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you!

for attending our Town Hall

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**Capitola Town Hall
November 20, 2025**

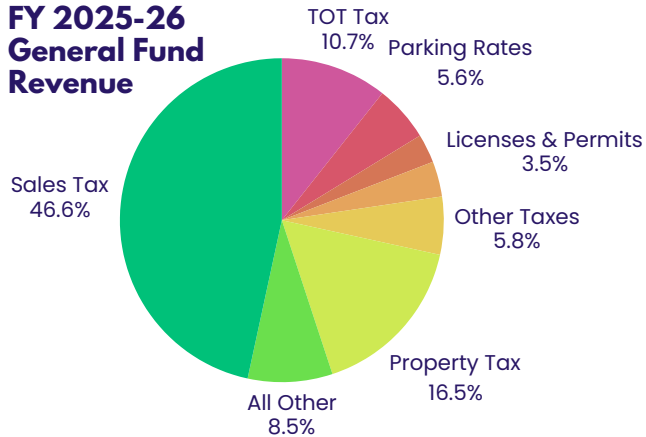
**City Projects &
Topics of Interest**

Finance Overview

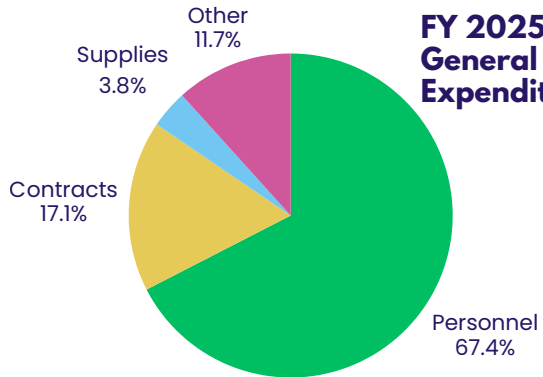
City Finances: City government receives public funds to provide local services, maintain & develop public infrastructure, and create local laws through an elected City Council.

Annual Budget: Capitola's 12-month operating plan; directs City's business, goals, policies & initiatives; generally \$23 Million

FY 2025-26 General Fund Revenue



FY 2025-26 General Fund Expenditures



Challenges: Five-Year projection shows a funding gap due to rising costs and sales tax not outpacing inflation; prior challenge met with TOT increase; economic development, Sales Tax Measures O, F, and Y, maximization of grants, increase to parking rates, & more

Key Takeaways: Despite its dependence on sales tax revenue, Capitola remains a special community with a high level of service, impressive public facilities, and cultural events for all to enjoy.

Active & Future Projects

Jade Street Park Improvements: Four independent, parallel projects; funded with County Park Friends fundraising support and State/Federal grants; completion expected in spring 2026:

- Community Center Renovation
- Treasure Cove UA Playground
- Patio Improvements
- Restroom Improvements

Park at Rispin Mansion: Historic renovation to create a public gathering place; includes amphitheater, lighting, and loop trail; future garden enhancements possible; open now!

41st Avenue Improvements: Will rebuild pavement and add safety upgrades near the highway interchange; includes protected bike lanes; Lane guidance and signage improvements; construction targeted to begin in spring 2026.

Cliff Drive Resiliency: To protect the roadway, underground utilities, & improve pedestrian safety; currently in design, permitting, and environmental review stage; funding now supports initial construction of about 25% of bluff; additional funds needed for full build.

Bay Avenue Corridor: To improve traffic flow and improve safety for walking/biking; concept includes two roundabouts; Council will review this Winter; construction dependent on future grant awards.

Grand Avenue Pathway: Preparing preliminary design to move path inland and prepare cost estimates; Council will review possibilities and costs this winter.

Stockton Bridge: Internal structural evaluation underway to assess condition; findings to be presented to City Council; project secured a \$700K State Water Resources Control Board grant, sponsored by Senator John Laird; future focus depends on bridge condition.

Esplanade Park: Beloved public gathering space vulnerable to storm surges & tidal events; received \$275k grant from California Coastal Conservancy for planning and conceptual design; next steps are community outreach to develop concepts.

Planning & Future Development

Capitola Wharf Master Plan: A strategic plan to guide future development; community feedback showed preference for a market space, restaurant with rooftop deck & fishing concession. Fuse Architects are developing a plan, will be presented to Council in early 2026. Next steps include an RFP (request for proposals) for a private investment & development partner.

41st Avenue Corridor: To bring Capitola's small-town charm to 41st Avenue; priorities include traffic efficiency, pedestrian safety, bike infrastructure & placemaking. Plan to be completed in early 2026.

Capitola Mall: Efforts to encourage redevelopment at the mall site since 2009; including the 2012 Mall Re-Visioning Plan & 2013 General Plan. 2019 Merlone Geier concept was reviewed & encouraged by Planning Commission & Council; the plan was withdrawn due to the pandemic & economic changes. Now:

- **Housing Element** commits City to 1,777 total units & increased height and density at the Housing Element Mall Sites
- **Preparing Objective Standards** to maintain local control while meeting state commitments for housing, increasing economic vitality, creating quality neighborhoods & ensuring City services

City Hall Complex: 2023 needs assessment formalized & detailed current issues; City Hall & PD are undersized, in the flood plain, and outdated; Ultimate goal is to ensure long-term functionality and create a modern community space with improved public service areas. *There is no project at this time; any next steps require City Council prioritization & funding.*

Potential Village Hotel: 120 Monterey Avenue: Capitola's Zoning Code includes incentives for a hotel at this site. Council reviewed a conceptual design for a five-story, 88-room hotel, which did not move forward. *The City does not own this property; there is no conceptual design or project at this time.*