

Preliminary Findings

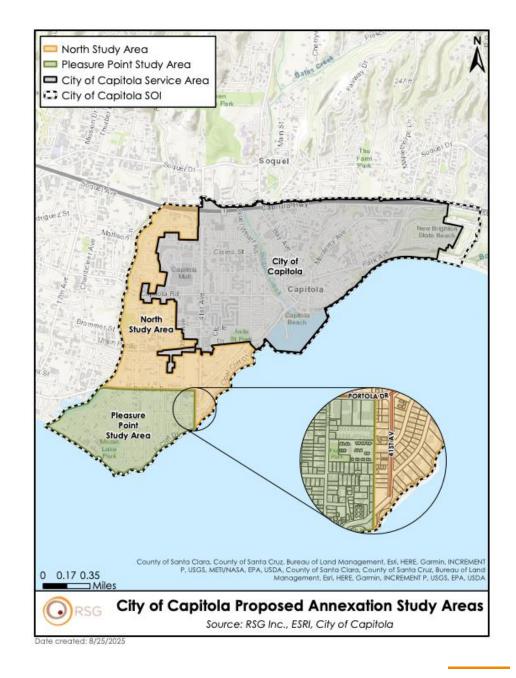
Annexation Plan Development for Capitola

RSG, City of Capitola November 13, 2025



Study Areas - Updated

Study Area	Size	Parcels	Population
North	0.63	1,526	4,857
Pleasure Point	0.45	1,430	3,342
Combined	1.08	2,956	8,199
City	1.72	4,500	9,598





Service Providers

The following service providers will detach from their current providers and annex into the City:

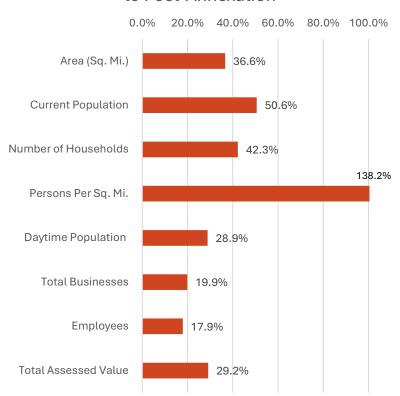
- Law Enforcement
- Parks and Recreation
- Lighting
- Streets/Road Maintenance
- Solid Waste

Service	Current Service Provider to Study Area	Service Provider to Study Area After Annexation	Impact
Law Enforcement	County Sheriff's Office	Capitola Police Department	Annexation
Fire & Emergency Medical	Central Fire District	Central Fire District	No Change
Parks and Recreation	Parks and Recreastion CSA-11	Public Works Parks Department/ Community Services and Recreation	Dettachment /Annexation
Lighting	Santa Cruz County Residential Lighting CSA-09A	Capitola Public Works Department	Dettachment /Annexation
Streets/Road Maintenance	CSA-09D/E	Capitola Public Works Department	Dettachment /Annexation
Solid Waste	Refuse Disposal CSA-09C (GreenWaste)	Capitola Public Works Department (GreenWaste)	Dettachment /Annexation
Water	Soquel Creek Water District City of Santa Cruz DPW Small Water District	Soquel Creek Water District City of Santa Cruz DPW Small Water District	No Change
Wastewater	Santa Cruz County Sanitation District	Santa Cruz County Sanitation District	No Change
Transportation	Santa Cruz Metropolitan Transit District	Santa Cruz Metropolitan Transit District	No Change



Demographic Data

North Study Area Percent Increase Pre to Post-Annexation



	City	Combined Study Area	North Study Area	Pleasure Point Study Area		
Area (Sq. Mi.)	1.72	1.08	0.63	0.45		
Current Population	9,598	8,199	4,857	3,342		
Number of Households	4,572	3,451	1,932	1,519		
Persons Per Sq. Mi.	5,580	7,592	7,710	7,427		
Daytime Population	13,127	5,978	3,790	2,188		
T (D :	0.40	000	400	40		
Total Businesses	846	208	168	40		
Employees	7,745	1,792	1,384	408		
Total Assessed Value	\$3.5 billion	\$2.2 billion	\$1.0 billion	\$1.2 billion		
As of July 1, 2025						
Sources: Esri, Santa Cruz County	Sources: Esri, Santa Cruz County Assessment Roll 2023-24					

Revenues

Annexation Plan Development for Capitola



Property Tax Revenues

City of Capitola will collect **5.94**% of property taxes in Combined Study Area based on Master Tax Agreement unless renegotiated

Projected Annual Property Tax Revenue (2025-26)

North Study Area \$ 686,162

Pleasure Point Study Area \$ 772,622

Combined Study Area \$ 1,458,788

o City \$3,277,120

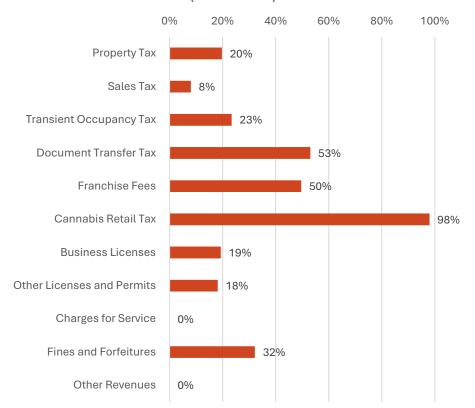
Based on 2024-25 AV with 2% growth

	Combined	North	Pleasure
Base Tax	Study	Study	Point Study
	Area	Area	Area
A: Co. Base Tax Pre-Tax Share	23.76%	24.08%	23.48%
B: CSA 9	0.21%	0.21%	0.22%
C: CSA 9-A	0.48%	0.76%	0.24%
D: CSA 11	0.30%	0.37%	0.24%
Share of County GF	24.00%	24.00%	24.00%
Co. Base Tax to City	5.70%	5.78%	5.64%
Co. Base Tax to Co.	18.06%	18.30%	17.85%
CSA Shares to City	0.24%	0.32%	0.17%
Total City Share	5.94%	6.10%	5.81%
As of July 1, 2025			
Sources: Esri, Santa Cruz County	Assessment Roll 2	023-24	



Net New Revenues - North Study Area

North Study Area Percent Revenue Increase Pre to Post Annexation (17% Total)

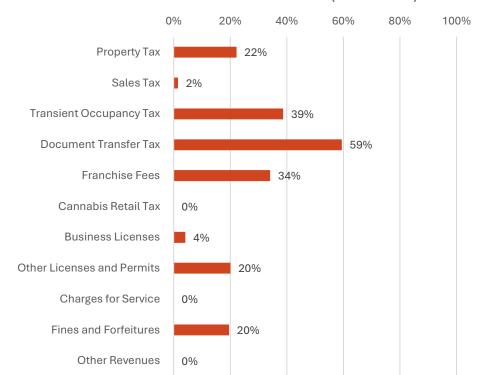


	City	North Study Area	City + North Study Area
General Fund Revenues			
Property Tax	\$ 3,477,706	\$ 686,162	\$ 4,163,868
Sales Tax	9,029,447	721,732	9,751,179
Transient Occupancy Tax	2,358,004	551,500	2,909,504
Document Transfer Tax	106,121	56,300	162,421
Franchise Fees	741,254	367,800	1,109,054
Cannabis Retail Tax	318,362	312,100	630,462
Business Licenses	338,260	65,257	403,517
Other Licenses and Permits	447,468	81,200	528,668
Charges for Service	Om	itted from Ana	ılysis
Fines and Forfeitures	644,684	207,300	851,984
Other Revenues	439,086	-	439,086
Total	\$ 17,900,393	\$ 3,049,351	\$ 20,949,743
* This table excludes charges for services which a	re off-setting expense	S	
As of July 1, 2025. Sources: Esri, Santa Cruz Co	ounty Assessment Ro	II 2023-24	



Net New Revenues

Pleasure Point Study Area Percent Revenue Increase Pre to Post Annexation (13% Total)

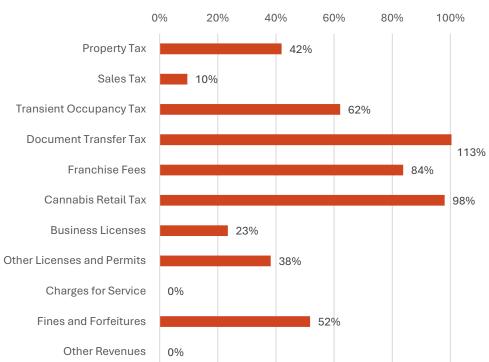


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		Pleasure	City + Pleasure	
	City	Point Study	Point Study	
		Area	Area	
General Fund Revenues				
Property Tax	\$ 3,477,706	\$ 772,622	\$ 4,250,328	
Sales Tax	9,029,447	136,525	9,165,972	
Transient Occupancy Tax	2,358,004	912,700	3,270,704	
Document Transfer Tax	106,121	63,100	169,221	
Franchise Fees	741,254	253,000	994,254	
Cannabis Retail Tax	318,362	_	318,362	
Business Licenses	338,260	13,977	352,237	
Other Licenses and Permits	447,468	89,800	537,268	
Charges for Service	Om	itted from Ana	ılysis	
Fines and Forfeitures	644,684	126,200	770,884	
Other Revenues	439,086	-	439,086	
Total	\$ 17,900,393	\$ 2,367,924	\$ 20,268,317	
* This table excludes charges for services which are off-setting expenses				
As of July 1, 2025. Sources: Esri, Santa Cruz Co	unty Assessment Ro	II 2023-24		



Net New Revenues – Combined Study Area





	City	Combined Study Areas	City + Combined Study Areas
General Fund Revenues			
Property Tax	\$ 3,477,706	\$ 1,458,784	\$ 4,936,490
Sales Tax	9,029,447	858,257	9,887,704
Transient Occupancy Tax	2,358,004	1,464,200	3,822,204
Document Transfer Tax	106,121	119,400	225,521
Franchise Fees	741,254	620,800	1,362,054
Cannabis Retail Tax	318,362	312,100	630,462
Business Licenses	338,260	79,234	417,494
Other Licenses and Permits	447,468	171,000	618,468
Charges for Service	Omi	tted from Analy	ysis
Fines and Forfeitures	644,684	333,500	978,184
Other Revenues	439,086	-	439,086
Total	\$ 17,900,393	\$ 5,417,275	\$ 23,317,668
* This table excludes charges for services which are	off-setting expenses		
As of July 1, 2025. Sources: Esri, Santa Cruz Cou	inty Assessment Roll	2023-24	

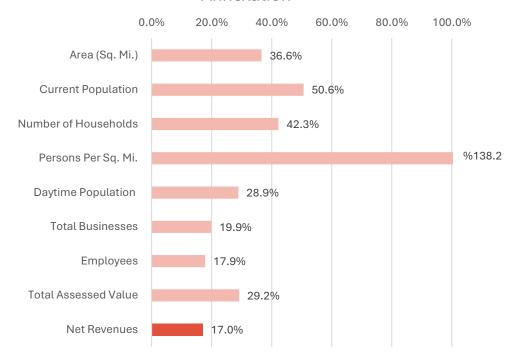


Revenues Takeaways

• Despite increasing population by 51%, the North study area will increase total revenues by 17%.

Percent Increase in	Revenues	VS	Population
Combined SA	30%	VS	85%
North Study Area	17%	VS	51%
Pleasure Point Study Area	a 13%	VS	35%

North Study Area Percent Increase Pre to Post-Annexation



Expenditure Considerations

Annexation Plan Development for Capitola



Key Impacts to Expenses

P	ercentage Increase in Need	Combined Study Area	North Study Area	Pleasure Point Study Area
•	Police Department – Calls for Service	22%	12%	11%
•	Public Works Department – Streets	58%	36%	22%
•	Parks and Recreation – Number of Parks	124%	59%	65%

Further Considerations

- One-time capital public works projects
- Increase in personnel per department



Thank you! Any Questions?

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