

Capitola City Council

Agenda Report



Meeting: February 12, 2026

From: Public Works Department

Subject: 41st Avenue Pavement Rehabilitation and Multimodal Improvements

Recommended Action: Approve the plans, specifications, and construction budget of \$1,700,000 for the 41st Avenue Pavement Rehabilitation and Multimodal Improvements Project; and authorize the Department of Public Works to advertise for construction bids.

Background: 41st Avenue is a key regional corridor serving local neighborhoods, commercial areas, and access to State Route 1. The corridor is included in the City's Pavement Management Program and has also been the focus of multimodal safety planning to improve conditions for people walking, biking, and driving.

In December 2023, the City was awarded \$1 million through the Santa Cruz County Regional Transportation Commission's Consolidated Regional Transportation Grant Program to support pavement rehabilitation and safety improvements along this corridor. In September 2024, the City Council approved a budget amendment allocating grant funds for design and permitting.

Because much of the project lies within the Caltrans right-of-way, the City was required to complete a Design Engineering Evaluation Report (DEER) and obtain a Caltrans Encroachment Permit. Design is now complete, Caltrans permits have been secured, and the project is ready to bid.

Discussion: Staff is requesting authorization to advertise the project for construction bids. The project will be bid using two scopes:

1. Base Bid – Construction work located entirely within Caltrans right-of-way.
2. Additive Alternate – The base bid scope plus pavement rehabilitation and minor striping improvements extending from Gross Road to Clares Street.

This bid structure allows the City to evaluate contractor pricing across the corridor in a single procurement and preserves flexibility at award without obligating the City to include the additive scope.

Construction is anticipated to occur primarily during nighttime hours to minimize impacts to traffic, businesses, and regional circulation along the corridor. Prior to construction, staff will conduct advance outreach to adjacent property owners and businesses to communicate the construction schedule, anticipated night work, and access considerations.

The broader 41st Avenue corridor planning effort is continuing as a separate, longer-term process being advanced outside of this construction project. The work proposed outside of Caltrans' right-of-way under this bid is limited to pavement rehabilitation and minor striping adjustments and is intentionally designed so as not to preclude or conflict with potential future corridor improvements. These improvements would not require removal or rework if future changes are implemented as part of the corridor planning effort.

CEQA: The project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Sections 15301 (Class 1 – Existing Facilities), 15302 (Class 2 – Replacement or Reconstruction), and 15304 (Class 4 – Minor Alterations to Land). The project involves pavement rehabilitation, restriping, bicycle and pedestrian improvements, curb ramp reconstruction, and signage upgrades within existing public right-of-way and does not result in an expansion of roadway capacity or changes to existing land use. No healthy, mature, or scenic trees would be removed. The project does not meet any of the exceptions to categorical exemptions listed in CEQA Guidelines Section 15300.2. A Notice of Exemption has been prepared and filed for the project.

Fiscal Impact: The construction budget for the project is \$1,700,000, which reflects the amount currently available for construction following completion of design, environmental clearance, and Caltrans permitting. The engineer's estimate indicates that total construction costs could range from approximately \$1.6 million to \$2.1 million, depending on bid pricing and whether the additive alternate is included.

A total of \$2,043,000 is budgeted for the project in FY 2025–26, which includes \$1,000,000 in Santa Cruz County Regional Transportation Commission grant funding and \$1,043,000 in local funds (State Route 1 funds and Measure D). Approximately \$350,000 has been budgeted and expended to date for design, environmental clearance, Caltrans permitting, and pre-construction activities, leaving approximately \$1.7 million available for construction.

If available funds are sufficient to construct the full project, staff will award the construction contract and proceed with outreach to affected businesses. If bid pricing exceeds available funding or other constraints arise, the project will be returned to the City Council for further direction.

Attachments:

1. Council Reference Plan Set (Selected Sheets)

Alignment with 2025-2029 Strategic Plan Priority: Community Safety; Sustainable Infrastructure

Report Prepared By: Jessica Kahn, Public Works Director

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

Approved By: Jamie Goldstein, City Manager