

Capitola City Council

Agenda Report



Meeting: May 28, 2026

From: Community and Economic Development Department

Subject: 41st Avenue, Clares Street, and Capitola Road Corridor Plan

Recommended Action: Adopt a resolution adopting the 41st Avenue, Clares Street, and Capitola Road Corridor Plan and direct staff to publish a Request for Proposals (RFP) for an AB 1600 Nexus Study to establish a corridor impact fee.

Background: On March 27, 2025, the City Council authorized a professional services agreement with SWA Group to prepare the 41st Avenue Corridor Plan. The purpose of the Corridor Plan is to establish a long-term vision for 41st Avenue as a more vibrant, multimodal corridor that supports economic vitality, improved mobility, enhanced public spaces, and housing development.

Initial work completed by the consultant team included background analysis, existing conditions review, transportation and land use assessment, and extensive community outreach. Outreach efforts included an online community survey with 197 respondents; a public workshop on October 8, 2025, attended by approximately 50 to 60 participants; stakeholder meetings with local agencies, business owners, and property owners; and additional outreach to nearby residents.

Based on public input and technical analysis, draft corridor goals were presented to the City Council on November 13, 2025. The goals focused on:

1. Multi-modal streets
2. Safe and healthy streets
3. Memorable and quality public realm
4. Public realm activation and economic vitality
5. Design for future development

On December 11, 2025, the City Council directed staff to expand the Corridor Plan boundary to include portions of Clares Street surrounding the Capitola Mall area and Capitola Road from the western city boundary to approximately 43rd Avenue. The expanded study area recognizes the importance of coordinated planning surrounding the City's largest anticipated redevelopment area within the Capitola Mall block and the regional commercial district along 41st Avenue.

Following the expanded scope, SWA Group had additional traffic analysis collected and ran transportation modeling for Clares Street and Capitola Road. SWA also created corridor branding concepts. Additional outreach included a second public survey, stakeholder meetings, and a virtual community meeting to receive feedback on the expanded scope and branding ideas.

The Planning Commission reviewed the draft Corridor Plan on May 7, 2026, and provided comments and recommendations for refinement prior to City Council consideration, including clarification of roadway transitions along Clares Street, additional emphasis on bicycle wayfinding, buffered bicycle facilities, and alternative bicycle routes, updates to corridor branding concepts, and revisions to maintain minimum 10-foot vehicle lane widths throughout the corridor.

Discussion: The 41st Avenue, Clares Street, and Capitola Road Corridor Plan establishes a long-term framework for transforming the City's primary commercial corridors into safer, more attractive, and more

economically vibrant multimodal streets. The Plan is intended to guide future public and private improvements related to redevelopment, capital improvement projects, and transportation investments.

The Corridor Plan envisions improvements that enhance pedestrian safety, bicycle connectivity, traffic operations, public spaces, landscaping, wayfinding, and corridor identity. The Plan also supports implementation of recently adopted zoning regulations that encourage mixed-use and higher-density residential redevelopment in the Capitola Mall area.

The Corridor Plan identifies conceptual roadway cross-sections and improvement strategies for the three major streets. The concepts are intended to serve as planning-level guidance and will require future engineering and environmental review before implementation.

For 41st Avenue and Capitola Road, the recommended improvements assume future redevelopment of the Capitola Mall and the incorporation of the recently adopted 20-foot minimum pedestrian realm on private property, including widened sidewalks, landscaping, and enhanced pedestrian amenities along the periphery streets.

Clares Street presents unique constraints due to the limited right-of-way and fragmented property ownership pattern. Currently, there is no room for a protected bike lane within Clares Street; therefore, “sharrows” exist in the far right lanes so bicycles share the road with automobiles.

Redevelopment along the mall side of Clares is subject to the 20’-0” minimum pedestrian realm; however full build-out presents unique challenges as only one property along Clares is owned by the majority mall owner, Merlone Geier Partners (MGP). The five separately-owned parcels along Clares Street are: MGP target/food court entry parking area, Macy’s, Olive Garden, Ross Center, and Citibank. There is a low likelihood of all properties along Clares redeveloping at the same time and installing the 20’-0” pedestrian realm. Therefore, the Plan includes both a near-term and long-term buildout strategy.



The near-term concept for Clares Street demonstrates how protected bicycle facilities could potentially be implemented within the existing roadway footprint through lane reconfiguration while maintaining existing sidewalks. The near-term plan includes modifications in the center segment of Clares Street between the Dialysis Center and the mall food court entry, going from two lanes to one to incorporate a protected bicycle lane. The sections of Clares Street by Capitola Road and 41st Avenue maintain multiple travel lanes in each direction to allow for queuing at the intersections.

The long-term concept assumes implementation would be timed with future redevelopment of adjacent properties. Under the adopted zoning code new projects would be required to develop a 20 foot minimum pedestrian realm on private property to accommodate enhanced sidewalks, bicycle lanes, and landscaping. In the long-term concept, the full right-of-way with multiple travel lanes in each direction would be reestablished.

The Planning Commission discussion focused heavily on bicycle safety, roadway transitions, lane widths, placemaking, landscaping themes, and multimodal circulation. In response to Planning Commission feedback, staff has included the following updates to the Corridor Plan:

- Revised roadway sections to maintain minimum 10-foot travel lane widths throughout the corridor;
- Clarified lane transition locations and roadway configurations along Clares Street;
- Added additional emphasis on bicycle wayfinding strategies intended to redirect cyclists toward lower-stress bicycle routes;
- Expanded discussion of buffered bicycle lanes and physical delineation treatments; and
- Refined district branding concepts and landscape transition areas emphasizing the “Mountains + Bluffs” identity in the North, East, and Western portion of the Corridor along Capitola Road, Clares Street, and 41st Avenue north of Capitola Road, transitioning to coastal-oriented landscaping south of Capitola Road to the southern City limit heading into Pleasure Point.

The Corridor Plan also includes a District Placemaking chapter intended to strengthen corridor identity and improve the public realm through gateway signage, landscaping, public art, wayfinding, furnishings, and streetscape enhancements.

Implementation of the Corridor Plan will occur incrementally over many years through redevelopment projects, capital improvement projects, grant funding opportunities, and public-private partnerships.

To support implementation of future infrastructure improvements identified in the Corridor Plan, staff is recommending the City Council authorize preparation of an AB 1600 Nexus Study for a corridor impact fee program. The Nexus Study would evaluate the relationship between future development impacts and infrastructure improvements needed within the corridor area and would establish a legally supportable funding mechanism to help finance future transportation and public realm improvements.

Fiscal Impact: Preparation of the Corridor Plan is funded through previously authorized consultant agreements and existing budget appropriations.

Future implementation of corridor improvements identified in the Plan will require significant additional funding and will likely occur incrementally over many years through a combination of development contributions, grants, capital improvement funding, and public-private partnerships. Appendix A.4 of the plan includes estimated costs.

Staff is requesting authorization to publish a Request for Proposals for the preparation of an AB 1600 Nexus Study to evaluate the establishment of a corridor impact fee program. The proposed FY 2026-27 Budget does not include funding for the Nexus Study as costs are not currently known. Staff will return to City Council with a potential scope of work and options for funding the study following completion of the RFP process.

Attachments:

1. Resolution adopting the 41st Avenue, Clares Street, and Capitola Road Corridor Plan
2. Corridor Plan: 41st Avenue, Clares Street, and Capitola Road

Alignment with 2025-2029 Strategic Plan Priority: Community Safety; Economic Opportunity; Healthy Families, Community, and Environment; and Sustainable Infrastructure

Report Prepared By: Katie Herlihy, Community and Economic Development Director

Reviewed By: Julia Gautho, City Clerk; Marc Tran, City Attorney

Approved By: Jamie Goldstein, City Manager