2 percent to \$478,246.

The only category going down is City Council expenses, dropping 20 percent to \$29,900.

Other budget categories for city departments, with percentage increases in parentheses:

City clerk, \$24,280 (19 percent); finance, \$103,697 (16 percent); city attorney, \$54,440 (12 percent); city manager, \$142,577 (.94 percent); general city, \$250,000 (17 percent); planning, \$174,938 (21 percent); building inspection, \$153,853 (29 percent); animal control, \$86,416 (7 percent); Parks and Recreation, \$169,029 (6 percent); beach safety, \$145,053 (5 percent) and Capitola-Soquel Joint Powers Authority (community activities program), \$96,831 (15 percent).

The first in a series of budget study sessions by the City Council will be held at 7 p.m. Thursday upstairs at City Hall. The public is invited.

REFERENCE

SANTA CRUZ SENTINEL  
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