



Measure D Transportation Sales Tax

*Taxpayer Oversight Committee
Annual Report: Fiscal Year 2021/2022*



Executive Summary

Measure D was approved by over two-thirds of Santa Cruz County voters in 2016. This ½-cent, 30-year transactions and use tax (similar to a sales tax) funds five categories of transportation projects:

- Neighborhood/Local Roads
- Transit & Paratransit
- Highway Corridors
- Rail Corridor
- Active Transportation

Since it has been in effect from April 2017 through June 2022, Measure D has generated over \$120 million in revenues. In Fiscal Year 2021/2022 (FY21/22), Measure D generated \$27.6 million and \$14.4 million was spent by the recipient agencies on over 60 transportation projects that maintain local streets and roads, improve bicycle and pedestrian safety, enhance transit and paratransit service, design major infrastructure projects, and provide traveler information and assistance. The Santa Cruz County Regional Transportation Commission (RTC) is responsible for implementing the provisions of Measure D and distributes the funds to local recipient agencies based on formulas set forth in the voter-approved Measure D Ordinance and Expenditure Plan.

FY21/22 Measure D Revenues and Expenditures		
Investment Category/Recipient	Revenues	Expenditures
Neighborhood		
San Lorenzo Valley/Hwy 9 – RTC	\$333,333	\$214,296
Hwy 17 Wildlife – RTC	\$166,667	\$438
City of Capitola	\$381,422	\$96,915
City of Santa Cruz	\$1,701,343	\$237,321
City of Scotts Valley	\$366,715	\$66,832
City of Watsonville	\$1,168,017	\$505,797
County of Santa Cruz	\$3,940,791	\$1,935,486
Transit/Paratransit – METRO	\$4,297,754	\$2,014,351
Paratransit – Lift Line	\$1,074,438	\$824,667
Highway Corridors – RTC	\$6,715,240	\$4,077,583
Active Transportation – RTC	\$4,566,363	\$3,136,433
Rail Corridor – RTC	\$2,148,877	\$512,180
Sub Total	\$26,860,960	\$13,622,299
RTC Administration & Implementation	\$765,013	\$634,292
Total	\$27,625,973	\$14,394,706

(Revenues shown on accrual basis. Does not include interest and adjustments.)

You may note that more money has come in than has been spent. These unspent funds are often rolled over to subsequent years by the recipient agencies in order to fund the construction of larger projects in future years. Agencies are maximizing their funds and Measure D is allowing them to move forward with transit, highway, bike, pedestrian, trail, roadway, and other projects they may not have otherwise been able to afford. In fact, Measure D has also given the county a way to more successfully compete for state and federal grants using the funds as a match.

We are excited about the progress being made using Measure D funds and the leverage this money has given agencies in Santa Cruz County to address its most pressing transportation issues. We want to thank county taxpayers for approving Measure D and providing the community with a steady, direct source of local funding for vital transportation improvements that will work to reduce congestion and greenhouse gas emissions, and improve safety, access, and mobility for everyone in our community.

Thank you,
Measure D Taxpayer Oversight Committee

Measure D Annual Report

Fiscal Year Ending June 30, 2022

In November 2016, over two-thirds of Santa Cruz County voters approved Measure D, an ordinance with a comprehensive and inclusive package of transportation improvements to be developed in the county that would be funded by the imposition of a retail transactions and use tax of one-half of one percent (0.5%) for a period of 30 years.

The tax became effective on April 1, 2017. The Santa Cruz County Regional Transportation Commission (RTC) is designated as the Local Transportation Authority (the Authority) to implement the provisions of Measure D. Consistent with the Measure D Expenditure Plan, the RTC allocates, administers, and oversees the expenditure of all Measure D revenues which are not directly allocated by formula to other agencies.

Since the implementation of the tax in April 2017 through June 2022, over \$120 million in tax revenues have been generated and over \$57 million of Measure D funds have been expended by the RTC and the other local recipient agencies. As highlighted on the next page, over \$60 million of carryover Measure D Funds will be used on transportation projects identified in each agency's 5-year program of projects (5-year plans).

The voter-approved Measure D Ordinance specifies that an independent Taxpayer Oversight Committee (Committee) review the annual independent fiscal audit of the expenditure of Measure D funds and issue an annual report on its findings regarding compliance with the requirements of the Expenditure Plan and Ordinance. The Committee consists of five members who are residents of Santa Cruz County and are neither elected officials of any government nor employees from any agency or organization that oversees or implements projects funded from the proceeds of the tax.

Committee members are appointed by the RTC Board for two-year terms. The current Committee Members are:

- Supervisorial District 1: Gail Jack
- Supervisorial District 2: David Culver

- Supervisorial District 3: Philip Hodsdon, Vice-Chair
- Supervisorial District 4: Trina Coffman Gomez
- Supervisorial District 5: Andre Duurvoort, Chair



The Committee held in-person meetings on March 23 and May 1, 2023, to review Fiscal Year 2021/2022 (FY21/22) expenditures. Meeting materials and minutes are available for review on the RTC website: <https://sccrtc.org/meetings/measure-d-taxpayer-oversight-committee/>.

The Committee reviewed the Measure D Financial Statements that were audited by independent Certified Public Accounting firms and annual reports of the Measure D recipient agencies:

- Santa Cruz County Regional Transportation Commission
- County of Santa Cruz
- City of Capitola
- City of Santa Cruz
- City of Scotts Valley
- City of Watsonville
- Santa Cruz Metropolitan Transit District
- Community Bridges/Lift Line

None of the audits noted any negative findings as to the expenditure of the Measure D funds nor were any incidents of non-compliance with the Measure D Ordinance noted.

Committee Recommended Updates to Audits and Reports from Recipient Agencies

After reviewing the FY21/22 audited financial statements, list of expenditures, and documentation of compliance with the Measure D Ordinance, the Committee recommends that recipient agencies make some updates to future audits and reports in order to make it easier to understand and reconcile information about how agencies are spending Measure D funds. This includes:

- Update audit report content: Audits should include footnotes or information in a Management and Admin Discussion (MDA) to explain plans for unspent fund balances. Most agencies are carrying forward large balances. This could include a narrative summary of planned projects with reference to 5-year plans that are annually updated by each agency identifying how agencies plan to spend Measure D funds.

- Increase transparency on any adjustments that have been made, such as when other funds may have been initially used to fund a project in one fiscal year (such as general funds), but in the next year those expenses were instead reimbursed by Measure D or Measure D funds were initially used, but then reimbursed by another fund source.
- Reduce Measure D documentation submitted by each recipient agency, with the aim to streamline reporting on the tax measure and focus on actual spending, planned projects, and key outcomes.

For FY21/22, the RTC allocated \$26.8 million in net Measure D revenues to cities, the County, Santa Cruz METRO, Community Bridges, and regional investment categories and projects based on formulas set forth in the voter approved Measure D Ordinance and Expenditure Plan. Recipient agencies expended \$13.6 million of Measure D revenues on projects and services in FY21/22. Additional funds were allocated to and expended on administrative and implementation tasks. Any balance of allocations not expended through FY21/22 are carried over for use in future years.



Summary of Measure D revenues and expenditures from July 1, 2021 through June 30, 2022.

Investment Category	% of Measure D Net Revenues	FY21/22 Allocations¹ (accrual basis)	Adjustments (redistributed admin/ implementation balances)	FY21/22 Expenditures	Balances (include prior year carryovers & interest)
Neighborhood	30%				
SLV/Hwy 9		\$333,333	\$27,778	\$214,295	\$1,452,260
Hwy 17 Wildlife		\$166,667	\$13,889	\$438	\$904,668
City of Capitola		\$381,422	\$6,650	\$96,915	\$936,454
City of Santa Cruz		\$1,701,343	\$27,400	\$237,321	\$4,020,957
City of Scotts Valley		\$366,715	\$5,785	\$66,832	\$224,029
City of Watsonville		\$1,168,017	\$18,404	\$505,797	\$3,565,668
County of Santa Cruz		\$3,940,791	\$62,226	\$1,935,486	\$6,925,448
Transit/Paratransit – Santa Cruz METRO	16%	\$4,297,754	\$84,385	\$2,014,351	\$7,577,895
Paratransit – Lift Line	4%	\$1,074,438	\$21,096	\$824,667	\$690,004
Highway Corridors	25%	\$6,715,240	\$131,851	\$4,077,583	\$20,462,269
Active Transportation	17%	\$4,566,363	\$89,659	\$3,136,433	\$10,633,354
Rail Corridor	8%	\$2,148,877	\$42,192	\$512,180	\$3,794,448
Net Revenues (net fees, admin/ implementation)	100%	\$26,860,960	\$531,315	\$13,622,298	\$61,187,454
Admin. Salaries & Benefits	1%	\$276,260		\$227,726	
Implementation & Oversight	Varies	\$488,753	-\$517,696	\$406,566	
Total		\$27,625,975		\$14,256,590	
State CDTFA (BOE) Fees	actuals	\$226,360		\$226,360	

Figure 1: FY21/22 Revenue & Expenditures Summary

Notes:

This table includes a combination of information from the RTC and local agency audited financial information and project expenditure reports. Audited financials are typically presented on a modified or full accrual basis which means revenues are recognized when earned, not when received. FY21/22 allocations shown reflect RTC payments on an accrual basis, whereas audits for some agencies showed revenues on a modified accrual or cash basis depending on what month they accrued revenues. Adjustments include prior year admin/implementation unspent balances redistributed by the RTC in FY21/22.

As shown in the table on the previous page, the total Measure D funds collected and allocated (on an accrual basis) for the fiscal year ending June 30, 2022 by the RTC were \$27,625,975; this is \$3,871,468 higher than in FY20/21.

Over \$60 million in Measure D revenues were carried over to FY22/23 for regional and local projects. Each agency develops and annually updates 5-year plans that indicate the projects that will be funded with the carryover funding and future anticipated revenues. This information can be found in each agency's FY21/22 reports online at: <https://scrtc.org/funding-planning/measured/taxpayer-oversight/>.

Measure D continues to serve as a crucial source of local transportation funding for the Santa Cruz County community and has been leveraged to secure more than \$250 million in outside funding for our transportation system. More details are included in this annual report.

The Measure D Taxpayer Oversight Committee hereby finds that the Authority and Recipient Agencies are proceeding in accordance with the Measure D Ordinance, based on our review of audits and expenditures for the period from July 1, 2021 through June 30, 2022.



Andre Duurvoort, Chair

Measure D Taxpayer Oversight Committee
Santa Cruz County Regional Transportation Commission



Annual Revenues & Expenditures

The following graph provides a comparison of the annual revenues and expenditures for regional projects and cities, County, METRO, and Lift Line from Fiscal Years 2016 to 2022. Revenues have increased from approximately \$20 million in 2017 to over \$27 million in FY21/22. Expenditures varied more widely between \$4.5 million and \$16 million, with many agencies saving Measure D funds for major projects going to construction in FY22/23-26/27. Agencies show how they plan to use programming in their annually updated 5-year plans. In the first years of the tax measure, several agencies used funds on pre-construction development of projects, including leveraging grants, environmental review, and design phases. Many agencies have used grants to cover initial project costs with Measure D balances to be expended as major infrastructure projects go to and complete construction.

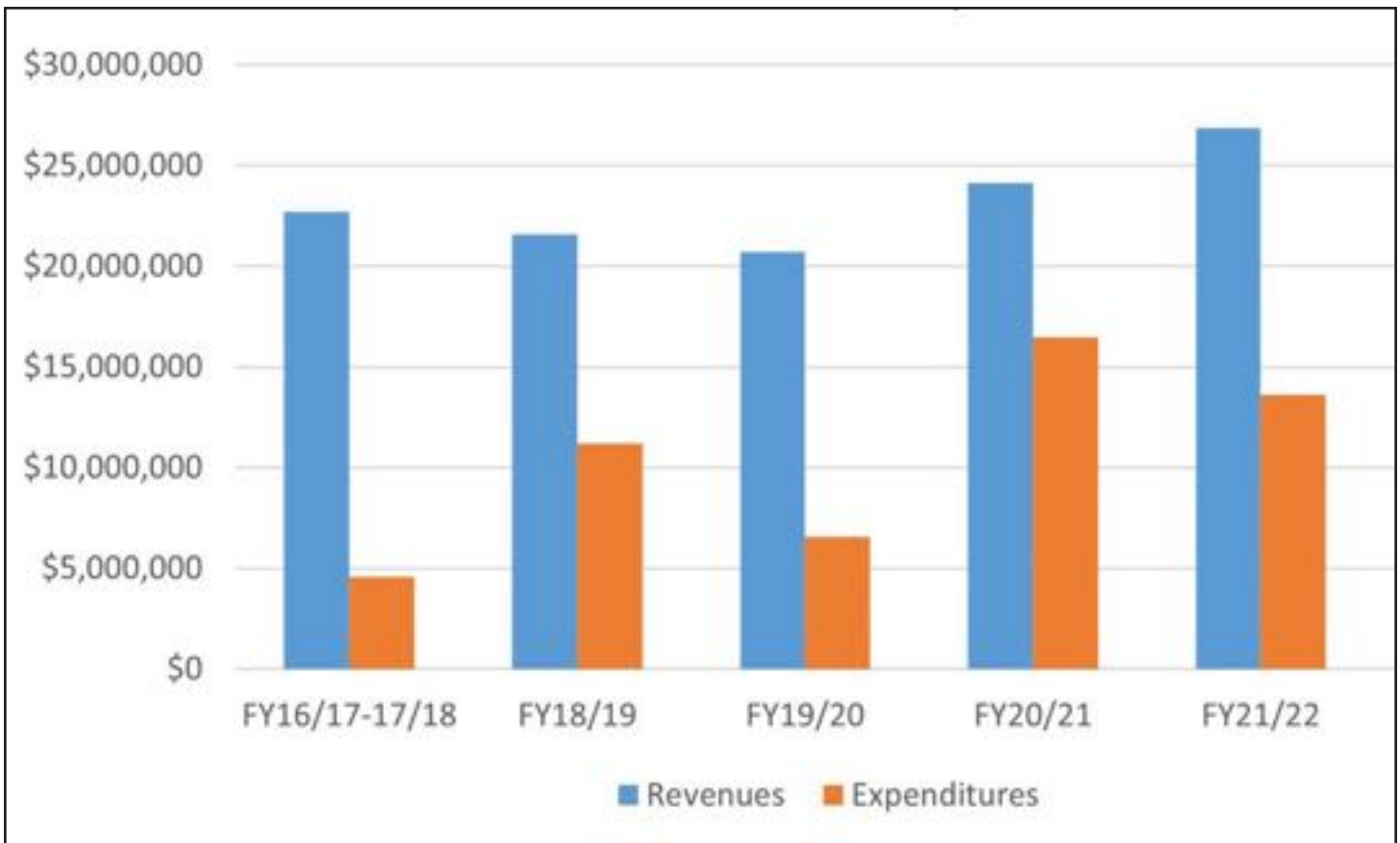


Figure 2: Comparison of Annual Revenues & Expenditures
(Revenues shown do not include interest and adjustments.)

Your Measure D Dollars at Work

In FY21/22, recipients used Measure D funds to provide comprehensive and inclusive transportation projects throughout Santa Cruz County. In addition to addressing local street and road maintenance, improving bicycle and pedestrian safety, enhancing transit and paratransit service, designing major infrastructure projects, and providing traveler information and assistance programs, the funds were used as leverage to secure outside grant funding, to prepare upcoming projects for future construction, improve sustainability, and reduce greenhouse gas emissions.

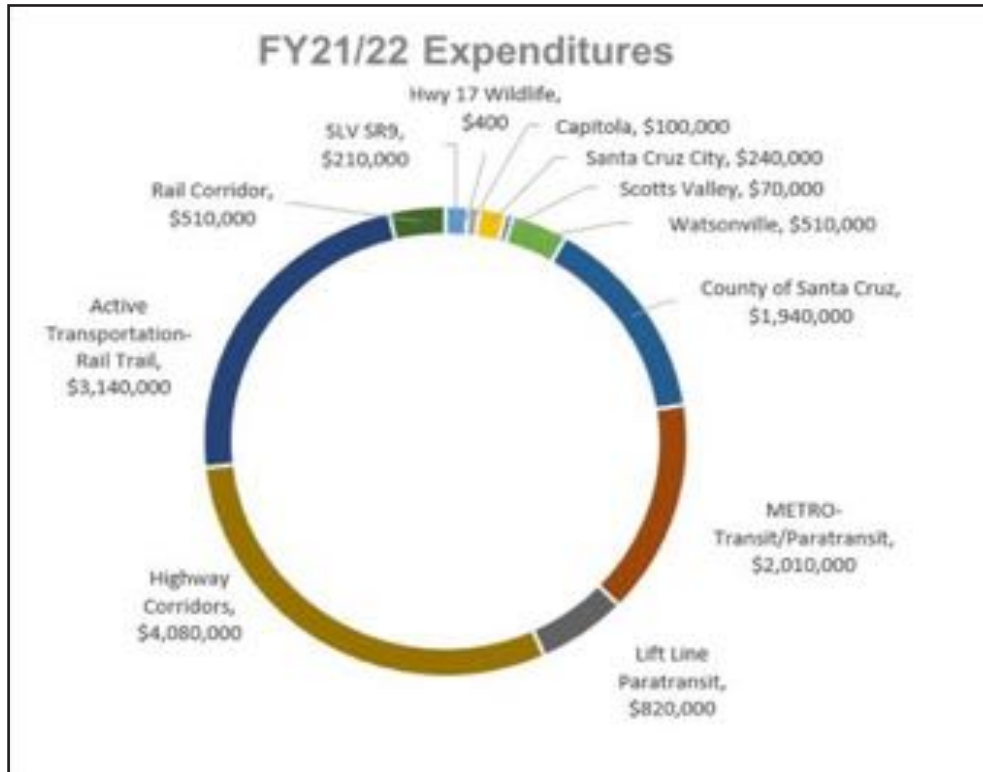


Figure 3: Comparison of FY21/22 Expenditures

Note: Rounded

Leveraging Measure D Funds

One of the benefits of Measure D is the ability to use the funds to bring more money into the county for transportation projects. For example, Measure D funds have been used to leverage additional grant funds for the following projects through June 2023:

- ▶ Over \$40M from the Federal Lands Access Program, Land Trust of Santa Cruz County, Regional Surface Transportation Program Exchange (RSTPX), and Coastal Conservancy for the North Coast Rail Trail (Segment 5)
- ▶ \$67.6M in Active Transportation Program (ATP) funding for Coastal Rail Trail Segments 10-11
- ▶ \$39M in ATP funding for Coastal Rail Trail Segments 8-9
- ▶ \$30M in Federal MEGA funding for the Highway 1 auxiliary lane, bus-on-shoulder, and Coastal Rail Trail Segment 12 project
- ▶ \$11.8M in ATP and State Transportation Improvement Program (STIP) funding for Coastal Rail Trail Segment 7
- ▶ \$2.7M in STIP, Local Partnership Program (LPP), Low or No Emission Vehicle Program, and Caltrans 5339 Discretionary funding for METRO electric and CNG buses
- ▶ \$1.5M in Congressionally Directed Spending earmark from Congresswoman Anna Eshoo for the Boulder Creek Complete Streets project
- ▶ \$1.5M in STIP funding for the Freedom Boulevard Reconstruction Project
- ▶ \$34,296 in Low Carbon Transit Operations Program funding for Community Bridges/Lift Line electric chargers
- ▶ \$4,995 in California Air Resources Board program funding for Community Bridges/Lift Line electric vehicles
- ▶ \$105,000 in RSTPX funding and \$90,000 from the San Lorenzo Valley School District for the San Lorenzo Valley Schools Complex Circulation & Access Study
- ▶ \$3M from the Land Trust and \$4 million in SHOPP funds for the Wildlife Crossing

Highlights of Projects Funded by Measure D in FY21/22

Local Neighborhood Projects

City and county public works departments used their apportionments of Measure D funds to repair local roads, improve bicycle and pedestrian facilities, and provide transportation safety programs throughout the county. Additional information on expenditures in FY21/22 is included in each recipient agency's annual Expenditure Report, available online at: sccrtc.org/funding-planning/measured/taxpayer-oversight/.

County of Santa Cruz

- ▶ Roadway Resurfacing Program: Resurfaced 6.4 miles of roads throughout the county, including in the River Street, Soquel, Corralitos, Boulder Creek, and Ben Lomond areas.

Santa Cruz

- ▶ Youth Bicycle/Pedestrian Safety Programs: Contracted with Ecology Action to provide comprehensive youth bicycle and pedestrian training to elementary students at Santa Cruz City public schools. Delivered WalkSmart education to six second-grade classes and BikeSmart education to 11 fifth-grade classes.
- ▶ Street Smarts Traffic Safety Program: Media and public outreach for the ongoing regional traffic safety campaign.
- ▶ Downtown Bike Locker Replacement Program: Provided maintenance and upgrades of downtown bike lockers.
- ▶ San Lorenzo Riverwalk Lighting Project: Completed the installation of decorative LED pedestrian scale lighting on the east and west banks of the riverwalk between Water Street and Highway 1.



Before and after road resurfacing, County of Santa Cruz. Above: Santa Cruz Avenue. Left: Riverside Drive.

Below: San Lorenzo Riverwalk LED lighting installation, City of Santa Cruz



Street Smarts Traffic Safety Program outreach, City of Santa Cruz



Capitola

- ▶ Road Rehabilitation: Partnered with the County to remove and replace some of the most structurally deficient sections of roadway in the city, including Ruby Court, Diamond Street, Bay Avenue, Fanmar Way, and portions of Capitola Road.
- ▶ Pavement Management Plan: Capitola used Measure D funds to update its pavement management system report which identifies near- and long-term paving needs.



*Diamond Street road rehabilitation (before & after),
City of Capitola*

Scotts Valley

- ▶ Bean Creek Road Pavement Rehabilitation: Completed design and started construction on roadway and bicycle improvements on Bean Creek Road from Blue Bonnet Lane to Redwood Drive.
- ▶ Citywide Roadway Repairs: Completed miscellaneous roadway and asphalt repairs throughout the city.

Watsonville

- ▶ Downtown Revitalization: Repaired sidewalks on West Fifth Street from Main Street to Brennan Street.
- ▶ Bicycle Safety: Provided bicycle and pedestrian safety training at various Watsonville schools.
- ▶ Lee Road Trail: Ongoing design for the Lee Road Trail (Harkins Slough Road from the Pajaro Valley High School driveway to Lee Road, and Lee Road from Harkins Slough Road to the railroad crossing).
- ▶ Lincoln Street Safety Improvements: Bicycle and pedestrian safety facility construction near Watsonville High School.
- ▶ Highway 1/Harkins Slough Road Pedestrian Bridge and Safe Routes to School Project: Continued design of the project, which is being developed in partnership with Caltrans.
- ▶ Roadway Reconstruction Projects:
 - Continued design for projects on Pennsylvania Drive and Bridge Street.
 - Completed design for Freedom Boulevard project.



Speed hump installation, City of Watsonville



*Left: Sidewalk replacement,
City of Watsonville*

Transit & Paratransit

Community Bridges/Lift Line – Paratransit

- ▶ Lift Line continued to use Measure D funds to:
 - Expand service hours and provide additional rides
 - Support safety and service training for drivers
 - Promote paratransit ride availability
 - Purchase vehicle/equipment replacements
 - Finance the Lift Line operations facility in Watsonville



Above: Lift Line facility in Watsonville. Left: Lift Line paratransit service.

Santa Cruz METRO

- ▶ Purchased new electric and CNG buses that are more efficient, improve fleet reliability, and reflect METRO's continued commitment to the transition to clean air buses
- ▶ Continued to provide additional bus and paratransit service
- ▶ Pacific Station/METRO Transit Center redevelopment design



METRO purchased new electric buses and continued to provide vital paratransit service to the community.



Regional Projects

About 50% of Measure D revenues are allocated to regional expenditure categories. The RTC is responsible for programming and allocating those funds to specific projects.

Active Transportation - Monterey Bay Sanctuary Scenic Trail Network (MBSST) Rail Trail



During FY21/22, Measure D funds were used on environmental review, permitting, design, coordination, and other actions required for Coastal Rail Trail projects, including:

- ▶ RTC staff provided ongoing oversight and technical assistance for implementation of the MBSST.
- ▶ Various alignments were analyzed, and public input was solicited.
- ▶ The City of Santa Cruz completed final design and started construction on Segment 7, Phase II from Bay Street/California Avenue to the Santa Cruz Wharf.
- ▶ In coordination with the RTC, Federal Highway Administration Central Federal Lands Highway Division continued development of Segment 5 from Davenport to Wilder Ranch State Park with pre-construction activities, including environmental review, design, right-of-way, and permitting.
- ▶ The City of Santa Cruz, in partnership with the County of Santa Cruz, continued preliminary design and environmental review of Segments 8 & 9 between the Santa Cruz Wharf and 17th Avenue.
- ▶ The County of Santa Cruz, in partnership with the City of Capitola, initiated environmental review and preliminary design of Segments 10 & 11 from 17th Avenue to State Park Drive.
- ▶ The RTC continued environmental review and preliminary design of Segment 12 between State Park Drive and Rio Del Mar Boulevard as part of the Highway 1 Freedom-State Park Auxiliary Lanes and Bus-on-Shoulder project, which is being implemented in partnership with Caltrans. This section of trail includes bicycle/pedestrian bridges over Highway 1 and Soquel Drive, connecting coastal neighborhoods and Aptos Village.
- ▶ Construction of Segment 18, Phase I between Ohlone Parkway and the Watsonville Slough Trail was completed, and the official ribbon cutting was in July 2021.
- ▶ The RTC continued to use Measure D funds to maintain the Rail Trail corridor, including vegetation control; tree maintenance; trash and dumping abatement; encampments; drainage maintenance and repairs; and managing, renegotiating, or clearing of unpermitted encroachments. The RTC also initiated work to secure environmental permits to support maintenance activities.
- ▶ Through a contract with a surveying consultant, the RTC has been conducting boundary survey work for Segments 9-12. As surveys are completed records of survey will be filed with the County.



Above: Segment 7, Phase II construction, City of Santa Cruz. Below: Segment 18, Phase I, ribbon cutting, City of Watsonville



Highway 9/SLV Corridor and Highway 17 Wildlife Crossing

- ▶ Caltrans began construction of the wildlife crossing under Highway 17 near Laurel Curve in February 2022. Construction is expected to be completed in summer 2023. The project will provide long-ranging wildlife—most notably Santa Cruz’s mountain lions—with safe passage under the heavily trafficked highway, reducing crashes between people driving on the highway and the wildlife crossing it. The project is funded by a combination of Measure D, State Highway Operation and Protection Program (SHOPP), and Land Trust funds.



- ▶ Building off the community-based Highway 9/San Lorenzo Valley (SLV) Complete Streets Corridor Plan, Caltrans and the RTC used Measure D funds in FY21/22 to scope and identify priority projects for implementation along the corridor through preparation of a Project Initiation Document (PID). The PID was completed in 2022 and Measure D revenues will be used to leverage other funds and initiate future phases of priority projects to get them construction-ready.
- ▶ In Spring 2022, the RTC worked with the San Lorenzo Valley Unified School District (SLVUSD) and Caltrans to initiate the SLV Schools Access Study to look at improving access to and circulation past the SLV elementary, middle, and high schools north of Felton for all modes of transportation.

Highway Corridors

Highway 1 - Auxiliary Lanes and Bus-on-Shoulder Projects

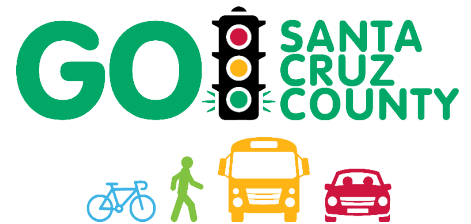
The RTC is sponsoring the development of three contracts to construct five (5) new sets of auxiliary lanes and implement a hybrid bus-on-shoulder program along 7.5-miles of Highway 1.

- ▶ **Phase 1: Soquel Drive to 41st Avenue** – Measure D funds were used on work related to the environmental document and construction contract for auxiliary lanes and bus-on-shoulder facilities between Soquel Drive and 41st Avenue. The project includes a new bicycle/pedestrian bridge over Highway 1 at Chanticleer Avenue. Construction started in early 2023.
- ▶ **Phase 2: Bay/Porter to State Park Drive** – Measure D funds were used to continue final design and right-of-way activities for auxiliary lanes and bus-on-shoulder facilities between State Park Drive and Bay-Porter. The project includes a new bicycle/pedestrian bridge over Highway 1 at Mar Vista Drive and replacement of the Capitola Avenue overcrossing. Construction is scheduled to start in 2023.
- ▶ **Phase 3: State Park Drive to Freedom Boulevard including Segment 12 of the Coastal Rail Trail** – Measure D funds were used for environmental and preliminary design work for auxiliary lanes and bus-on-shoulder facilities between State Park Drive and Freedom Boulevard. The project includes the 1.25-mile Segment 12 of the Coastal Rail Trail. The project is expected to be construction-ready in 2025, dependent upon competitive grant funding applications and awards.



Cruz511 Program

- ▶ The RTC, in partnership with the City of Santa Cruz, UCSC, Ecology Action, and other entities, used Measure D funds to continue to promote “Go Santa Cruz County,” a robust demand management program, including an online commute manager and rewards platform with dynamic carpool ride matching and transit, carpool, and bike trip planning. Consultants assisted with creating marketing materials, employer toolkits, the program website (www.gosantacruzcounty.org),



and social media content. Additionally, consultants assisted with employer outreach by engaging with major employers, onboarding new employers to the platform, and providing virtual and in-person commuter workshops to participants.



Over 1,363 new participants joined the program in FY21/22. RTC staff also attended in-person community events to promote the GO Santa Cruz County Program and sign-up new participants. The RTC also continued to provide rideshare, transit, bicycle, traffic information, and county road and lane closure information to the public, primarily through the www.Cruz511.org website. Staff continued to provide traffic safety messaging and active transportation mapping resources to community members throughout the county.

Safe on 17 and Freeway Service Patrol

- ▶ Measure D continued to provide critical funding for extra California Highway Patrol (CHP) enforcement on Highway 17 through the Safe on 17 program.
- ▶ Measure D funds were used for the Freeway Service Patrol (FSP) to provide tow truck patrols on Highway 1 and Highway 17 during peak travel times, which work in tandem with CHP to reduce incident related congestion, and improve traffic flow and safety by removing debris, assisting motorists with broken down vehicles, clearing collisions, and other incidents. The FSP tow providers worked a total of 3,787 hours and provided approximately 1,497 assists, with an average of 0.40 assists per hour. The most frequent types of motorist aid provided by FSP included assistance with collisions, mechanical quick fixes, and flat tire repairs.



An FSP tow provider assists a broken down vehicle.

Rail Corridor

- ▶ Measure D funds were expended on final design for Pajaro River Bridge repairs, which are expected to begin construction in 2023.
- ▶ Design work, including consultations with the Coastal Commission, continued for the Manresa Coastal Erosion Repair project.
- ▶ The RTC continues to perform basic maintenance of railroad infrastructure in areas not currently served by the shortline operator. This includes responding to crossing signal malfunctions.

Rail Corridor Continued:

- ▶ Storm damage repairs, infrastructure preservation, and preventative maintenance for railroad infrastructure continue to be funded on the rail corridor.
- ▶ The RTC continues to perform ongoing engineering and administrative review, and coordination for utility companies and other entities to perform maintenance or construction on facilities affecting the rail line.



Left: Goats were utilized to perform vegetation control on the rail line.



Crews work on storm damage repairs on the rail line.

Administrative and Implementation Activities

- ▶ Policies and procedures were followed to safeguard taxpayer dollars and ensure they are expended per voter direction.
- ▶ Accounting and fiscal systems were used to manage each of the accounts and disburse funding to direct recipients per voter approved formulas.
- ▶ Five-year plans were prepared and amended as needed to delineate planned projects using Measure D revenues.
- ▶ Ongoing outreach and community engagement was conducted via website updates (www.sccrtc.org/move), Facebook, NextDoor, and eNews.
- ▶ Taxpayer Oversight Committee met to review Measure D expenditures and create the annual report.

Carryover Balances

As Figure 2 shows, revenues have exceeded expenditures each year. Funds that are not expended can be carried over to use in future years on projects identified in Measure D 5-year plans. Some agencies build up several years of funding for construction of larger projects. For example, carryover balances are being used for the construction of projects such as Highway 1 auxiliary/bus-on-shoulder lanes and bicycle/pedestrian overcrossings, the Highway 17 Wildlife Crossing, several segments of the Coastal Rail Trail, and other projects that were under development in FY21/22 that started or will be starting construction in 2022-2026. As large projects go to construction, carryover balances are expected to decrease across all program categories and the RTC may even need to secure financing against future Measure D funds as soon as FY24/25 for some regional projects.

Projects To Look Forward To

Measure D recipient agencies sometimes save up multiple years of Measure D revenues for major work on projects, including:

- ▶ Clares Street Complete Streets Project (Capitola)—construction completed FY22/23
- ▶ Highway 17 Wildlife Crossing—construction expected to be completed in 2023
- ▶ Lee Road Trail Project (Watsonville)
- ▶ Freedom Boulevard Reconstruction Project (Watsonville)
- ▶ Facility Paving Project (Lift Line)

- ▶ Highway 1 Auxiliary Lanes and Bus-on-Shoulder projects between Soquel Drive in Santa Cruz/Live Oak and Freedom Boulevard in Aptos, including new bicycle/pedestrian bridges over Highway 1 (RTC)
- ▶ Coastal Rail Trail projects
- ▶ Environmental review of electric passenger rail on the Santa Cruz Branch Rail Line



Construction of Phase 1 of the Highway 1 projects began in April 2023.



Clares Street Complete Streets Project, City of Capitola

Effects of COVID-19 on Measure D funds

While the COVID-19 global pandemic has had a significant impact on people, local businesses, travel, and consumer habits, FY21/22 Measure D revenues were 12% higher than in FY20/21, 30% higher than in FY19/20, and 24% higher than in FY18/19. FY22/23 revenues continued to be higher than pre-COVID levels. However, increases in FY22/23 have been smaller and growth is expected to slow in FY23/24 to 0.4% over FY22/23.

Sign up for the RTC enews list to stay up-to-date on Measure D projects and for information on opportunities to provide public input on planned Measure D projects in the County:

www.sccrtc.org/about/esubscriptions/.