



TITLE

Measure U 5-Year Expenditure Plan Update

RECOMMENDATION

Adopt a Resolution approving an updated Five-Year Expenditure Plan for FY 2025/26 through FY 2029/30 under Measure U (Napa Countywide Road Maintenance Act.)

CONTACT

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BACKGROUND & ANALYSIS

The 2012 “Napa Countywide Road Maintenance Act” (also known as “Measure T”) imposes a ½ cent sales tax to pay for road repairs countywide. The Napa Valley Transportation Authority – Tax Agency (NVTa-TA) distributes these sales tax revenues to American Canyon on a monthly basis. The City of American Canyon received 7.7% of the sales tax revenues per year, from July 1, 2018 through June 30, 2025.

On November 5, 2024 the voters of Napa County passed the Napa Valley Transportation Improvement Act, also known as Measure U (superseding Measure T), which continues the half cent transaction and use (sales) tax to provide supplemental funding for road maintenance. The City of American Canyon is estimated to receive 8.0% of the Measure U sales tax revenues per year, beginning on July 1, 2025.

With Measure U, the percentage of sales tax revenues per year will be reviewed every five years therefore the City's allocation could go up or down. In addition, the City is allowed to bond for transportation projects in order to advance street repairs.

Similar to Measure T, in order to receive Measure U funds, the City must submit a list of projects to be funded to NVTa – TA. This list is known as the Five Year Expenditure Plan (Plan) and will be updated at a minimum of every 2 years. Expenditure plans are developed considering the following factors: recommendations from the Pavement Management Program (PMP) report, known utility

deficiencies, local priorities and the anticipated funding schedule. Importantly, the Plan is not annual “construction schedule” per se; rather, it is a “5-year look ahead” of streets to be addressed in successive years based upon available funding and priorities. The result is a list of streets with various pavement treatments proposed over the next five years.

On May 6, 2025, City Council adopted Resolution 2025-30 approving the five-year expenditure plan for FY 2025/26 through FY 2029/30 that was similar to prior plans and included additional streets that City Council had prioritized based on adopted capital projects and earlier Council discussions. Staff is recommending an update to the street list earlier than May 2027 in order to address two street projects that need to be prioritized:

South Kelly Road from Highway 29 to Devlin Road: The reconstruction of South Kelly Road is currently in the adopted FY 2025-26 budget and is nearing design completion. The project did not include additional funding other than developer contributions therefore staff is recommending the additional funding come from Measure U to complete construction of the local street work.

Green Island Road from Jim Oswalt Way to the City limits: This segment of Green Island Road was not included in the current reconstruction efforts underway in the Green Island Road District. However, it is in need of near-term maintenance repairs and a future capital allocation for full repaving. The estimated cost of the maintenance work is \$235,000 in FY 2025-26, with additional funding in FY 2027-28 for the future capital project. Staff is aware that Napa County plans to repave its section of Green Island Road in the coming years and intends to coordinate efforts, similar to the South Kelly Reconstruction Project.

COUNCIL PRIORITY PROGRAMS AND PROJECTS

Infrastructure: "Develop and maintain infrastructure resources to support sustainable growth."

FISCAL IMPACT

By adopting this Resolution and submitting the updated five-year plan to NVTA-TA, the City of American Canyon will be eligible to utilize Measure U revenues on the additional street projects. It is the intent to include any known budget modifications in the mid-year budget which is slated for a future City Council meeting or at the time of contract award of the respective projects.

ENVIRONMENTAL REVIEW

Approval of the Five-Year Measure U Expenditure Plan is exempt from review under the California Environmental Quality Act (“CEQA”) because the action is not a “Project” as defined under CEQA, and because actions that have no potential to cause a significant effect on the environment and actions that will not result in a direct or reasonably foreseeable indirect physical change in the environment are exempt from CEQA. (Pub. Res. Code § 21065; CEQA Guidelines §§ 15061(b)(3); 15060(c)(2)), and 15378(b).

ATTACHMENTS:

1. Resolution - Measure U 5-Year Project List
1. Exhibit A: Measure U Five-Year List of Projects
2. Five-Year Measure U Map Update