

Capitola City Council

Agenda Report



Meeting: September 11, 2025

From: Public Works Department

Subject: Measure D Five-Year Plan (2025-2030)

Recommended Action: Conduct a duly noticed public hearing and adopt a resolution adopting the City's Measure D Five-Year Program of Projects (2025–2030), as required under the Measure D Master Funding Agreement.

Background: In November 2016, Santa Cruz County voters approved Measure D, a 30-year half-cent sales tax to fund transportation improvements, including pavement maintenance, bicycle facilities, and pedestrian infrastructure. Each local jurisdiction receiving Measure D funds must annually develop, hold a public hearing on, and adopt a five-year program of projects ("5-Year Plan"). This plan outlines how the City intends to use Measure D funds over the next five fiscal years and is updated annually to reflect revised revenues, expenditures, schedules, and cost estimates.

Discussion: On June 9, 2022, the City Council held a public hearing and adopted a five-year list of pavement management projects based on projected revenues from Senate Bill 1 (SB 1) and Measure D formula allocations. Since then, the City has used this plan to guide the use of Measure D funds.

However, under the Measure D reporting guidelines, the City is required to re-adopt a current five-year plan each year. The updated 2025–2030 project list (Attachment 2) carries forward the projects in the original pavement management plan (PMP) through its remaining years. In future years, projects will be updated as part of the next PMP cycle, with the next full update anticipated in FY 2026–27, for implementation beginning in FY 2027–28.

The five-year plan may be adjusted annually to account for project changes, new priorities, or updated funding projections. Any such changes will be brought to the Council for consideration and adoption at that time.

For FY 2025–26, the City anticipates approximately \$363,000 in Measure D revenue, which will be applied toward the 41st Avenue Multimodal and Pavement Rehabilitation Project, consistent with the adopted PMP and FY 2025-26 budget.

Fiscal Impact: Measure D will continue to provide annual formula allocations to support the City's pavement management program. For FY 2025–26, approximately \$363,000 in Measure D revenue is anticipated.

Attachments:

1. Resolution
2. FY25-30 Measure D Project List

Report Prepared By: Jessica Kahn, Public Works Director

Reviewed By: Julia Gautho, City Clerk; Samantha Zutler, City Attorney

Approved By: Jamie Goldstein, City Manager

Attachment 2 edited on September 9th to correct meeting/approval date.