



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Albert Balagso  
Larry D. Lisenbee

**SUBJECT:** SEE BELOW

**DATE:** 08-09-06

Approved

Date

**COUNCIL DISTRICT:** 3, 5, 6, 8, 10

**SNI AREA:** Gateway East;  
Tully/Senter; Five  
Wounds/  
Brookwood Terrace

**SUBJECT: ADOPTION OF APPROPRIATION ORDINANCE AMENDMENTS TO THE COUNCIL DISTRICT 3 AND PARKS CITY-WIDE CONSTRUCTION AND CONVEYANCE TAX FUNDS, AND THE LAKE CUNNINGHAM FUND; AND AUTHORIZATION OF A RESOLUTION AMENDING ALLOCATIONS UNDER THE STATE OF CALIFORNIA 2000 AND 2002 PARKS BOND ACTS**

**RECOMMENDATION**

1. Adoption of a resolution amending allocation of amounts for application of local assistance funds for projects from the:
  - a. Roberti-Z'berg-Harris Urban Open Space and Recreation Grant Program under the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000 (Proposition 12);
  - b. Roberti-Z'berg-Harris Urban Open Space and Recreation Grant Program under the 2002 Resources Bond Act (Proposition 40); and
  - c. Per Capita Grant Program under the 2002 Resources Bond Act (Proposition 40) as detailed on Attachments 1, 2, and 3; and authorizing the City Manager to negotiate, execute, and submit all necessary documents for local assistance funds under these grant programs.
  
2. Adoption of Appropriation Ordinance amendments in the Council District 3 Construction and Conveyance Tax Fund (Fund 380) to:
  - a. Increase the appropriation to the Parks, Recreation and Neighborhood Services Department by \$298,000 for the Trail: Airport Parkway Under Crossing project; and
  - b. Decrease the Ending Fund Balance by \$298,000.

3. Adoption of Appropriation Ordinance amendments in the Lake Cunningham Fund (Fund 462) to:
  - a. Establish a reserve for Playground ADA Renovations project in the amount of \$94,000; and
  - b. Decrease the Ending Fund Balance in the amount of \$94,000.
  
4. Adoption of Appropriation Ordinance amendments in the City-wide Parks Construction and Conveyance Tax Fund (Fund 391) to:
  - a. Establish a Global Photon Property Acquisition project to the Parks, Recreation and Neighborhood Services Department in the amount of \$50,000; and
  - b. Decrease the Ending Fund Balance in the amount of \$50,000.

**CEQA:**

- Guadalupe River Bridge Crossing in Almaden: Mitigated Negative Declaration, PP03-04-110.
  
- Trail: Airport Parkway Under Crossing (Lower Guadalupe River): Mitigated Negative Declaration, PP04-323, May 2005; State Clearinghouse #2005022117, February 2005.

**OUTCOME**

City Council approval of the recommended actions would authorize the City Manager to negotiate and execute agreements with the State and to realign and reallocate planned use of funds to maximize the use of local assistance grant funds available from three State Bond funding programs to complete various parks, trails, and community recreation facilities projects throughout the City.

**EXECUTIVE SUMMARY**

City staff recommends approval of the above actions, which will authorize the City Manager to negotiate and execute agreements with the State of California, Resources Agency, Department of Parks and Recreation to reallocate the planned spending of funds from three local assistance grant programs to the approved State grant allocations. The proposed actions will amend appropriations in the City Council District 3 and City-Wide Parks Construction and Conveyance Tax Funds to align City budget sources and uses with the approved State grant funding. Future items will be brought to the City Council to approve specific project plans, award of contract, appropriations or other actions as necessary.

The Overfelt House Renovation has been completed according to the project specifications under the Proposition 40 Per Capita grant agreement and project savings are being redistributed to the

Lake Cunningham ADA Playground, Global Photon Building Acquisition and Trail: Airport Parkway Under Crossing projects.

In order to meet State project completion deadlines, the Guadalupe River Trail Crossing in Almaden will be replaced by the Trail: Airport Parkway Under Crossing (Lower Guadalupe River) project. It is important to note that deferring the Guadalupe River Trail Crossing in Almaden project will have a smaller impact on trail connectivity since the completion of the nearby Coleman Road Pedestrian Bridge which connects the east and west banks of the river.

Lastly, with the completion of acquisition of the Nisich Park site through the use of Redevelopment Agency funding, the recommended actions will revise the scope of the grant-funded project. The grant funds will now pay for Nisich Park development.

Upon City Council approval, City staff will proceed with necessary documentation to the State to implement these recommendations.

## **BACKGROUND**

Securing local assistance funds through various programs established by the State of California, Resources Agency, Department of Parks and Recreation (State) involves multiple steps on the part of the City Administration as detailed below:

- The State requires that the governing body of each agency, the City Council, adopt a resolution that authorizes the City Manager to apply for and accept local assistance grant funds from the State of California for each grant program.
- The State Department of Parks and Recreation approves an allocation of funds to the City through each specific grant program, either a per capita amount or on a competitive application basis.
- Upon award of the funds, the City must execute a contract with the State for the specific grant program and amount. Each contract has a specified termination date by which all approved projects must be completed.
- Once the State approves the program allocation, the City must then submit a specific grant application for each individual project, which details the site ownership, CEQA clearance, budget, scope, and activities that the State is funding in each development.
- Upon State approval of the project specific plan, the City is authorized to proceed with the project.
- The City is reimbursed for eligible project costs.

On January 22, 2002, the City Council adopted Resolution Number 70810 that approved the filing of an application for local assistance funds of up to \$4,293,089 from the Roberti-Z'berg-Harris (RZH) Urban Open Space and Recreation Grant Program under the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000 (Proposition 12) and authorized the City Manager to negotiate and execute all documents relating to the grant funding agreement. A list of six (6) projects, including \$1.4 million allocated to neighborhood parks to be identified at a later date, were approved to be funded under the grant program (Attachment 1). The State approved the City's application under this grant program and on May 15, 2002, the City executed a contract (Contract # C2009300) with the State of California for funding through this source. Subsequently, through various actions, the City Council allocated the \$1.4 million balance to fund the following projects:

- Tully Road Ballfields: Increase funding by \$450,000 to a total of \$1,350,000
- Lone Bluff Mini-Park: Allocate \$500,000
- Selma Olinder Park: Allocate \$100,000
- Sixth and William Park Development (O'Donnell's Gardens Park): Allocate \$250,000
- O'Connor Park Restroom: Allocate \$100,000

Attachment 1 provides the complete listing of projects funded through this source. The City will be reimbursed by the State for eligible project costs under this grant provided that the projects are approved and completed by June 30, 2009.

On January 27, 2004, the City Council adopted Resolution Number 71943, which authorized the City Manager to negotiate, execute and submit an application and all necessary documents for local assistance grant funding of up to \$4,051,000 funding from the Roberti-Z'berg-Harris (RZH) Urban Open Space and Recreation Grant program under the State of California 2002 Resources Bond Act (Proposition 40). The State approved the eight (8) projects to be funded under the grant program (Attachment 2) for grant funding and on February 26, 2004, the City executed a contract (Contract # C0209801) with the State for \$4,051,000 under the Proposition 40 RZH program for projects shown in Attachment 2. The City will be reimbursed by the State for eligible project costs under this grant provided that the projects are approved and completed by June 30, 2011.

Additionally, on January 27, 2004, the City Council adopted Resolution Number 71944, which authorized the City Manager to negotiate, execute and submit an application and all necessary documents for local assistance grant funding of up to \$4,037,000 in funds from the Per Capita Grant Program under the 2002 Resources Bond Act (Proposition 40). The State approved the eight (8) projects described in Attachment 3 for grant funding and on February 25, 2004, the City executed a contract (Contract #C0207484) with the State for \$4,037,000 under the Proposition 40 Per Capita grant program to be used for projects shown in Attachment 3. The City will be

reimbursed by the State for eligible project costs under this grant provided that the projects are approved and completed by June 30, 2011.

## **ANALYSIS**

### **Reallocation of Proposition 12 Roberti-Z'berg-Harris (RZH) Funds:**

One project allocation previously approved by the City Council for application under Proposition 12 RZH grant program is now recommended to be reallocated to another project. This is funding for the Guadalupe River Trail Bridge Crossing in Almaden (\$273,000) projects.

Staff has determined that the City cannot fully fund and complete a project for the Guadalupe River Trail Bridge Crossing in Almaden by the final due date established in the grant. Additionally, the proposed Bridge Crossing project no longer serves as the only means to provide access between the east and west banks of the river since the completion of the Coleman Road Pedestrian Bridge. Therefore, it is recommended that these funds be reallocated to the Trail: Airport Parkway Under Crossing (Lower Guadalupe River) project. The Airport Parkway project has been previously identified as a priority and this recommendation provides necessary funding while maintaining the allocation of State grant funds to support trail access and development activities. City staff will continue work on the Almaden Bridge Crossing project, including efforts to obtain necessary funding.

### **Reallocation of Proposition 40 Roberti-Z'berg-Harris Funds and Proposition 40 Per Capita Grants:**

In 2004, the City submitted project specific grant proposals and the State approved applications under the Proposition 40 Per Capita program for the Global Photon (\$300,000) and Trail: Airport Parkway Under Crossing (Lower Guadalupe River) (\$850,000) projects (\$1,150,000 total). These projects were originally designated to be funded under the Proposition 40 RZH program. As a result of the State's approval of funding these two projects under the Per Capita program, it is necessary to shift other projects from the Proposition 40 Per Capita grant fund to the Proposition 40 RZH program. These changes will balance and fully allocate both grant programs and make them consistent with the approved State allotments. As a result, the City will be able to recognize revenues and expenditures under the correct sources and uses.

The Police Activities League (PAL) Stadium and Nisich Park projects were originally designated to be funded under the Proposition 40 Per Capita grant program. The Department of Parks, Recreation and Neighborhood Services (PRNS) recommends that the PAL Stadium (\$250,000) and Nisich Park (\$825,000) projects (\$1,075,000 total) be moved from the Proposition 40 Per Capita grant to the Proposition 40 RZH program.

Use of State grant funds to assist in the renovation of the PAL complex was identified as a priority project as these funds became available. Included in these recommendations, PRNS

proposes to increase the total funding for the PAL Stadium project by \$75,000, to a total of \$325,000. The additional funds had not been allocated to a specific project at the time of the Council's original authorization to apply for and accept the Proposition 40 RZH grant funds.

The Overfelt House Renovation has been completed according to the project specifications under the Proposition 40 Per Capita grant agreement. A savings of \$169,000 was realized in the project. The recommendation reallocates the unspent funds in the Proposition 40 Per Capita fund to other projects: \$94,000 to the Lake Cunningham ADA Playground project; \$50,000 to the Global Photon Building Acquisition; and \$25,000 to the Airport Parkway Trail Under Crossing (Lower Guadalupe River). This redistribution of funds will result in all grant funds being fully allocated.

The original scope of the Nisich Park project was to fund property acquisition. The project site has been acquired through funding provided by the Redevelopment Agency. Therefore, the recommendation will allow PRNS to utilize \$825,000 in State grant proceeds to fund the development of Nisich Park.

This memorandum includes a recommendation for several appropriation actions, including Trail: Airport Parkway Under Crossing (Lower Guadalupe River), Lake Cunningham ADA Playground and Global Photon Building Acquisition. These appropriation actions are necessary to authorize each project to proceed. Since the State grant funds are paid on a reimbursement basis following completion of each project, the funding for each project is typically advanced through the use of the Ending Fund Balance of each respective Council District or City-wide Construction and Conveyance Tax Fund. Upon payment by the State, the appropriate Construction and Conveyance Tax Fund Ending Fund Balance is reimbursed.

All other grant related projects discussed in this memorandum without a corresponding appropriation action will be brought forward for City Council consideration as property acquisition, design and construction or other project activities warrant funding to be in place.

### **POLICY ALTERNATIVES**

Staff has proposed the above recommendations to be as close and consistent as possible with previous Council action and direction regarding the allocation of State Parks and Recreation grant funds. Other alternative projects could be funded through these sources of funds. However, the City must submit new grant applications for specific alternate projects and it may not be possible to secure State approval of these alternates as well as complete all environmental, design and construction activities by the program termination dates. Project delays could place State grant funding for these projects in jeopardy, which could result in project cancellations, additional delays or transfer funding responsibility to other City funding sources.

### **PUBLIC OUTREACH/INTEREST**

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

No specific public outreach has occurred regarding the proposed action. However, all projects will have completed the regular public input process used by PRNS for construction projects. Furthermore, these projects are implementing initiatives stated in the Greenprint, a Twenty-Year Strategic Plan for Parks and Community Facilities and Programs. These funding sources and proposed project uses have previously been approved through the City Council's annual Capital Budget and Five-Year Capital Improvement Program.

### **COORDINATION**

These actions have been coordinated with the City Attorney's Office. Appropriate revisions to the City's grant inventory and single audit functions will be coordinated with the Finance Department upon City Council approval of the recommended actions.

### **FISCAL/POLICY ALIGNMENT**

This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy.

### **COST SUMMARY/COST IMPLICATIONS**

The following summarizes cost implications to individual projects:

- **Guadalupe River Trail Bridge Crossing in Almaden:** Decrease funding by \$273,000 in the Proposition 12 Roberti-Z'berg-Harris (RZH) grant program.
- **Trail: Airport Parkway Under Crossing (Lower Guadalupe River):** Increase funding by \$273,000 in the Proposition 12 Roberti-Z'berg-Harris (RZH) grant program.

- **Overfelt House Renovation:** Decrease funding by \$169,000 in the Proposition 40 Per Capita grant allocation due to cost savings.
- **Lake Cunningham Playground ADA Renovations:** Increase funding allocation by \$94,000 in the Proposition 40 Per Capita grant funding.
- **Global Photon Property Acquisition:** Increase funding allocation by \$50,000 through the Proposition 40 Per Capita grant program.
- **Trail: Airport Parkway Under Crossing (Lower Guadalupe River):** Increase funding allocation by \$25,000 in the Proposition 40 Per Capita grant program.
- **PAL Stadium ADA Restroom Renovations:** Increase funding allocation by \$75,000 in the Proposition 40 Per Capita grant program.
- **Unallocated Funds:** Utilizes the \$75,000 that had not been allocated to a specific project at the time of the Council’s original authorization to apply for and accept the Proposition 40 RZH grant funds. These funds are now recommended for allocation to the PAL Stadium project.

**BUDGET REFERENCE**

<b>Fund #</b>	<b>Appn. #</b>	<b>Appropriation Name</b>	<b>Total Appn.</b>	<b>2006-2007 Proposed Capital Budget (Page)*</b>	<b>Last Budget Action (Date, Ordinance #)</b>
380	5175	Trail: Airport Parkway Under Crossing	\$680,000	V-345	

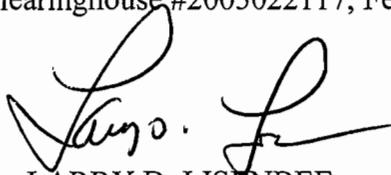
\* The 2006-2007 Adopted Capital Budget was approved by the City Council on June 27, 2006.

**CEQA**

- Guadalupe River Bridge Crossing in Almaden: Mitigated Negative Declaration, PP03-04-110.
- Trail: Airport Parkway Under Crossing (Lower Guadalupe River): Mitigated Negative Declaration, PP04-323, May 2005; State Clearinghouse #2005022117, February 2005.



ALBERT BALAGSO  
Acting Director of Parks, Recreation  
and Neighborhood Services



LARRY D. LISENBEE  
Budget Director

For question please contact Julie Mark, Acting Assistant Director, (408) 793-5553.

Attachments

Attachment 1

**2000 Park Bond Act (Proposition 12):**

**Roberti-Z'berg-Harris Urban Open Space and Recreation Grant Program Funding**

Projects must be completed by June 30, 2009

<b>Project</b>	<b>Description</b>	<b>Original Amount</b>	<b>Change</b>	<b>Revised Amount</b>	<b>Comments</b>
Municipal Rose Garden	Rehabilitation of historic park site including ADA accessibility improvements and new fencing	\$210,000	-0-	\$210,000	Project completed
Lone Bluff Mini Park	Development of a mini-park adjacent to Los Lagos Golf Course	\$500,000	-0-	\$500,000	Project completed
Overfelt House Renovation	Renovation the historic Overfelt House including interior infrastructure, exterior painting, tank house renovation and landscape improvements	\$610,000	-0-	\$610,000	Project completed
Selma Olinder Park	Improvements to 12-acre neighborhood park	\$100,000	-0-	\$100,000	Project in process
Sixth & William (O'Donnell's Gardens) Park	Development of one-half acre neighborhood park.	\$250,000	-0-	\$250,000	Project in process
Starbird Youth Center	Development of a new Youth Center facility to serve Council District 1 at Starbird Park	\$900,000	-0-	\$900,000	Project under construction
Tully Road Ballfields	Development of ball fields along Tully Road	\$1,350,000	-0-	\$1,350,000	Project Completed; Original allocation of \$900,000 increased by \$450,000.

**Attachment 1 (continued)**  
**2000 Park Bond Act (Proposition 12):**  
**Roberti-Z'berg-Harris Urban Open Space and Recreation Grant Program Funding**  
**Projects must be completed by June 30, 2009**

<b>Project</b>	<b>Description</b>	<b>Original Amount</b>	<b>Change</b>	<b>Revised Amount</b>	<b>Comments</b>
O'Connor Park Restroom	Development of a restroom facility at O'Connor Park	\$100,000	-0-	\$100,000	Project pending
Delete: Guadalupe River Bridge crossing (Almaden)	Development of a bridge crossing over the Guadalupe River to provide access from the trail to a future bridge over Almaden Expressway and Guadalupe Creek	\$273,000	(\$273,000)	-0-	Project can not be completed by final grant due date. Completion of the Coleman Road Pedestrian Bridge provides some trail inter-connectivity linking east and west banks of the river. Reallocate funds to the Trail: Airport Parkway Under Crossing (Lower Guadalupe River) project
<b>Add: Trail: Airport Parkway Under Crossing (Lower Guadalupe River)</b>	<b>Trail development: Highway 880 to Alviso – Under Crossing at Airport Parkway</b>	-0-	\$273,000	\$273,000	<b>See preceding note.</b>
<b>Total 2000 Bond Act RZH Program Allocation</b>		\$4,293,000	-0-	\$4,293,000	

Attachment 2

**2002 Park Bond Act (Proposition 40):**

**Roberti-Z'berg-Harris Urban Open Space and Recreation Grant Program Funding**

Projects must be completed by June 30, 2011

<b>Project</b>	<b>Description</b>	<b>Original Amount</b>	<b>Change</b>	<b>Revised Amount</b>	<b>Comments</b>
Coyote Creek Reach 1A/B	Master plan, environmental and easement acquisition: Montague Expressway to William Street Park	\$450,000	-0-	\$450,000	Project specific application to be developed
Willow Glen Spur Trail	General trail development and land acquisition activities	\$800,000	-0-	\$800,000	Project specific application to be developed
Alma Community Center (Youth/Seniors)	Matching funds for site expansion/replacement	\$300,000	-0-	\$300,000	Project specific application to be developed
Cambrian Area Dog Park	Supplemental funding for dog park development in District 9	\$275,000	-0-	\$275,000	Project specific application to be developed
Alum Rock Park	New restroom and associated landscaping at park entrance	\$625,000	-0-	\$625,000	Project application pending State review and approval
Milestone Project and Trail Signage	(1) Develop integrated signage/marker system with emergency services and (2) trail signage program.	\$451,000	-0-	\$451,000	Project specific application to be developed
<i>Delete: Global Photon Building Acquisition</i>	<i>Trailhead at Guadalupe River</i>	\$300,000	(\$300,000)	-0-	<i>Funding shifted to Per Capita grant program</i>
<b>Add: PAL Stadium ADA and restroom improvements</b>	<b>Completion of ADA and restroom facility improvements at PAL Stadium complex</b>	-0-	\$325,000	\$325,000	<b>Funding shifted from Per Capita grant program and increased by \$75,000</b>

Attachment 2 (continued)  
**2002 Park Bond Act (Proposition 40):**  
**Roberti-Z'berg-Harris Urban Open Space and Recreation Grant Program Funding**  
**Projects must be completed by June 30, 2011**

<b>Project</b>	<b>Description</b>	<b>Original Amount</b>	<b>Change</b>	<b>Revised Amount</b>	<b>Comments</b>
<i>Delete: Trail: Airport Parkway Under Crossing (Lower Guadalupe River)</i>	<i>Trail development: Highway 880 to Alviso- Under Crossing at Airport Parkway</i>	\$850,000	(\$850,000)	-0-	<i>Funding shifted to Per Capita grant program</i>
<i>Add: Nisich Park Development</i>	<i>Development of parklands acquired through Redevelopment Agency funding</i>	\$-0-	\$825,000	\$825,000	<i>Funding shifted from Per Capita grant program; grant will now fund park development</i>
<b>Total 2002 Bond Act RZH Program Allocation</b>		<b>\$4,051,000</b>	<b>\$-0-</b>	<b>\$4,051,000</b>	

**Attachment 3**  
**2002 Park Bond Act (Proposition 40):**  
**Per Capita Grant Program Funding**  
**Projects must be completed by June 30, 2011**

Project	Description	Original Amount	Change	Revised Amount	Comments
3707 Williams Road Community Center	Modification of existing 10,000 sq. ft. two-story building to accommodate a community center in District 1.	\$350,000	-0-	\$350,000	West San Jose Community Policing Center approved in-lieu of original Starbird Park Landscaping & Irrigation project.
Avenida Espana Park	Park improvements	\$300,000	-0-	\$300,000	Project completed
Roosevelt Park	Replacement of Roller Hockey Rink to accommodate planned joint use of school and park facilities	\$500,000	-0-	\$500,000	Project completed
Fontana Dog Park	Matching funds for dog park development	\$275,000	-0-	\$275,000	Project completed
Overfelt House	Renovation of a house to be a public visitor center, public meeting space and work space	\$800,000	(\$169,000)	\$631,000	Project completed; reallocate unspent funds to Lake Cunningham Playground, Global Photon and Guadalupe River Under Crossing projects
Lake Cunningham ADA Playground Renovations	Replacement of non-compliant playground equipment to meet ADA and safety requirements	\$737,000	\$94,000	\$831,000	Project budget increased by \$94,000 to fund project development
<i>Delete: PAL Stadium ADA and restroom improvements</i>	<i>Completion of ADA and restroom facility improvements at PAL Stadium complex</i>	\$250,000	(\$250,000)	-0-	<i>Project funding shifted to RZH grant source.</i>

**Attachment 3 (continued)**  
**2002 Park Bond Act (Proposition 40):**  
**Per Capita Grant Program Funding**  
**Projects must be completed by June 30, 2011**

<b>Project</b>	<b>Description</b>	<b>Original Amount</b>	<b>Change</b>	<b>Revised Amount</b>	<b>Comments</b>
<b>Add: Global Photon Building</b>	<i>Trailhead at Guadalupe River</i>	<i>-0-</i>	<i>\$300,000</i>	<i>\$300,000</i>	<i>\$50,000 unspent from Overfelt House project allocated to fund acquisition and balance fund.</i>
<b>Delete: Nisich Park Acquisition</b>	<i>Acquisition funding/match to San Jose Redevelopment Agency Funds; grant now fund project development costs.</i>	<i>\$825,000</i>	<i>(\$825,000)</i>	<i>-0-</i>	<b>Funding shifted from RZH grant source to Per Capita grant program; grant will now fund park development.</b>
<b>Add: Airport Parkway Trail Under Crossing (Lower Guadalupe River)</b>	<i>Trail development: Highway 880 to Alviso – Under Crossing at Airport Parkway</i>	<i>-0-</i>	<i>\$850,000</i>	<i>\$850,000</i>	<b>Funding shifted from RZH grant source to Per Capita grant program.</b>
<b>Total 2002 Bond Act Per Capita Grant Program Allocation</b>		<b>\$4,037,000</b>	<b>-0-</b>	<b>\$4,037,000</b>	