

**City of Scotts Valley
INTEROFFICE MEMORANDUM**

DATE: June 1, 2005

TO: Honorable Mayor Marigonda and City Council

FROM: Michelle Fodge, Senior Planner

APPROVED: Laura C. Kuhn, Community Development Director

SUBJECT: City of Scotts Valley 2004 State of the City Report

SUMMARY OF ISSUE

Every other year, the Planning Department prepares a State of the City Report (Report) that compiles information from the City's Building, Finance, Planning, and Public Works Departments. The 2004 Report is the City's 11th report on the status of the City's resources, prepared in conformance with City Resolution No. 1470.7. The 2004 Report also includes data from the Santa Cruz County Board of Realtors, the Santa Cruz County Housing Authority, Scotts Valley School District, and the Scotts Valley Water and San Lorenzo Valley Water Districts (see 2004 Report, Attachment 1). The format of the report consists of five (5) sections:

- Infrastructure
- Economy
- Housing
- Community
- Natural Environment.

The following is a summary of the five sections of the 2004 Report and any significant changes since the 2002 Report.

1. Infrastructure – Roads and Wastewater

Roads: Overall, with the exception of the intersection of northbound Hwy 17 ramps @ Granite Creek Road, the level of service (LOS) for the studied intersections has remained within the range acceptable as stipulated by the City's General Plan. The LOS at the intersection of northbound Hwy 17 ramps @ Granite Creek Road has deteriorated even further since the last

report (e.g., from LOS “D” to “E”) (see page 2; LOS Table).

However, the deficiencies are expected to be mitigated shortly, as plans have been submitted to Caltrans for improvements to increase capacity. The developers of the Glenwood project are required to construct the improvements. These improvements are expected to be implemented within the next couple of years. Once implemented, the LOS is expected to be "C" or better. Nevertheless, it must be recognized, until such upgrades occur, that the intersection is not operating at an acceptable level. The attached resolution notes the deficiency problems associated with this intersection.

Wastewater: The City has been working with the Scotts Valley Water District to provide the City with recycled water. In Summer of 2002, the recycled water facility began delivering recycled water. As more commercial and industrial businesses and homeowner associations become users, the use of recycled water will continue to increase (see *pages 11-13; Wastewater Facility Tables*).

2. **Economy – Employment, Tax Revenues, and Vacant/Underused Lands**

Employment: The number of jobs in the City has been declining the last two years despite the number of employers remaining constant. From 2002 to 2004 the number of employees decreased from 6,542 to 5,399 (-17.5%) while employers increased from 699 to 706 (+1%). This has dropped the ratio of jobs to housing units to 1.18, which had been fairly stable at 1.45-1.47 in prior years (see *pages 14-22; Employment Tables*).

Tax Revenue: In fiscal year 2000/01, tax revenues hit a high of \$5,830,004 but have steadily dropped to \$5,155,597 in fiscal year 2003/04 (-11.5%). The main reason for this is a drop in sales tax revenue from \$2,160,665 to \$1,660,571 (-23% over three years). Education Revenue Augmentation Fund (ERAF) shifts of City and Redevelopment Agency property tax revenues by the State have decreased these revenues. From 1992/93 to 2003/04, the State has shifted \$2,317,103 of General Fund property taxes away from the City. Starting in 2002/03, the State started shifting Redevelopment Agency tax increment revenues. By 2005/06 when the Redevelopment Agency ERAF shift will end, the Agency will have lost \$730,666 (see *pages 18-20; Revenue Tables*).

Vacant/Underused Lands: Since 2002, the amount of vacant single-family residential lands has decreased with the new development that has occurred. A table showing the approximate amount of underutilized lands is also included in this report (see *pages 21-22; Vacant/Underused Land Tables*).

3. Housing – Sales Prices and Affordable Housing Stock

Median Sales Prices: In February 2005, the County-wide median sales price of a single-family dwelling \$730,000, while the average was \$765,650. For a condominium, the County-wide median sales price was \$465,000, while the average was \$500,270. The cost of housing continues to increase from 2002, by 21.6% in 2004. Sales prices will most likely continue to increase for all housing types. The table below shows the median sales prices of housing in the City over a seven-year period (see pages 23-26; *Market-Rate Housing Tables*).

Median Sales Prices of Housing in Santa Cruz County

Dwelling Type	1998	1999	2000	2001	2002	2003	2004
Single-family Residence	\$299,500	\$351,338	\$452,475	\$480,000	\$517,500	\$542,250	\$622,323
Condominium/ Townhome	\$187,000	\$218,500	\$278,638	\$333,000	\$346,250	\$367,806	\$420,566
Mobile Home	\$98,500	\$119,000	n/a	n/a	n/a	n/a	n/a

Affordable Housing Stock: Since 2002, the City increased its supply of affordable housing stock by 16 units with projects either completed or recently approved on Blue Bonnet Lane (5 units), Kelly Court (4 units), McLeod Way (1 unit), Oak Lane (1 unit), Torrey Oaks (2 units), Wells Road (1 unit), and Windward Place (2 units). To date, the City has a total of 110 affordable rental and owner-occupied housing units (see pages 25-26; *Affordable Housing Table*).

4. Community – Schools and Parks and Recreation Facilities

Schools: Scotts Valley High School has entered its fifth year of operation. Since 2002, student enrollment has increased from 684 to 897 students (31%). At build-out, the High School will have a capacity of 1,100 students. Overall enrollment in the Scotts Valley Unified School District has increased by 7.2% (see page 27; *School Enrollment Table*).

Parks and Recreation Facilities: Last year was a big year for expanding the City's public recreation resources. In early 2004, the Community Center (6,000 square feet) came on-line. The newly remodeled facility includes a main hall, fireside room, kitchen, art room, and outdoor patio and group barbeque. Then in September 2004, the long-awaited skate park (20,000 square feet) opened in Skypark Park, which is the largest skate park in the County. Both facilities increase the community's amenities.

5. **Natural Environment – Water Resources and Air Quality**

Water Resources: As discussed in the 2002 Report, water resources continue to be a concern. However, the Scotts Valley Water District (SVWD) has lifted previous restrictions due to increases in storage capacity and well improvements. The SVWD has projected 298 new water meters for 2000 to 2007. In January 2005, there were 3,700 water connections. In the 2000 UWMP, the SVWD planned the water system for a total of 3,962 water connections at build-out in 2020. If the SVWD is able to complete its scheduled water projects, then approximately 262 water service connections are anticipated to be available (as of January 2005).

In July 2004, the SVWD received a \$229,000 grant [Local Groundwater Management Assistance (AB303)] from the California State Department of Water Resources, to update the SVWD's groundwater model for the Santa Margarita Groundwater Basin. The model should also provide updated estimations of sustainable yield. (The existing groundwater model was first developed in 1988 and last updated in 1993). Work on the grant project began in August 2004 and is anticipated to be completed later in 2005. The goal of this project is to update and improve the understanding of groundwater resources in the basin, including a thorough analysis of structural geology. It is likely that this project will enhance basin understanding and re-evaluate previous assessments of groundwater supply (see pages 31-35; *Water Resources Tables*).

Scotts Valley Water and San Lorenzo Water Districts and the City of Scotts Valley will continue to work in a cooperative effort to manage growth, in conjunction with the available water resources and infrastructure.

Air Quality: Since the one violation that occurred in 2001, the City has not had a violation of the state and national standards for air quality in the Monterey Bay Basin airshed.

CONCLUSION

All departments and various agencies continue to monitor the City's resources. The attached Resolution has been prepared for the City Council's review. The Resolution recognized that the intersection of northbound Hwy 17 ramps at Granite Creek Road is not operating at an acceptable level. However, the intersection is expected to be improved with development impact fee funds including those from the Glenwood. The City expanded its public amenities with the new Community Center and Skatepark. The Resolution also identifies the limitation of water resources. The City and the Scotts Valley Water and San Lorenzo Water Districts will continue to work in a cooperative effort to manage growth with the available water resources and infrastructure.

STAFF RECOMMENDATION

Staff recommends that the City Council conduct a public hearing on the information in the Report and adopt the attached Resolution.

ATTACHMENTS

PAGE #

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1. 2004 State of the City Report	Attached

RESOLUTION NO. 1470.12

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY
REGARDING THE SUPPLY OF PHYSICAL AND SOCIAL RESOURCES
AVAILABLE FOR 2005-2006**

WHEREAS, the City Council of the City of Scotts Valley received the 2002 State of the City Report ("Report") on March 19, 2002, which is prepared every-other-year and analyzes the resources of the City of Scotts Valley for the 2003-2004 calendar years and projects available resources for the 2005-2006 calendar years; and

WHEREAS, the City Council studied the resources used and evaluated the changes in the resources which occurred during the calendar years 2003-2004 and reviewed the projections for the use of resources in June 2005; and

WHEREAS, the City Council conducted a public hearing at a regularly scheduled meeting on June 1, 2005, taking public testimony on the resources identified in the report.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY HEREBY ACKNOWLEDGES the concern for limited water resources. The Scotts Valley Water and San Lorenzo Water Districts and the City of Scotts Valley shall continue to work in a cooperative effort to manage growth, in conjunction with the available water resources and infrastructure.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY HEREBY ACKNOWLEDGES that the level of service of the intersection of the northbound Hwy 17 ramps at Granite Creek Road intersection is not operating at an acceptable level (C). The City has secured State grant funds for the improvements at this location, and construction is anticipated to be completed by 2006.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY HEREBY DECLARES that the other resources identified in the Resource Management Report are not in short supply or are not anticipated to be in short supply in the coming year. No restrictions are necessary unless there is a change in circumstances that is not anticipated at this time.

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 1st day of June, 2005, by the following vote:

AYES: NOES: ABSTAIN: ABSENT:

**Approved: _____
Mayor Paul Marigonda**

Attest:

City Clerk Tracy Ferrara

City of Scotts Valley 2004 State of the City Report



June 2005

Prepared in Compliance with the City's Resource Management Policy

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1. INFRASTRUCTURE

The City Council has adopted a Resource Management Policy which requires the preparation of a report every other year and establishes the method for reporting and identifying information. The report has been prepared in compliance with the Policy. The report is required to include information about traffic, wastewater treatment, City's economy/jobs, available housing, vacant land inventory, recreation facilities, water resources supply, air quality, and a projected demand for various services.

The following section gives updated information on the City's major public infrastructure facilities, which provide the basic services for the functioning of the City.

Roads and Intersections

The Resource Management Policy requires the City to evaluate the traffic carrying capacity of major (or problematic) roadways in the City. The City analyzes the level-of-service (LOS) for intersections for this report. LOS criteria is stated in terms of the delay per vehicle would experience during a 15-minute analysis period (see Table 1). LOS standards are defined in the Highway Capacity Manual (HCM) published by the Transportation Research Board.

LOS analysis is complex and requires sophisticated software programs to develop the models that are used in the analysis. LOS analysis considers many factors such as the type and volume of traffic, prevailing speeds, roadway conditions and signal controls, alignment, grade, and freedom to maneuver.

Previous Resource Management Reports used the year 1994 edition of the HCM, which uses the concept of "Stopped Delay Per Vehicle" in seconds when analyzing LOS. However, this report uses the year 2000 edition of the HCM, which uses the concept of "Control Delay Per Vehicle" in seconds. The Control Delay is equal to Stopped Delay multiplied by 1.30.

Table 1
Level of Service Criteria

Level of Service (LOS)	Control Delay Per Vehicle (in seconds) in the 2000 Highway Capacity Manual
A	≤ 10.0
B	>10.0 and ≤20.0
C	>20.0 and ≤ 35.0
D	>35.0 and ≤ 55.0
E	> 55.0 and ≤ 80.0
F	>80.0

The Stop Delay concept (used in the 1994 HCM) considered the effects of queues and blocking on short links (intersections) and short turning bays. This delay includes the analysis of Spillback, Starvation, and Storage Blocking. The Control Delay concept considers the effects of control devices that are more downstream of those considered by the Stop Delay method, including the effects of coordination, actuation, and congestion. The improvement factor of 1.30 discussed above is as a result of field studies conducted by the Transportation Research Board. The field studies showed that the upstream factors used in the calculation of delays (Stop Delay) were overrated, and consequently determined the factor of 1.3 was needed (i.e., Control Delay to adequately adjust its perceived impact).

Intersection Analyses

The City Council has identified specific roadway intersections to be analyzed, each of which is identified in the tables on the following pages. Also, the City requires that all intersections maintain a LOS “C,” or better, except for Mt. Hermon Road and Granite Creek Road intersections at Scotts Valley Drive. The City’s General Plan indicates that to achieve LOS “C” at the intersection of Mt. Hermon Road and Scotts Valley Drive, this intersection would require widening to six (6) lanes. Without this substantial widening, the Scotts Valley Drive and Mt. Hermon Road intersection cannot be expected to provide better than LOS “D” at General Plan build-out in 2020.

Additionally, studies also show that under a build-out scenario, the LOS for the Scotts Valley Drive and Mt. Hermon Road intersection will be decreased to “F” unless the “Midtown Interchange” is assumed to have been built by then. This year’s intersection studies show that the LOS letter designation for the intersection of Mt. Hermon Road/Scotts Valley Drive/Whispering Pines remains the same at LOS “D”.

The City has also accepted LOS “D” for the Granite Creek Road Overpass and Scotts Valley Drive intersection due to widening constraints at the State Highway 17 overpass. However, construction works are underway to widen northbound Scotts Valley Drive between the Granite Creek Overpass and Glenwood Drive, which would provide an additional left turn lane to Glenwood Drive and a dedicated right turn lane onto Highway 17. These improvements are expected to significantly improve the level of service at both the Scotts Valley/Granite Creek Overpass intersection and the Scotts Valley Drive/Glenwood Drive intersection. These improvements are scheduled to start later in 2005.

Regarding the intersection of Granite Creek Road/Highway 17/Santa’s Village Road, the report shows a significant drop in its efficiency, since the LOS is changed from “D” to “E”. However, the good news is that these delays are expected to be mitigated shortly, given that plans are underway to improve capacity by the developers of the Glenwood Housing Project. These improvements are expected to be implemented within the next couple of years. Once implemented, the LOS is expected to be “C” or better.

		2000 * Peak Hour Movement*		2002 Peak Hour Movement		2004 Peak Hour Movement		2000* Level of Service	2002 Level of Service	2004 Level of Service	
		AM 11/14/00 7:30-8:30	PM 11/15/00 4:15-5:15	AM 01/03	PM 01/03	AM	PM	D** D**	D**	D**	
		AM 2/21/01 7:30-8:30	PM 2/6/01 4:45-5:45								
Table 2 -- Intersection at: Mt. Hermon Road @ Scotts Valley Drive											
Direction											
		North Bound	406	319	350	296	411	320			
		South Bound	395	325							
		East Bound	647	1,110	840	1,110	989	1141			
		West Bound	624	1,092							
		East Bound	1,476	1,266	1,424	1,160	1601	1246			
		West Bound	1,342	1,235							
		East Bound	1,237	1,614	1,310	1,650	1262	1683			
		West Bound	1,293	1,784							

* The 2000 analyses included two separate traffic counts; the number of vehicle trips & level of service are listed twice to reflect both counts.

** The City's General Plan specifically identifies that this intersection may operate at a LOS D.

		* 2000 Peak Hour Movement*		2002 Peak Hour Movement		2004 Peak Hour Movement		* 2000 Level of Service	2002 Level of Service	2004 Level of Service	
		AM 11/14/00 7:30-8:30	PM 11/15/00 4:15-5:15	AM 01/03	PM 01/03	AM	PM	B	B B	C	
		AM 2/21/01 7:30-8:30	PM 2/6/01 4:45-5:45								
Table 3 -- Intersection at: Mt. Hermon Road @ Glen Canyon Road											
Direction											
		North Bound	18	25	72	25	73	26			
		South Bound	23	34							
		East Bound	224	185	179	187	211	218			
		West Bound	224	180							
		East Bound	1,348	1,214	1,489	1,043	1,546	1,280			
		West Bound	1,480	1,305							
		East Bound	1,217	1,679	1,370	1,549	1,290	1,621			
		West Bound	1,103	1,781							

* The 1999 count was completed by a consultant.

** The 2000 analyses included two separate traffic counts; the number of vehicle trips & level of service are listed twice to reflect both counts.

Table 4 -- Intersection at:
Mt. Hermon Road @
Lockewood Lane/
Skypark Drive

Direction	* 2000 Peak Hour Movement*		2002 Peak Hour Movement		2004 Peak Hour Movement		* 2000 Level of Service	2002 Level of Service	2004 Level of Service
	AM 11/14/00 7:30-8:30	PM 11/15/00 4:15-5:15	AM 01/03	PM 01/03	AM	PM	C	C C	C
North Bound	285	427	275	219	221	161	C	C C	C
	195	426							
South Bound	104	33	113	53	113	61	C	C C	C
	103	59							
East Bound	1,062	464	1245	574	1051	519	C	C C	C
	1,069	585							
West Bound	863	1,702	446	1,611	587	1535	C	C C	C
	663	1,895							

* The 1999 count was completed by a consultant.

** The 2000 analyses included two separate traffic counts; the number of vehicle trips & level of service are listed twice to reflect both counts.

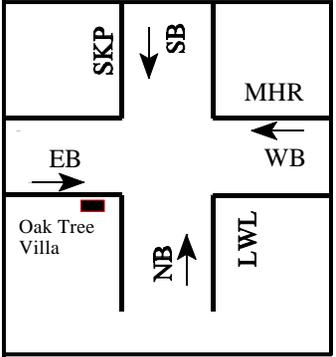
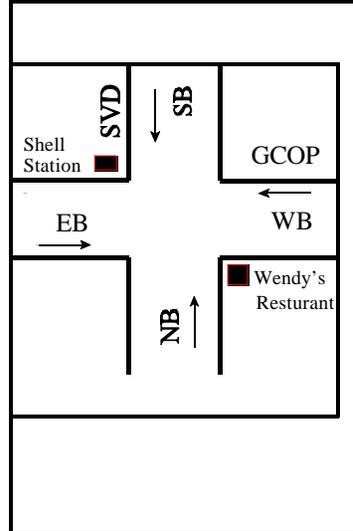


Table 5 -- Intersection at:
 Scotts Valley Drive @
 Granite Creek Overpass



Direction	* 2000 Peak Hour Movement*		2002 Peak Hour Movement		2004 Peak Hour Movement		* 2000 Level of Service	2002 Level of Service	2004 Level of Service
	AM 11/14/00 7:30-8:30	PM 11/15/00 4:15-5:15	AM 01/03	PM 01/03	AM	PM	C	C C	C
North Bound	623	832	556	1162	639	955			
	594	724							
South Bound	818	623	807	553	807	691			
	818	560							
East Bound	28	53	10	32	10	62			
	18	31							
West Bound	917	683	784	939	784	687			
	885	829							

* The 1999 count was completed by a consultant.

** The 2000 analyses included two separate traffic counts; the number of vehicle trips & level of service are listed twice to reflect both counts.

		* 2000 Peak Hour Movement*		2002 Peak Hour Movement		2004 Peak Hour Movement		* 2000 Level of Service	2002 Level of Service	2004 Level of Service
		AM 11/14/00 7:30-8:30	PM 11/15/00 4:15-5:15	AM 01/03	PM 01/03	AM	PM	E	D D	E
Table 6 -- Intersection at: N.B. Hwy 17 Ramps @ Granite Creek Road										
	North Bound	421 511	564 601	517	585	639	607			
	South Bound	40 21	180 194	52	271	38	142			
	East Bound	435 587	230 254	489	405	699	403			
	West Bound	452 589	397 435	638	305	638	286			

* The 1999 count was completed by a consultant.

** The 2000 analyses included two separate traffic counts; the number of vehicle trips & level of service are listed twice to reflect both counts.

The City Council has identified specific roadway intersections and road segments to be analyzed for average daily traffic (ADT). The following table and chart include the ADT's in terms of number of vehicles per day, for these locations for 2000, 2002, and 2004.

Table 7 and Chart 1
Roadway Intersections and Road Segments Analyzed for Average Daily Traffic

Rank of Busiest Road	Road	Specific Location/Details	ADT for * 2000	ADT for ** 2002	ADT for *** 2004
1	Mt. Hermon Road	East of Kings Village Drive	34,969	31,170	35,565
2	Scotts Valley Drive	North of Erba Lane	19,797	20,045	19,844
3	Whispering Pines Drive	North of Lundy Lane	8,420	5,370	5,571
4	Granite Creek Road	At Granite Creek Bridge	5,750	6,250	5,990
5	Bean Creek Road	n/a	5,010	5,935	5,311
6	Glen Canyon Road	Between Mt. Hermon Road and Oak Creek Blvd.	4,940	3,745	3,678
7	Lockewood Lane	n/a	4,320	4,190	4,034
8	Bluebonnet Lane	At Kings Village Road	2,880	3,027	3,169
9	Green Hills Road	n/a	2,240	1,330	1,416

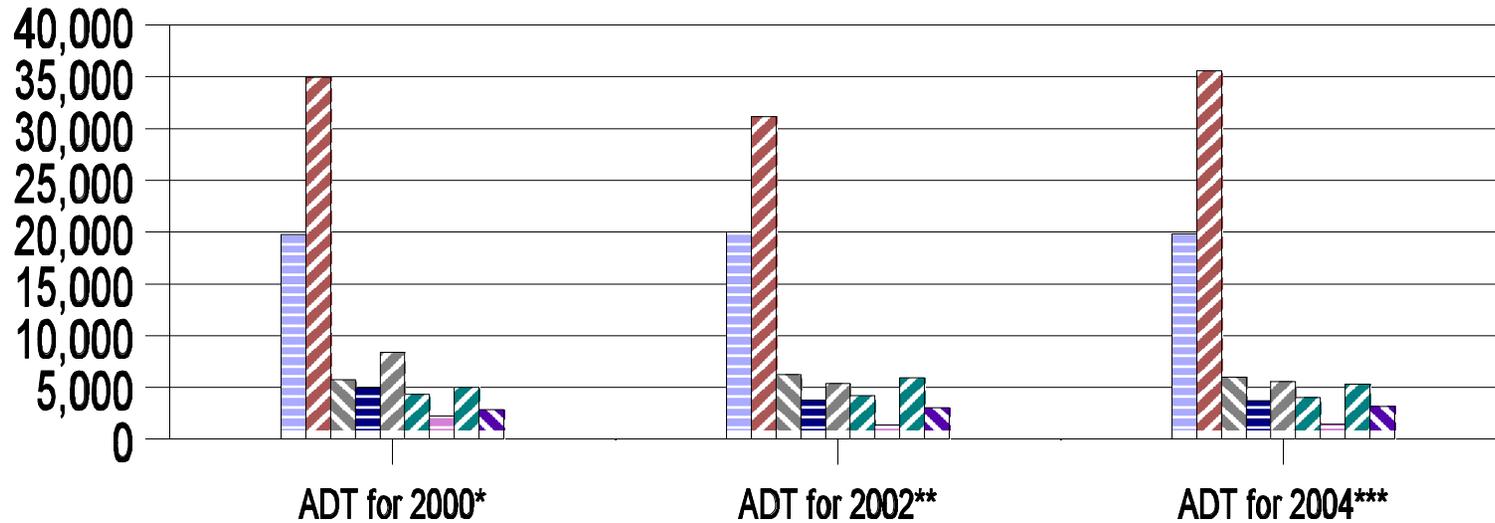
* Average Daily Trips measured in January 2000.

** Average Daily Trips measured in January 2002.

*** Average Daily Trips measured in Spring 2005.

Table 7 and Chart 1

Roadway Intersections and Road Segments Analyzed for Average Daily Traffic



-  Scotts Valley Drive -- north of Erba Lane
-  Mt. Hermon Road -- east of Kings Village Drive
-  Granite Creek Road @ Granite Creek Bridge
-  Glen Canyon Road -- between Mt. Hermon Road and Oak Creek Blvd.
-  Whispering Pines Drive -- north of Lundy Lane
-  Lockwood Lane
-  Green Hills Road
-  Bean Creek Road
-  Bluebonnet Lane @ Kings Village Road

Notes:

For exact locations of traffic counts see ADT Table 7.

* Average Daily Trips measured in January 2000.

** Average Daily Trips measured in January 2002.

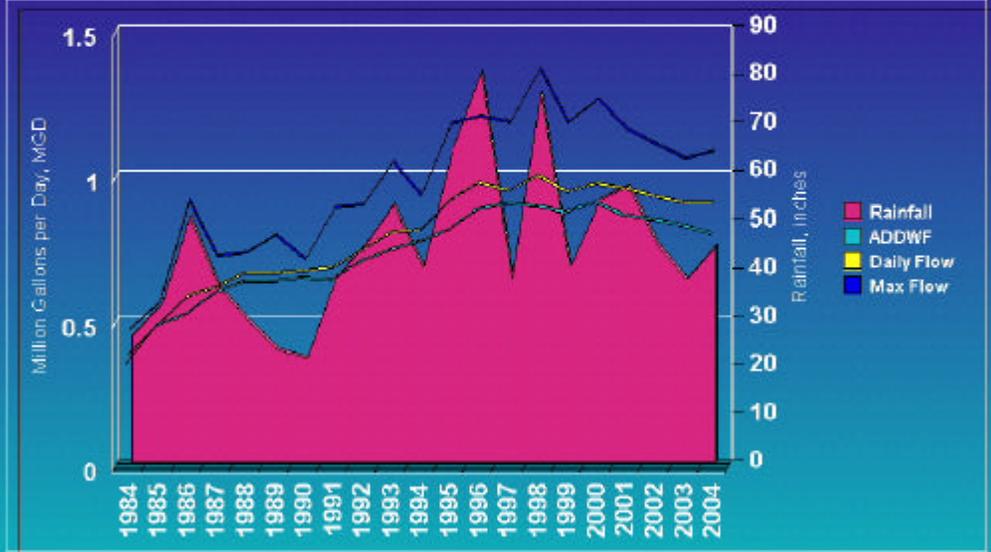
*** Average Daily Trips measured in Spring 2005.

	1998	1999	2000	2001	2006	2005	2007
Peak Dry Weather Flow (Secondary Ocean Discharge)	924,000	914,000	942,000	904,000	919,000	909,000	899,000
Recycled Water Production (Recycled Water Discharge)	0	0	0	0	*8,333	**38,888	***54,762
Peak Wet Weather Flow	1,665,000	1,679,000	1,660,000	1,556,000	1,702,200	1,657,000	1,679,000
Average Daily Flow	1,008,000	953,000	981,000	965,000	933,000	913,000	914,000
Dry Weather Excess Capacity	576,000	586,000	558,000	596,000	581,000	591,000	601,000
Wet Weather Excess Capacity	3,635,000	3,821,000	3,740,000	3,844,000	3,898,000	3,943,000	3,921,000

Type of Flow To (dry/dry weather flows above)

Note: Average Daily Dry Weather Flow

Scotts Valley Wastewater Flow and Rainfall



	2002	2004	
Supply and use available supply	690,000	685,000	Notes Recycled water usage decreased during this two-year period because the peak dry weather flows decreased from 909,000 gpd in 2002 to 899,000 gpd in 2004.
current customer use (average)	7,500	170,000	This amount significantly increased because the number of users and the amount of recycled water has increased since the Summer 2002, when the system came on-line.

2. ECONOMY

Scotts Valley developed significantly in the 1980's towards a balanced community, providing retail and service facilities as well as a job base. Scotts Valley is on its way to achieving its goal of a balanced community. The urban forest environment and convenient access to the Silicon Valley has contributed to a growth of jobs, shops and services, parks and recreation programs, and housing developments. Recent economic trends are showing an impact on local jobs. Although the number of employers in 2004 has bounced back to the level in 2002, the number of employees has declined. Since 2002, the number of jobs has decreased by 14% in 2003 and 4% in 2004, for a total decrease of 1,143 jobs (-18%). It is anticipated that with business license renewals in 2005, the number of employers will remain constant but the number of employees may further decrease. The following section gives information on the City's employment and revenue bases, vacant and underutilized lands, and components that contribute to the local economy.

Employment

The Resource Management Policy requires the City to evaluate the number of jobs within the City. This report provides basic information about businesses operating within and outside City limits. Basic employee and employer information has been compiled from current City business license annual reporting and monitoring records. Table 10 (below) shows the difference between businesses located within City limits and those providing services in Scotts Valley, but not located within City limits.

Table 10
Total Number of Employers and Employees

Businesses with a City Business License	2000	2001	2002	2003	2004
Only businesses located within City limits	680 employers 6,106 employees	710 employers 6,315 employees	699 employers 6,542 employees	654 employers 5,642 employees	706 employers 5,399 employees
Businesses located both in the City and outside City limits	982 employers 6,660 employees	1,055 employers 6,940 employees	1,026 employers 7,268 employees	964 employers 6,333 employees	1,040 employers 6,091 employees

Chart 3

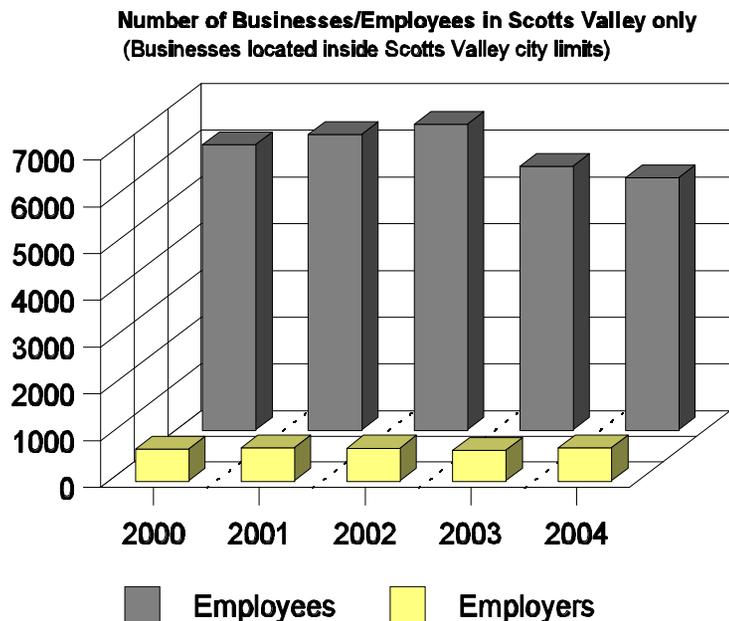
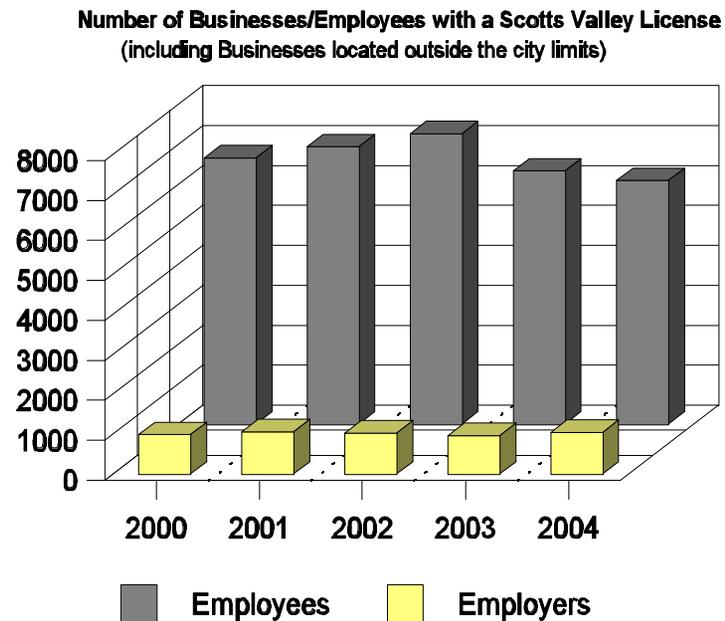


Chart 4



Between 2002 and 2003, there was a dramatic drop of 900 employees. Approximately 730 employees were lost due to businesses no longer doing business in Scotts Valley. Of the existing businesses still doing business in Scotts Valley, some businesses decreased employees by approximately 590, while others increased employees by 140 for a net decrease of 450. New businesses accounted for an increase of approximately 280 employees.

Table 11

Total Number of Employers with More than 50 Employees

Businesses with a City Business License	2000	2001	2002	2003	2004
Only businesses located within City limits	18	20	21	16	14
Businesses located both in the City and outside City limits	18	20	21	16	14

Table 12

Total Number of Employers with More than 100 Employees

Businesses with a City Business License	2000	2001	2002	2003	2004
Only businesses located within City limits	8	8	10	7	7
Businesses located both in the City and outside City limits	8	8	10	7	7

An analysis of the Tables 11 and 12 (above) from 2002 to 2004 reveals the following. Of the decrease of seven business (since 2002) in the “over 50 employees” category, five businesses dropped below 50 employees, three businesses are no longer doing business in the City, and one new business with over 50 employees came to the City. In the “over 100 employees” category, three businesses dropped below 100 employees, one business is no longer doing business in the City, and one business increased from the “over 50” category to the “over 100” category.

Jobs-Housing Balance

Table 13 (below) shows the change in the number of housing units and jobs and the ratio of jobs-to-housing units in the City between 1996 and 2004. If the ratio is greater than 1.0, there are more jobs than housing units. If the ratio is less than 1.0, there are more housing units than jobs. For four years between 1999-2002, the ratio remained steady at 1.45-1.47.

However, the ratio has continued to decline from 1.60 in 1997 to 1.18 in 2004. This means that the number of jobs is declining in relation to the number of existing and new housing units in the City. This decline is consistent with the data shown in Table 10 (above). Since 2002, the number of jobs has decreased by 1,143 jobs (-18%). Nevertheless, a number of variables affect the ratio and limit the reliability of drawing conclusions. First, the ratios do not consider that households may contain more than one wage earner. Secondly, the ratio does not recognize that persons living within the city may be employed outside the City and vice-versa. The Association of Monterey Bay Area Governments (AMBAG) considers 1.50 to be an appropriate jobs/housing ratio. The City's objective is to balance the requirements of providing a fair share of affordable housing and mix of different housing types (apartments, condominiums, townhouses) in the region, while not exceeding the capacity of the City's infrastructure.

Table 13
Ratio of Jobs to Housing Units

Year	Housing Units	Jobs	Ratio of Jobs to Housing Units
1996	N/A	N/A	1.50
1997	N/A	N/A	1.60
1998	4,121	6,355	1.54
1999	4,162	6,055	1.45
2000	4,221	6,106	1.45
2001	4,298	6,321	1.47
2002	4,486	6,575	1.47
2003	4,535	5,642	1.24
2004	4565	5,399	1.18

Tax Revenues For Fiscal Year Ending 6/30/04

The Resource Management Policy requires the City provide tax revenue information with comparisons to like cities. Tables 14 and 15 provide tax revenue figures for FY2003/04, including the previous five years for a trend analysis.

Table 14

Tax Revenue for FY2003-04

Type	Actual Dollar Amount	% of Total Revenues	Revenue Source
Property Tax	\$621,875	7.2%	General Fund
Sales Tax	\$1,660,571	19.3%	General Fund
Utility Tax	\$651,034	7.6%	General Fund
Transient Occupancy Tax (TOT)	\$483,300	5.6%	General Fund
RDA Affordable Housing	\$774,976	84.6%	Affordable Housing Fund
Net RDA Tax Increment	\$963,841	97.1%	Debt Service

Table 15

Tax Revenue Trend Analysis for FY1998-99 to FY2003-04

Type	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04
Property Tax	\$506,523	\$545,922	\$542,969	\$616,685	\$556,110	\$621,875
Sales Tax	\$1,862,890	\$1,999,372	\$2,160,665	\$1,919,112	\$1,877,110	\$1,660,571
Utility Tax	\$542,318	\$521,948	\$726,614	\$685,687	\$678,637	\$651,034
TOT	\$105,286	\$392,101	\$581,358	\$442,505	\$461,566	\$483,300
RDA Affordable Housing	\$402,719	\$473,483	\$642,182	\$671,400	\$695,896	\$774,976
Net RDA Tax Increment	\$734,431	\$818,290	\$1,176,216	\$989,309	\$919,055	\$963,841
TOTAL	\$4,154,167	\$4,751,116	\$5,830,004	\$5,324,698	\$5,188,374	\$5,155,597

Scotts Valley Revenue History

Property taxes amounted to \$621,875 for the year. This amount was about 4% of those taxes collected for property located in the City. These taxes are imposed on real property and on tangible personal property and are equal to 1% of assessed value. In FY2003/04, property taxes accounted for approximately 7.2% of the Total General Fund Revenues, while regular sales taxes amounted to \$1,610,145, and Prop 172 sales taxes amounted to \$50,426.

All sales taxes are collected and distributed by the State. The State remits regular sales taxes directly to the City each month and remits Prop 172 taxes to Santa Cruz County, which then allocates these taxes to the City for public safety purposes each month. Sales taxes accounted for 19.3% of the Total General Fund Revenues in FY2003/04. Utility users taxes are imposed on residential and commercial consumers of electric and gas services and the taxes are collected by the providers of these services. The current rate is 4% which provided \$651,034, or 7.6% of the total General Fund revenues in FY2003/04.

Transient Occupancy Taxes (TOT) are imposed for occupying a room in a lodging facility, unless such occupancy is for 30 days or more. The current rate is 10%, which provided \$483,300, or 5.6% of the total General Fund revenues in FY2003/04. The tax is collected by the lodging facilities and remitted to the City each quarter.

Under State law, 20% of the Redevelopment Agency's property tax increment must be set aside for affordable housing programs. The 20% set-aside in FY2003/04 amounted to \$774,976, which provided 84.6% of the financing for the affordable housing fund. The remaining revenues came from investment earnings and repayment of affordable housing loans. Any set-aside funds remaining from year to year are carried over to the new year.

The Redevelopment Agency's tax increment revenue for FY2003/04 amounted to \$963,841 net of pass-through obligations to other government entities and net of the affordable housing set-aside. These funds are used for repayment of debt incurred to finance capital projects provided for under the Agency's Redevelopment Plan. The reason for the decrease in net tax increment from FY 2001/02 to 2002/03 is the addition of three new reductions from the gross revenue: (1) pass-through on supplemental tax increment revenue, (2) pass-through to the community college and County Office of Education, and (3) the Education Revenue Augmentation Fund (ERAF) shift imposed by the State to help solve its budget problems. Supplemental tax increment revenue is revenue from the increased property taxes when properties sell during the fiscal year.

Previously, the County only calculated pass-throughs on the property taxes being assessed at the beginning of the year. With additional computer programming in 2002/03, the County began calculating pass-throughs on the supplemental tax increment revenue as well. The new pass-through to the community college and County Office of Education came from a State Supreme Court case decision (Santa Ana Unified School District vs. Orange County). This allowed the community college and the County Office of Education to claim a portion of the tax increment. These two new reductions along with the ERAF shift amounted to an additional \$214,208 in FY 2002/03 and \$290,761 in FY 2003/04 in pass-throughs that were not in existence in FY 2001/02. The following table compares the various tax revenues of the City of Scotts Valley with other agencies in the County.

Table 16
Scotts Valley Comparative Revenues FY2003/04

Type of Tax	City of Scotts Valley	City of Capitola	City of Santa Cruz ¹	County of Santa Cruz	City of Watsonville
Property Tax	\$621,875	\$618,200	\$7,327,071	\$34,464,306	\$3,186,377
Sales Tax (Regular & Prop 172)	\$1,660,571	\$5,253,100	\$9,084,026	\$7,208,165	\$5,973,709
Utility Users Tax	\$651,034	N/A	\$7,638,926	\$265,314	\$2,677,774
Transient Occupancy Tax (TOT)	\$483,300	\$493,400	\$3,016,463	\$3,374,991	\$614,146
RDA Affordable Housing	\$774,976	\$391,280	\$2,020,862	\$5,126,637	\$1,068,895
Net RDA Tax Increment	\$963,841	\$1,144,300	\$3,248,945	\$10,122,362	\$3,379,833
TOTAL	\$5,155,597	\$7,900,280	\$32,336,293	\$60,561,775	\$16,900,734

1 The City of Santa Cruz sets aside 25% of its redevelopment tax increment for affordable housing rather than the minimum 20%.

Vacant / Underutilized Land Inventory

The Resource Management Policy requires the City to maintain an inventory of vacant land within the City to evaluate the holding capacity. Previous reports used a base vacant land survey prepared in 1992 to determine the vacant land inventory in the City. The 1992 land survey only provided information for residentially zoned properties, and did not include details for commercial and industrial zoned parcels. In 2002, TriAxial Data prepared an updated vacant lands inventory for the City. Therefore, the base for reporting is expected to be more reliable than in past years, and future reports are expected to be more comprehensive. The table below show the approximate acreage of vacant lands by land use category.

Table 17
Vacant Lands

Zoning Class	Acreage of Parcels 2002	Acreage of Parcels 2004	Notes
Single-family Residential	111.20	107.00	Various single-family homes throughout the City
Multi-family Residential	4.30	3.60	<ul style="list-style-type: none"> • 4-lot split on MacLeod Way • 1 unit on Civic Center Drive
Commercial	43.70	36.35	<ul style="list-style-type: none"> • Kelly Court (. 3 acres) rezoned to residential • Kelly Way (. 0.25 acres) mixed use • Scotts Valley Corners/Tear-drop (. 2 acres) • Skate Park and Dog Park parking lot (. 1 acre) • Windward Place (. 1 acre) rezoned to residential
Industrial	19.20	19.20	Mini-storage on Green Hills Road (. 1 acre)
Public/Quasi Public	8.00	8.00	---
Total	186.40	174.15	

The City is in the process of preparing its Housing Element update of the General Plan. The draft Housing Element includes an in-depth analysis of underutilized lands and the potential for redevelopment. For residential properties, underutilized is defined as those properties with less density than allowed in the General Plan. Whereas for commercial and industrial properties, underutilized is used to describe properties that could potentially accommodate additional commercial or industrial development or where there is a potential for mixed use, as allowed by the City’s Municipal Code with Use Permit approval by the Planning Commission.

The table below shows the approximate acreage of underutilized lands by land use category.

Table 18
Underutilized Lands

Zoning Class	Acreage of Parcels 2002	Acreage of Parcels 2004	Notes
Single-family Residential	154.40	150.40	See list in Table 17
Multi-family Residential	12.30	11.85	4-lot split on MacLeod Way
Commercial	58.00	50.65	See list in Table 17
Industrial	1.00	0.0	Mini-storage on Green Hills Road
Public/Quasi Public	63.00	63.00	---
Total	288.70	275.90	

3. HOUSING

The Resource Management Policy requires the City to provide data on the availability of market-rate and affordable housing within the City.

Market-Rate Housing

Tables 19 and 20 (below) show the market-rate data for ownership and rental housing within the City. The ownership data has been compiled by the Santa Cruz Association of Realtors, Inc. from January 2003 to December 2004.

Table 19
Ownership Sale Prices for 2003-2004

Dwelling Type	2003		2004	
	Average Price	Median Price	Average Price	Median Price
Single-family (includes mobile homes)	\$610,100	\$542,250	\$690,379	\$622,323
Condo/Townhouse	\$387,643	\$367,806	\$443,549	\$420,560

Table 20

Comparison of Increases in Ownership Sale Prices for 2002-2004

Dwelling Type	Comparison Factor	2002	2003	2004
Single-family Residence (includes mobile homes)	Median sales price	\$517,500	\$542,250	\$622,323
	Increase in sales price from last year	\$37,500	\$24,750	\$80,073
	Percentage increase from last year	7.8%	4.8%	14.8%
Condominium	Median sales price	\$346,250	\$367,806	\$420,560
	Increase in sales price from last year	\$13,250	\$21,556	\$52,754
	Percentage increase from last year	4.0%	6.2%	14.3%

The following rental data has been compiled by the University of Santa Cruz to show average rents the area. Table 21 (below) gives the most current rental rates for the last quarter of 2004 for the greater Santa Cruz County area.

Table 21

Current Rental Rate (County-wide) for Last Quarter of 2004

Type	Rent Range	Average Rent
Single-family/Duplex (2bedroom)	\$845-2,200	\$1,589
Apartment/Condo (1 bedroom)	\$700-1,500	\$1,041
Studio/Efficiencies	\$450-1,000	\$749
Shared (room)	\$350-800	\$591

Affordable Housing

The goal of the City and the Redevelopment Agency is to provide housing for persons of all economic levels, with priority given to those persons of moderate, low and very low income levels currently residing or working within the City. The City believes that providing housing for persons of very low, low and moderate income is fundamental in the maintenance of an adequate, growing workforce and marketplace for the local economy. Table 22 (below) shows the number of affordable units, separated by housing types. The data has been compiled by the Scotts Valley Redevelopment Agency. During 2003-2004, the City increased its affordable housing stock by 15 units.

Table 22
Total Deed Restricted Affordable Housing Units
(through December 31, 2004)

Housing Type	Housing Project Name*	Number of Units	Income Level
Single-Family Detached For Sale	Kelly Way	1	Moderate
	Windward Place	2	1- Low & 1-Moderate
	Scotts Valley Drive & McLeod Way	1	Moderate
Single-Family Attached (condo or town house) For Sale	Cathy Lane	8	1- Low & 7-Moderate
	Torrey Oaks	2	1-Low & 1-Moderate
	Blue Bonnet Lane	5	2-Low & 3-Moderate
Multi-Family Attached Apartments	Oak Tree Villa (Seniors)	20	All 20-Low
	Emerald Hill	46	All 46-Very Low
	San Augustine Way	1	1-Very Low Income
	Acorn Court Apartments	4	2-Low & 2-Moderate
	Bay Tree Apartments	9	5- Low & 4-Moderate
	Oak Lane	1	Moderate
Total Number of Affordable Housing Units		110	

The some of the affordable single family homes identified above have been purchased using the City's silent second program. The City has offered the silent second program to City residents with a low or moderate income. The silent

second program provides redevelopment funds to assist with the necessary down payment required to qualify for home ownership. This program assists residents that may not otherwise be able to qualify for home ownership. The Redevelopment Agency provides a silent second up to \$30,000 for mobile homes and up to \$60,000 for purchases of attached and detached for-sale housing units. To date, the Agency has funded a total of 19 silent second loans. During 2003 and 2004, seven (7) new loans were processed.

Most of the affordable housing units listed in Table 22 (above) have been provided by the private development industry through the City's inclusionary program (15% of all new housing in Redevelopment Agency area). The Redevelopment Agency Housing Production Requirement goal is to increase the supply of housing affordable to very low, low and moderate income families through the assistance and cooperation of the private development industry.

The City requires all developments of seven (7) or more units to provide housing for households of very low, low and moderate incomes. This program assists the City in reaching the fair share housing goal, by providing more affordable units in the City. In addition to the inclusionary units, and silent second program, the Housing Authority of the County of Santa Cruz has issued a total of 52 Section 8 certificates for use in Scotts Valley. These certificates are issued to and held by families who initially qualify at the low income level. The income levels for very low, low and moderate income households are provided in Table 23 (below).

Table 23

Income Limit Definitions and Current Income Limits
(2004 Median Income for Family of Four is \$75,300)

Income Category	Percent of County Area Median	2004 Maximum Income Level for a Family of four
Very Low	Up to 50%	\$39,100
Low	51% to 80%	\$62,550
Moderate	81% to 120%	\$90,350

4. COMMUNITY

The Resource Management Policy requires the City to report on the available open space and habitat areas within the City, as well as community facilities, which include public and private schools, public recreation and cultural facilities.

Schools

The City is served by two school districts, the Scotts Valley Unified School District and the Cabrillo Community College District. There are two public elementary schools, one middle school and one high school located within the district. The City also has one private school that offers classes for preschool through eighth grade.

Table 25
School Enrollment

School	School Capacity*	2000	2001	2002	2003	2004	Average Students Per Classroom	
Brook Knoll	fixed w/portables	392 732	679	675	655	639	631	Grades K-3: 19 students/classroom Grades 4-5: 29 students/classroom
Vine Hill	fixed w/portables	452 692	666	657	617	605	608	Grades K-3: 19 students/classroom Grades 4-5: 28 students/classroom
SV Middle	fixed w/portables	450 720	673	681	698	752	710	Grades 6-8: 29.5 students/classroom
SV High	fixed	1,100	323	529	684	767	897	Grades 9-12: 24 students/classroom
SVUSD Total	n/a	3,244	2,341	2,542	2,654	2,763	2,846	n/a
Baymonte	fixed	544	467	474	424	390	413	Grades P-8: 22 students/classroom
TOTAL	n/a	3,788	2,808	3,016	3,078	3,153	3,259	n/a

* School capacity represents figures obtained from the Scotts Valley School District and figures in the City's 1994 General Plan. Capacity is based on fixed structures. Three of the schools listed above have capacities for both fixed structures and portable structures. Student enrollment figures are based on the CBEDS (CA Basic Educational Data System) taken every year in October, after the school year begins.

Review of the City's 1994 General Plan indicates that school enrollment has steadily increased and will continue to increase through City build-out. Since 2000, student enrollment in the Scotts Valley Unified School District (SVUSD) has increased by 500 students. In the City's 1994 General Plan, the SVUSD projected an enrollment of 2,269 students at City build-out in 2020. Table 25 shows that this figure was exceeded in 2000. The SVUSD's current enrollment capacity is 3,244 students. Given the total current enrollment of 2,846 students, there are approximately 400 spots for new students.

Public Recreation

Parks and recreation facilities are provided by the City of Scotts Valley, the School District, and the private sector. The City's park and recreation programs are administered by the Recreation Division of the City's Public Works Department. The Parks and Recreation Commission, a five (5) member commission appointed by the City Council, is an advisory Commission that oversees the parks and recreation programs. The City's Parks Master Plan indicates the need for five (5) acres of developed parks per thousand (1,000) persons. This does not include undeveloped open space and natural resources. Currently, the City has 38.6 acres of developed park facilities, with a population of 11,600, resulting in 3.33 acres of developed park land per thousand persons.

Although the City has not reached the projected goal for developed park facilities, it is anticipated that as new development takes place in the City, additional park and recreation areas will be designated. A new 7.32-acre park site in the Glenwood area has been approved but not yet dedicated to the City. In 2003, the City purchased the former Light of Life Church site and converted it into the community center. These new sites will increase the parks goal to 4.12 acres of park land per one thousand persons. With the designation of new park facilities, the City will meet the goal for developed park facilities in the City at build-out in year 2020.

Table 26 (below) shows the variety of existing public and private parks and recreation facilities in the City.

Table 26
Parks and Recreational Facilities

Type of Recreation Facility	Private	Public City Facilities	School Facilities	Total Facilities
Acres of Public Parks & Open Space	0	91.7	0	91.7
Baseball/Softball Fields	0	3	6	9
Basketball Courts	2	2	5	9
Child and Tot Playgrounds	4+	4	4	8
Community Center	0	1	0	1
Dog Park	0	1	0	1
Fitness Center <i>(privately owned)</i>	4	0	0	4
Golf Course <i>(privately owned)</i>	1	0	0	1
Roller Skating Rink/ Sport Center <i>(privately owned)</i>	1	0	0	1
Skate Park	0	1	0	1
Soccer Fields	1	5	2	8
Swimming Pools	1	1	0	2
Tennis Courts	3	4	6	13
Urban Trail(s) (in miles)	0	1	0	1
Video Arcade <i>(privately owned)</i>	1	0	0	1
Wilderness Trail(s) (in miles)	0	1	0	1

5. NATURAL ENVIRONMENT

The Resource Management Policy requires the City to report on the water supply capacity and water delivery capacity in each water purveyor's district, and on air quality in the City.

Water

The City is served by two water districts, the Scotts Valley Water District (SVWD) and the San Lorenzo Valley Water District (SLVWD). As discussed in the 2002 State of the City Report, water resources continue to be a concern and limitations on the allocation of water meters continue to be enforced by the Water Districts, discussed below.

Scotts Valley Water District (SVWD):

The SVWD currently obtains its water supply from the Santa Margarita Groundwater Basin. The SVWD operates six (6) production wells in three areas in the City. Wells 3A and 7B serve the SVWD's Orchard Run Treatment Plant (located north of the Polo Ranch site) and pump water primarily from the Butano Formation. Wells 11A and 11B serve the SVWD's El Pueblo Water Treatment Plan (located in the central area of town) and pump water solely from the Lompico Formation. Wells 9 and 10 (which both have on-site water treatment facilities located in the Camp Evers area of the south end of town) pump water from the Santa Margarita, Monterey, and Lompico Formations. Water is distributed to the community through a system that includes 55 miles of drinking water mains, seven (7) drinking water storage tanks, and nine (9) booster pump stations.

Beginning in late 2002, the SVWD also delivers recycled water to many of its landscape irrigation customers. The recycled water is produced in a tertiary treatment plant operated by the City's Wastewater Treatment staff. To supply recycled water to the community, the treated water is then distributed by the SVWD, which operates a 625,000-gallon recycled water storage tank, a recycled water booster pump station, and three (3) miles of recycled water distribution mains. The need for this additional water supply was identified in previous water resource evaluations.

Even with the advent of the recycled water program, water resources continue to be a concern due to dropping water levels in the area. In 2000, the SVWD Board adopted an Urban Water Management and Water Shortage Contingency Plan (UWMP) that evaluated existing and planned water resources available to its customers. In this study, SVWD projected 298 new water meters for 2000 to 2007. Of these 298 water meters, 288 are for residential uses while 10 are for commercial uses.

In January 2005, there were 3,700 water connections. In the 2000 UWMP, the SVWD planned the water system for a total of 3,962 water connections at build-out in 2020. Therefore, at the beginning of 2005, there were theoretically 262 remaining water service connections.

However, in July 2004, the SVWD received a \$229,000 grant [Local Groundwater Management Assistance (AB303)] from the California State Department of Water Resources, to update the SVWD's groundwater model for the Santa Margarita Groundwater Basin. The model should also provide updated estimations of sustainable yield. The existing groundwater model was first developed in 1988 and last updated in 1993. Scotts Valley Water District contracted with ETIC Engineering, Inc. to undertake a complete and comprehensive re-evaluation of the hydrogeological conceptual model and the groundwater basin's sustainable yield for the basin.

The grant project is being administered by SVWD, but a Technical Advisory Committee is composed of staff from SVWD, SLVWD, and County of Santa Cruz. Work on the grant project began in August 2004 and is anticipated to be completed later in 2005. The goal of this project is to update and improve the understanding of groundwater resources in the basin, including a thorough analysis of structural geology. It is likely that this project will enhance basin understanding and re-evaluate previous assessments of groundwater supply.

Once the new value(s) for sustainable yield (previously referred to as "perennial" or "safe" yield) are available, they will be used to update the SVWD's UWMP. This update is scheduled to be submitted to the state by the end of calendar year 2005. The new housing unit allocation by the association of the Monterey Bay Area Governments (AMBAG) will also be considered by the SVWD during the UWMP update.

San Lorenzo Valley Water District (SLVWD)

The SLVWD water supply comes from two (2) groundwater wells, both of which extract source water from the Santa Margarita Groundwater Basin. Lompico Sandstone is the geologic formation and primary aquifer for the production of source groundwater supply for SLVWD. In the past, SLVWD shared usage of the aquifer subunit, commonly known as the Pasatiempo Subunit Lompico Sandstone aquifer, with Mount Hermon Association, a private water purveyor and, Hansen Aggregates, an industrial user. In 2004, Hansen Aggregates (previously known as Kaiser Quarry) ceased operations.

Table 28 (below) shows the estimated amounts of groundwater pumpage by the different users in the Pasatiempo Subunit Lompico Sandstone aquifer.

Table 28
Groundwater Pumpage Estimate by User from the Pasatiempo Subunit
(in Acre-Feet for each Water Year*)

Groundwater User	WY2003	WY2004
SLVWD	436	428
Mt. Hermon	206	202
Hansen Aggregates	96	0
Subtotal	738	630

* WATER YEAR (WY) IS DURING OCT 1-SEPT 30 AND IS PREFERRED WHEN ADDRESSING WATER RESOURCES.

Projected future demand for the SLVWD Scotts Valley service area is approximately 450 acre-feet per year (AFY). The potential for additional water service connections within the SLVWD Scotts Valley service area (including Santa Cruz County) is estimated at twenty-six (26) vacant parcels and seven (7) existing single-family dwellings with individual wells as the supply source.

In 1995, a hydrogeologic study (Ellis Report) estimated a gross approximation for the change in groundwater storage and annual recharge (safe yield) relative to the Pasatiempo Subunit. This report estimated average annual inflows (recharge) at 165 AFY and average annual outflows (extractions) at 765 AFY. This resulted in an estimated change in groundwater storage of approximately 600 AFY. Previous State of the City Reports have indicated that total demand in the Pasatiempo Subunit likely exceeded annual recharge by approximately 600 AFY.

Table 29 (below) shows the pumping demand and water supply capacity, over the last five years, of both Water Districts that supply water to the City.

Table 29
Water Districts' Pumping Demand and Water Supply*
 (Demand and Capacity are shown in Acre Feet)

Supplier	2000 Pumping		2001 Pumping		2002 Pumping		2003 Pumping		2004 Pumping	
	Demand	Capacity								
SVWD										
Potable	1,929	3,760	2,009	3,535	2,058	3,064	2,050	2,735	1,986	2,516
Recycled	0	0	0	0	0	**50	19	350	36	350
SLVWD										
Potable	430	1,050	420-440	1,050	444	1,050	439	1,050	406	1,050

* Numbers are shown in calendar year (Jan 1-Dec 31), not water year (Oct 1-Sept 30), which is preferred when addressing water resources.

** The Tertiary Treatment Plant began producing recycled water late in 2002. Thus, the capacity was only available for a portion of the year. Although a small amount of water was actually distributed for use in the City's landscape median strips, the total demand was less than 1 acre foot in 2002.

In 1999, the SLVWD Board reviewed their policy regarding new water service connections and did not impose any restrictions on the allocation of water meters due to the limited amount of vacant/undeveloped land within the district. SLVWD will review their policy regarding the allocation of water meter connections on an as-needed basis.

The SVWD currently relies solely on local groundwater resources, which are also used by the SLVWD and private pumpers. In December 2000, the SVWD Board adopted an Urban Water Management Plan and Water Shortage Contingency Plan. In 2002, the Association of Monterey Bay Area Governments (AMBAG) allocated 804 housing units to the City, which is pending resolution of a Santa Cruz County-wide law suit. Therefore, the number of housing units and available meters may require the City to work with the SVWD and SLVWD in establishing a priority system for low income units. In 2003, the SLVWD implemented a water conservation rebate program. When the SVWD's grant to update the groundwater model for the Santa Margarita Groundwater Basin is completed in 2005, the estimations of the Basin's sustainable yield will be provided.

The total acreage of public park and open space areas was derived from Table IV of the City's Parks Master Plan. Five (5) acres of park land for the Polo Ranch property was not included in the total figure because the site has not been developed. With future development of the Polo Ranch site, it is anticipated the up to five (5) acres of park land would be dedicated to the City. The final amount of park land provided with the Glenwood project is approximately 8 acres. The City has a joint use agreement to use public school facilities; however, these facilities are not included in Table 26 (above).

Cultural and Historic Resources

The City has sites of cultural and historic value and has declared that the safeguarding the City's heritage, as embodied and reflected in these resources, is a matter of city-wide concern. There is a need to foster civic and neighborhood pride and a sense of identity based on the recognition and use of cultural resources. Promoting enjoyment and use of cultural resources is appropriate for the education and recreation of the community. The City Hall site located on Civic Center Drive exemplifies the City's rich heritage. It contains both the historic Scott House and a 10,000-year old archaeological deposit on display in City Hall. In addition to the Scott House, the Cultural Resource Preservation Commission has designated the Polo Barn and the "Octagon" building (located at 5030 Scotts Valley Drive) as prominent historical structures in the City. The City is served by a Public Library and a six-screen movie theater. Recently, the City Council approved the Arts Commission's selection of local artists to design vinyl overlays to decorate six (6) existing utility boxes throughout the City. Table 27 (below) lists the facilities and sites that contribute to the City's cultural and historic amenities.

Table 27
Cultural Arts Facilities and Historic Structures

Type of facility	# of facilities	Notes
Historic places and structures	3	Scott House; Octagon Building; Polo Ranch Barn and site
Movie Theaters	1	Scotts Valley Cinema
Museums and galleries	0	
Performing Arts Theater	0	
Public Library	1	Located in Kings Village Shopping Center

Utility Boxes with Art	6	Various location throughout the City
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Air

Preservation of the scenic ridge lines, various habitat communities, trees, riparian corridors and other open space lands help conserve the air quality of the City of Scotts Valley, which is located in the Monterey Air Basin. The Basin is comprised of Monterey, San Benito and Santa Cruz Counties. The northwest portion of this air basin is dominated by the Santa Cruz Mountains. Air in Scotts Valley is typically maritime in origin, as it moves over the land from the Pacific Ocean. Subsidence inversions, which occur during the summertime high pressure area, can cause air pollutants to become trapped due to decreased vertical movement and poor ventilation. Wintertime inversions, which are shallower and occur with nighttime cooling, may also tend to trap some pollutants, as well as create dense surface fog.

The Monterey Bay Unified Air Pollution Control District (MBUAPCD) monitors air quality in the Monterey Bay region and has the primary responsibility for ensuring that all state and federal ambient air quality standards are achieved and maintained within the Monterey Air Basin. In Santa Cruz County, the MBUAPCD has for monitoring stations: Davenport, Santa Cruz, Scotts Valley, and Watsonville. In August 1992, an ozone monitoring station was installed at Siltanen Park and then relocated to Scotts Valley Drive and Carbonero Way in late 1994.

Ozone (the primary constituent of smog) is formed in the atmosphere through complex chemical reactions involving volatile organic compounds (VOC) and nitrogen oxides (NO_x) in the presence of sunlight. According to the MBUAPCD's 2000 Air Quality Management Plan, on-road and off-road motor vehicles are the largest source of VOC (52%) and NO_x (75%) in the Monterey Air Basin. During summer days, fuel combustion from on-road vehicles and trailing road dust from paved roads account for 10% of the particulate matter smaller than 10 microns (PM10). According to the Santa Cruz County Regional Transportation Commission's "2004 Transportation Monitoring Report", the highest daily measurement increase in ozone occurred in the Watsonville region (+13%) between 2001 and 2004.

The state ambient air quality standard for ozone is 10 parts per million (ppm). There has been a total of five (5) violations recorded for ozone standards in the City, which are the number of days that the hourly ozone measurements exceed the hourly standards in ppm. One (1) violation occurred in 1995, two (2) in 1996, one (1) in 1998, and one (1) in March 2001 (which exceeded the state standard but not the national standard). Since March 2001, the City has not exceeded state or national standards. The City's objective is to maintain or improve the present air quality level in Scotts Valley.