From: Linda Wilshusen
To: Regional Transportation Commission
Subject: RTC August 6 Agenda Item 18: Issuance of the SCCRTC Measure D Sales Tax Revenue Bonds, Series 2026
Date: Wednesday, August 5, 2026 8:44:09 AM

August 5, 2026

Dear Members and Alternates of the Commission:

Below are facts and results, as I understand them, that are associated with actions recommended in the RTC August 6, 2026 Agenda Item 18, Issuance of Revenue Bonds:

1. This is the first time in its 50+ year history that the RTC will issue revenue bonds.
2. Measure D was approved by a 2/3 public countywide vote in 2016.
3. Public Transit/Santa Cruz Metro is a separate category within 2016 Measure D that is allocated 16% of revenues after administrative costs. Active Transportation is a separate category that is allocated 17% of revenues after administrative costs. The Measure D Highway Program is also a separate category, and is allocated 25% of revenues after administrative costs.
4. Measure D revenue in FY26 totaled about $28M. Santa Cruz Metro's annual budget is currently about $80M.
5. At the time it was approved by the voters in 2016, the Measure D Highway Program specified three highway auxiliary lane projects: 'Auxiliary lanes that separate entering and exiting traffic from through lanes to improve traffic flow and safety': *Soquel Ave-41st Ave; Bay/Porter-Park Ave; Park Ave-State Park Drive*. 'Bus-on-Shoulder' transit was not part of Measure D and will be an experimental program: there is no currently available operational plan or experience in other areas for how bus-on-shoulder could work on a freeway similar to ours.
6. Measure D was amended in 2020, legally but without a vote of the electorate, to add a new Highway 1 segment between State Park Drive and Freedom Blvd ('amended-in' segment). This amendment increased length of highway to be widened via Measure D by approximately 50%, and extended the scope of Highway 1 Measure D projects into a highly geographically-complicated region at the convergence of three perennial streams and two publicly-owned railroad bridge crossings.
7. The original Measure D Highway 1 projects are apparently nearing completion in 2027 and do not require bond funding.
8. The proposed Issuance of Revenue Bonds is characterized as necessary in order to start construction of the amended-in Highway 1 segment between State Park Drive and Freedom Blvd, and to fill a smaller gap in Measure D and other public grant funding for Rail Trail projects (Active Transportation category).
9. The staff report includes Cash Flow summaries that assume issuance of

two Revenue bonds, the first in 2026 and the second 2028. The proposed combined two-bond total is $100M for Highway 1 and $30M for Active Transportation.

10. Staff recommendations address the 'Series 2026 Bonds' and characterize the Highway 1 and Active Transportation projects as 'shovel-ready'.
11. To date, there have been no advertised public presentations by either the RTC or Caltrans that provides detailed information about the full costs, construction staging, segmentation, timeline, and/or other factors of interest to the public about the amended-in Highway 1 project, except limited information as was estimated during the project environmental review, approved in February 2024.
12. The 2024 project environmental review concluded that there will be no traffic relief that could be attributed to the project and erroneously referenced a defunct Caltrans 'ultimate' six-though lanes plus auxiliary lane project concept in the 2023 DEIR *Cumulative Impact Analysis*.
13. Debt service on the Bonds will be paid from the Highway and Active Transportation Measure D categories. The staff report indicates that Series 2026 Bonds cost and debt service ($35M) - beyond the principal ($70M) - will be equivalent to approximately 50% of the principal over 21 years (the end of the 30-year Measure D term). The estimated interest rate is 3.87%.
14. To summarize: The RTC staff report is proposing to mortgage future Measure D revenues so that Caltrans can initiate construction of a Highway 1 widening project that was not included in 2016 Measure D approved by the voters and for which a current estimated total project cost and sequencing has not been made public; that after years of construction will offer no traffic relief to Highway 1 drivers in the short-term or long-term; and that will severely limit local Measure D funds for other possible Highway 1 corridor operational improvements, interchange projects, traffic management and related projects.

Thank you for your consideration.

- Linda Wilshusen, SCCRTC Executive Director, 1985-2005