



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Albert Balagso
Jennifer A. Maguire

SUBJECT: SEE BELOW

DATE: 04-21-08

Approved

Date

4/21/08

COUNCIL DISTRICT: 2
SNI AREA: N/A

**SUBJECT: GRANT AND EASEMENT AGREEMENTS FOR THE DEVELOPMENT
OF THE GARY ALBERTSON PARKWAY TRAIL**

RECOMMENDATION

1. Adoption of a resolution authorizing the City Manager to negotiate and execute agreements with:
 - a. Santa Clara Open Space Authority (OSA) for a grant amount not to exceed \$400,000 to supplement existing City funds for the construction of Gary Albertson Parkway Trail; and
 - b. Pacific Gas & Electric Company (PG&E) for an easement that permits development of the planned improvements and recreational use upon their property.
2. Adoption of the following Funding Sources Resolution and Appropriation Ordinance amendments in the Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #2 (Fund 378):
 - a. Increase the estimate for Earned Revenue in the amount of \$400,000;
 - b. Increase the TRAIL: Albertson Parkway project in the amount of \$319,000; and
 - c. Increase the Ending Fund Balance by \$81,000.

OUTCOME

City Council's action will permit execution of a grant agreement to fully fund the project's construction budget and execution of an agreement to permit public recreational use upon PG&E's property.

BACKGROUND

On September 14, 1987, an easement agreement was executed with PG&E for use of its properties, located in south San José near the Santa Teresa Foothills, for development of a recreational parkway. The City installed an 8' wide asphalt concrete paved path, with bollards and fencing to prevent vehicular trespassing. However, no irrigation or landscaping was installed so the area has been characterized by seasonal grasses and weeds.

In April 2000, the City Council approved the Greenprint, the City's 20-year strategic plan for development of parks, community facilities and programs. The Greenprint generally defines a 100-mile network as the primary Trail Program goal. Gary Albertson Parkway is identified in the Greenprint.

The parkway was named by the City Council in the 1970s in memory of Mr. Gary Albertson, an advocate for the construction of Highway 101 as a bypass to Monterey Highway which was known as "blood alley" due to a high rate of traffic fatalities and injuries. Ironically, Mr. Albertson, his wife, 12-year old daughter and two others were killed in an automobile accident on Monterey Highway on December 14, 1974.

Funding in the amount of \$300,000 was allocated in the Council District 2 Construction and Conveyance Tax Fund for preparation of construction documents to improve Gary Albertson Parkway. The scope of work of the documents would permit future reconstruction of an existing substandard paved trail, installation of irrigation, landscaping, drainage swales and other miscellaneous improvements.

On April 18, 2007, staff conducted a community meeting regarding the planned trail and landscaping improvements. The project was well supported and minor adjustments were made to the conceptual plan to discourage gathering areas along the alignment.

The 2007-2008 Adopted Capital Budget (consistent with the Mayor's June Budget Message for Fiscal Year 2007-2008) allocated \$1,000,000 in the City-Wide Construction and Conveyance Tax Fund for construction of the Albertson Parkway trail project and required that staff pursue grant funds to supplement the budget.

Through a voter-approved special assessment on property owners, the Santa Clara Valley Open Space Authority (OSA) provides approximately \$500,000 in funding annually to the City of San José for acquiring open space and development of recreational facilities. Trail projects, like Albertson Parkway, are eligible for funding.

On October 29, 2004, an informational memorandum was provided to the City Council that explained the Grant Funding Prioritization Process used by the Trail Program staff to determine priority projects to recommend for grant funding. In September 2007, staff reviewed the prioritization process with the City Council's Transportation and Environment Committee. The

prioritization process defines a means for making use of OSA funding for strategic trail development opportunities.

ANALYSIS

The Grant-Seeking Process discussed in an informational memorandum to the City Council defines an approach for aligning available grant programs with high priority trail projects. The memorandum generally explained that funding through the OSA is a valuable resource because of several unique characteristics:

- A predictable source of funds.
- Defined for use on park, trail and open space development.
- A local funding source suitable as required matching funds for other grant programs.
- As a local source, possesses fewer restrictions than comparative grant funds from State and Federal sources.

Because of these desirable characteristics, it would be easy to commit OSA immediately to many projects. However, by using the funds strategically, staff in recent years has been able to propose the leveraging of OSA funds to meet stringent match requirements from other grant sources, or allocate an incremental amount to fully fund existing project budgets. In general, the following conditions apply for use of OSA funds:

- The majority of a project's budget has already been secured.
- Supporting funds are required with few grant restrictions.
- Project is in need of additional funding in order to proceed.
- The project does not strongly align with likely alternative grant sources.
- Alternative grant sources would place restrictions that would require project redesign and increase delivery costs.

As mentioned above, funding of \$300,000 for preparation of construction documents was provided from the Council District 2 Construction and Conveyance Tax Fund and an additional \$1,000,000 in included for the construction of this project from the City-wide Construction and Conveyance Tax Fund.

The total cost of the project is estimated to be \$1.6 million. The addition of \$400,000 in OSA funds will allow sufficient funds to award a construction contract and to reimburse \$81,000 of the Council District 2 Construction and Conveyance Tax Fund contribution to the project. Included in this memorandum are Funding Sources Resolution and Appropriation Ordinance amendments to receive the \$400,000 in OSA funds and appropriate an additional \$319,000 in the Council District 2 Construction and Conveyance Tax Fund and the return of \$81,000 to the Ending Fund Balance as a reimbursement for prior expenditures.

Utilizing OSA funds to address the shortfall is consistent with the funding conditions noted earlier:

- The project's estimated budget is already substantially in place through City funds (77%).
- OSA funds present no new funding conditions that could delay use of the existing City funds.
- Existing City funding is insufficient to award a construction contract to deliver the project as described to the community at the April 18, 2007 meeting.
- Gary Albertson Parkway does not align well with the goals set by the Recreational Trail Grant program, the most likely funding source at this time.
- With execution of the funding agreement, the City could proceed immediately with bid and award of a construction contract, reducing the potential for increased project delivery costs resulting from inflation, additional grant conditions or storm water retention requirements:

The existing easement agreement with PG&E for use of its property for recreational purposes does not specify the installation of irrigation and landscaping improvements. Staff invited PG&E staff to participate on the project's Technical Advisory Committee and have received confirmation that the utility company is supportive of amending the agreement to permit additional improvements. A revised easement agreement will outline all planned improvements and include specific conditions for access and maintenance. The agreement has no cost associated with its execution.

EVALUATION AND FOLLOW-UP

Construction of the trail alignment defined by the master plan delivers 0.4 miles of trail, contributing to the Greenprint's goal for development of a 100-mile trail network.

POLICY ALTERNATIVES

Alternative #1: Reduce the project scope to align with available City funding.

Pros: Permits the City to bid and award a construction contract immediately without pursuing the use of grant funds.

Cons: Reduction of scope would likely eliminate substantial irrigation and landscaping, resulting in a project that is not consistent with what was shown to, and supported by the community.

Reason for not recommending:

A primary deficiency with the current parkway's appearance is the lack of landscaping. Realignment and widening of the existing trail would improve accessibility but not contribute the park-like setting that appealed to the community at the April 18, 2007 meeting.

PUBLIC OUTREACH/INTEREST



Criterion 1: Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**

- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

Development of the project included the following outreach:

- 1) A community meeting was conducted on April 18, 2007. There were approximately 30 residents in attendance.
- 2) The Trail Program's website has posted conceptual alignment maps and elevations since April 2007. The website also includes a Network Map that shows the existing Gary Albertson Parkway alignment.

This memorandum will be posted on the City's Web site for the May 13, 2008 City Council agenda. The project construction is scheduled for completion by the winter 2008.

COORDINATION

This project and memorandum have been coordinated with the Departments of Planning, Building and Code Enforcement, Public Works, Finance, the City Attorney's Office, and the Council District 2 Office.

Additionally, staff coordinated with the Santa Clara County Parks Department and the Pacific Gas & Electric Company to discuss the terms of the easement agreement.

FISCAL/POLICY ALIGNMENT

This project is consistent with the Council-approved Budget Strategy Economic Recovery section. Should in the future the City Council appropriate funds for construction, the project will spur construction spending in our local economy. The master plan defines a project alignment and construction cost estimate. Both pieces of data are critical in order for staff to investigate potential future funding sources for further development of the project.

COST SUMMARY/IMPLICATIONS

1. COST ELEMENTS OF PROJECT:

Construction	\$1,300,000
Project Delivery	\$173,196
Consultant	\$89,745

Construction Contingency	\$55,000
Total Project Costs	\$1,617,941
Prior Year Expenditures (Construction documents)	(\$131,445)
Remaining Project Costs	\$1,486,496

2. SOURCE OF FUNDING: 378 – Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District 2
 391 – Construction and Conveyance Tax Fund: City-wide Parks Purposes

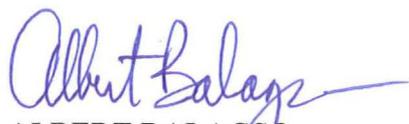
FISCAL IMPACT: The 2009-2013 General Fund Forecast included funding of \$19,000, starting in 2009-2010 for this project.

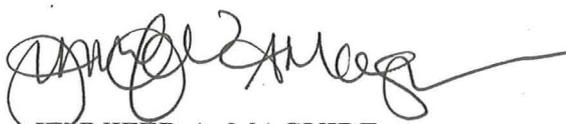
BUDGET REFERENCE

Fund #	Appn #	Appn. Name	Total Appn.	2007-2008 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
Remaining Project Costs			\$1,486,496		
Current Available Funding					
378	5172	TRAIL: Albertson Parkway	\$168,000	V-360	10/16/07, Ord. No. 28143
391	5172	TRAIL: Albertson Parkway	\$1,000,000	V-579	
Total Current Available Funding			\$1,168,000		
Recommended Additional Funding					
378	5172	Trail: Albertson Parkway	\$ 319,000		
Total Project Funding			\$ 1,487,000		

CEQA

CEQA: Mitigated Negative Declaration, PP07-076.


 ALBERT BALAGSO
 Director of Parks, Recreation
 and Neighborhood Services


 JENNIFER A. MAGUIRE
 Acting Budget Director

HONORABLE MAYOR AND CITY COUNCIL

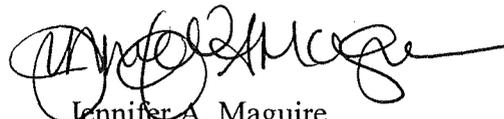
04-21-08

Subject: Albertson Parkway Easement and Grant Agreement

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I hereby certify that there will be available for appropriation in the designated fund and in the amount as listed below in Fiscal Year 2007-2008 moneys in excess of those heretofore appropriated therefrom:

Construction Tax and Property	400,000
Conveyance Tax Fund: Parks	
Purposes Council District #2	



Jennifer A. Maguire
Acting Budget Director

For questions please contact Yves Zsutty, Program Manager I, at (408) 793-5561.