In 2016, Capitola voters overwhelmingly approved Measure F — a 10-year 0.25% sales tax to revitalize our ocean-front infrastructure, including the flume, jetty, and iconic Capitola wharf. We're pleased to report that through careful planning these projects, including the impressive \$11 million renovation of the wharf, have been completed ahead of schedule.

Now, the City proposes an early repeal of Measure F, to be replaced by a new 0.5% sales tax initiative to secure Capitola's financial future. This new measure addresses financial challenges due to inflation and the expiration of Measure F in 2027. With this step, the City can avoid a likely deficit in the next few years.

The proposed 0.5% sales tax will help Capitola sustain vital services. Services such as providing for our police and workforce, enhancing public safety and maintaining our beautiful parks, beaches and wharf, and improving our streets, infrastructure, and recreation programs. This measure is also crucial for securing nearly \$8 million in federal funding to stabilize Cliff Drive against coastal erosion.

After careful consideration, the City Council determined that a sales tax is the fairest way to address our budget challenges. Both visitors and residents contribute to our local economy, sharing the responsibility of maintaining our community's well-being. Importantly, City Staff estimates that less than one-third of Capitola's sales tax revenue is paid by residents; the vast majority is paid by visitors.

Even with this new measure, Capitola will maintain the lowest tax rate in the County, staying 0.5% below other cities' rates. Capitola is a special community that we cherish. Let's ensure it remains vibrant and sustainable for future generations.

Vote YES on Measure to Protect Capitola's Future.

To learn more visit Measure .com