



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Albert Balagso

**SUBJECT:** GRANT APPLICATION FOR  
GUADALUPE RIVER TRAIL REACH 6

**DATE:** 09-24-07

Approved

Date

9/29/07

**COUNCIL DISTRICT:** 3

**SNI AREA:** Washington,  
Greater  
Gardner

## RECOMMENDATION

Adoption of a resolution:

- 1) Authorizing the City Manager to submit an application for grant funds up to \$700,000 from the State of California Resources Agency under the California River Parkway Grant Program to be used for the Guadalupe River Trail Reach 6 project.
- 2) Authorizing the City Manager to accept any grant funds and to negotiate and execute all documents related to the grant funding agreements.

CEQA: Mitigated Negative Declaration, PP04-03-102.

## OUTCOME

City Council approval of the recommended actions will authorize the City Manager to apply, accept, and negotiate and execute grant agreements with the State of California for the use of grant funds from the State of California Resources Agency for the Guadalupe River Trail 6 project ("Project").

Award of the River Parkway grant funds will allow staff to seek to combine funds already designated for project development as part of the Park Bond program. The combined funds will also allow staff to seek Council authorization for the award of a construction contract for the Guadalupe River Trail Reach 6 (Woz Way to Virginia Street) project.

## **BACKGROUND**

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

In November 2000, the San José voters approved Measure P, a Park and Recreation Bond Measure for improvements and renovations of City parks and recreation facilities. The Bond provided funding for development of a trail along the Guadalupe River. Total funding from the Bond accounted for \$2,409,000. Prior expenditures for the preparation of the master plan and anticipated costs for inter-agency coordination, design and construction of the project suggest that an additional \$700,000 is required to deliver a completed project.

California voters also passed the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50) on November 5, 2002. It added to the California Water Code, Section 79531, authorizing the Legislature to appropriate \$100 million for the acquisition, restoration, protection and development of river parkways throughout the State. This is the source of funding for the California River Parkway Grant Program.

In October 2004, a master plan for the Project was completed ("Master Plan"). It indicated two phases of development for the Project. Phase I follows the west bank of the river between Interstate 280 and Virginia Street. Phase II continues along the west bank from Virginia Street up to the Peninsula Corridor Joint Powers Board railway alignment, at which point, the trail would cross the river via a new pedestrian bridge, and continue along the east bank of the river connecting on to the Highway 87 Bikeway and Tamien Light Rail Station. The SCVWD, in cooperation with the Army Corps of Engineers, has initiated design of flood control improvements in the area between Highway 280 and Virginia Street. The improvements will require a flood wall to be located in close proximity to the planned trail improvements. Placement of the wall was in question for some time, and prevented accurate definition of the planned trail alignment and thereby delayed design work by the City.

On January 23, 2007, Council approved a cost sharing agreement with the SCVWD for preparation of a geotechnical study. The study was necessary in determining the nature and quality of soil along the Guadalupe River. This data would help guide SCVWD engineers in determining the type of structures that can be used for flood control purposes. Since the SCVWD was able to determine the extent of flood control improvements, the City could now make a final determination on how to align the trail through the area constrained by the river, Highway 87 and overhead freeway ramps. This data has permitted the negotiation of a service order for preparation of construction documents for Phase I of the Project.

The SCVWD, in partnership with the Army Corp of Engineers intends to commence construction of its flood management project in June 2009 pending approval of necessary permits, with completion in Fall of 2011.

**ANALYSIS**

An informational memorandum was provided to Council defining the Prioritization Process and Grant-Seeking Process (dated 08-26-03) utilized by staff to propose candidate projects as part of the Annual Budget Process. A subsequent informational memo (dated 10-29-04) further explained the grant-seeking process. The process requires an annual review and rating of all trail projects that make up the network of 32 trail systems within the City. By prioritizing the workload annually, Council is able to authorize staff to proceed on a course for strategic and expeditious development of the trail network. The highest ranked projects are aligned with grant opportunities when funding from City sources is not feasible.

This Project is consistent with the prioritization process criteria for defining high priority projects:

<b>Criterion</b>	<b>Justification</b>
Approved Development Priority	The trail system is listed in the Greenprint. Greater Gardner, No. 10, "Open Space".
Grant Alignment	The Project aligns well with the criteria required for funding as part of the California River Parkway Grant Program – see discussion below.
Inter-Connectivity	The Project leads directly to the Guadalupe River Park and 9 miles of continuous trail.
Leveraging of Funds	The Project is funded as part of the Parks Bond. The grant is required to account for cost increases in the construction industry and additional coordination not initially anticipated with Caltrans and the Army Corp of Engineers.
Operations and Maintenance	Project includes standard trail improvements and benefits from proximity to Highway 87's existing landscaping.
"Project Ready"	Council has approved the Master Plan and associated environmental documents. Furthermore, staff has completed significant coordination with Caltrans, SCVWD and the Army Corp of Engineers.
Safety & Security	Development of Master Plan occurred in partnership with the Police Department. The trail alignment permits the maximum visibility possible.

Upon Council approval of the recommendations, staff will finalize the project application that must include a copy of the resolution adopted by the Council authorizing the application (Attachment B) and evidence of compliance with the California Environmental Quality Act ( CEQA certification form).

A review of the State of California's Recreational Trail Grant guidelines indicates that eligible projects must meet 2 of 5 statutory requirements. However, the Guadalupe River Trail Reach 6 project meets all 5 requirements and is therefore, a competitive project for grant funding.

<b>Objective</b>	<b>Project Alignment</b>
Provide trails along rivers.	Project results in a trail alignment along the Guadalupe River. The Project leads to the 2.6 mile Guadalupe River Park (paved) and the 6.4 mile Lower

	Guadalupe River Trail (currently unpaved).
Protect habitat.	Project alignment was defined with input from a Technical Advisory Committee which included representatives from all permitting agencies to ensure that habitat is protected.
Flood Management	Project has been carefully coordinated with the SCVWD and the Army Corps of Engineers. These agencies are leading the flood control project directly adjacent to the trail.
Convert to River Parkway	Project transitions a partial maintenance road into a continuous trail leading to the Guadalupe River Park.
Conservation and Interpretive Enhancements	Project proximity to downtown flood control and riparian environment provide several opportunities for interpretive stations which are planned as part of the Project.

The cost of delivering the Project has increased for a number of reasons since cost estimates were prepared, as the Bond language was developed, and as the master plan was completed and adopted by the City Council. Funds in the Park Bond were set aside for development of the Project well in advance of any study or planning efforts which would yield definition of the final trail alignment and associated design and site challenges. This funding did not anticipate a number of costly project elements as follows:

- The cost of project delivery has increased substantially over the past few years as documented by an informational memo, entitled "Construction Cost Escalation", prepared by the Department of Public Works and distributed on October 11, 2006.
- Additional coordination effort has been required with the SCVWD to evaluate stability of the existing levee system and proposed levee system to incorporate flood protection improvements as a part of the trail project.
- Caltrans has recently changed its process for securing authorization to work within its right of way. Caltrans process now has some additional steps that are not likely to raise construction costs that will require additional coordination and consultant services.
- The excavation work required to travel beneath the freeway interchange will trigger a Regional Water Quality Control Board (RWQCB) permit and an Army Corps of Engineers' review and permit. This increases the cost of project delivery due to additional coordination, permits and inspection.
- Effort to create and develop a Mitigation and Monitoring Plan, originally to be part of Phase II trail construction between Virginia Street and Willow Street, may also require additional consulting services as well as result in increased mitigation costs to incorporate SCVWD mitigation, Caltrans recently planted mitigation plantings that may be disrupted by the Project and would need to be replaced.
- At the time of initial funding, the Project was contemplated to follow a below grade maintenance road. The Master Plan ruled out this alignment due to higher than normal maintenance costs and security concerns. The resulting alignment follows the levee between the river and Highway 87 and provides a superior trail experience. However, it also requires that staff coordinate with numerous agencies and departments (SCVWD, Caltrans, Department of Transportation, Redevelopment Agency and Department of Public Works - Real Estate Division) thereby increasing coordination costs. As well as develop a project

that includes ramps to span over a flood wall, retaining wall structures trail travel beneath freeway overpasses and site grading.

- Caltrans has recently established the Planning, Engineering and Evaluation Report (PEER) process for projects estimated to cost between \$1,000,000 and \$3,000,000. As a result, it is likely that the City will need to follow this process in order to obtain authorization from Caltrans to construct a portion of the Project upon its property. The process increases the project cost by about \$50,000 and results in special studies on the existence of lead, encroachment impacts, etc.
- Caltrans has recently changed the required system of units for construction documents for projects built on its property. The City has already expended funds to comply with past metric requirements. To meet current guidelines, the City will need to convert existing plans to English-Imperial units and may need to conduct some field survey work to ensure accuracy.

If funding is secured through this grant, the Project budget from the Park Bond would be supplemented and provide additional necessary funding for design, agency coordination and construction of the Project. The Project would consist of 2,100 linear feet of paved trail, underpass retaining walls, ramping system, gateway structure and entry, signage, striping and other associated improvements along the Guadalupe River.

Per the grant guidelines, the City must commit to construct the project if it is awarded the grant funds. Additionally, it must commit to operate and maintain the project. Development of the trail is consistent with the Council adopted master plan. Operation and maintenance funding is identified routinely in the City budget as new trail projects are constructed.

### **EVALUATION AND FOLLOW-UP**

The City Council adopted the Greenprint in September 2000. The document is a 20-year strategic plan for Parks, Community Facilities and Programs. A 100-mile trail network is defined by the Greenprint. Construction of the trail alignment defined by the Guadalupe River Trail Reach 6 Master Plan delivers 2,100 linear feet of trail contributing to the Greenprint's goal.

### **POLICY ALTERNATIVES**

**Alternative #1:** Postpone further development of the Project until sufficient funding can be secured.

**Pros:** Prevents expenditure of funds which are insufficient for further development and construction of the Project.

**Cons:** The City is unable to deliver to the community a project that was identified by the Park Bond.

#### **Reason for not recommending:**

If the City Council rejects the grant application, there may be insufficient funds to proceed with the project.

### **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)**

While this project does not meet any of the above criteria, development of the project included the community outreach meetings on August 27, 2003 and March 4, 2004. In addition, this memorandum will be posted on the City's website prior to the October 16, 2007 Council meeting.

### **COORDINATION**

This memorandum has been coordinated with the Department of Public Works, City Attorney's Office, Council District 3 Office, and the City Manager's Budget Office.

### **FISCAL/POLICY ALIGNMENT**

This Project is consistent with the Council-approved Budget Strategy Economic Recovery section. Should in the future the 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 and 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**

The California River Parkway Grant Program does not have a matching fund requirement.

Completion of the project will result in 2,100 linear feet of paved trail. The Department expects that the project will be operational in Fiscal Year 2008/09. It will follow the standard budget process of submitting Worksheet 5 documents to indicate the level of funding required for operation and maintenance. The following formula is used in defining the level of funding required. The trail will require \$4,790 for annual maintenance. This figure is derived from a baseline figure \$12,050/mile. An additional \$875 will be required to support the fractional cost of trail patrol staff monitoring the trail system. This figure is derived from a baseline figure of

\$2,200/mile. Operational and maintenance costs will be incorporated in the Department's Proposed Operating Budget for the year the facility comes on-line

**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	Total Appn.	Amt. for Contract	2007-2008 Proposed Budget Page	Last Budget Action (Date, Ord. No.)
<b>Current Funding Available</b>						
471	6825	TRAIL: Guadalupe River Trail Reach 6	1,497,000		V - 613	06/19/2007 Ord. No. 28071
<b>Additional Funding</b>						
471	6825	TRAIL: Guadalupe River Trail Reach 6	\$14,000 *			
		<b>Total</b>	<b>\$1,511,000</b>			

\* A rebudget of \$14,000 in unexpended 2006-07 funds was requested as part of the Annual Report.

**CEQA**

CEQA: Mitigated Negative Declaration, PP04-03-102.

  
 ALBERT BALAGSO  
 Director of Parks, Recreation  
 and Neighborhood Services

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

Attachment – Required language for resolution

**APPENDIX I - RESOLUTION TEMPLATE**

Resolution No: \_\_\_\_\_

RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE  
APPROVING THE APPLICATION FOR GRANT FUNDS FOR  
THE CALIFORNIA RIVER PARKWAYS GRANT PROGRAM UNDER THE WATER SECURITY,  
CLEAN DRINKING WATER, COASTAL AND BEACH PROTECTION ACT OF 2002  
(Proposition 50)

WHEREAS, the Legislature and Governor of the State of California have provided Funds for the program shown above; and

WHEREAS, the Resources Agency has been delegated the responsibility for the administration of this grant program, establishing necessary procedures; and

WHEREAS, said procedures established by the State Resources Agency require a resolution certifying the approval of application(s) by the Applicants governing board before submission of said application(s) to the State; and

WHEREAS, the Applicant, if selected, will enter into an agreement with the State of California to carry out the Project.

NOW, THEREFORE, BE IT RESOLVED that the COUNCIL OF THE CITY OF SAN JOSE:

1. Approves the filing of an application for the GUADALUPE RIVER TRAIL REACH 6 PROJECT;
2. Certifies that Applicant understands the assurances and certification in the application, and
3. Certifies that Applicant or title holder will have sufficient funds to operate and maintain the Project(s) consistent with the land tenure requirements; or will secure the resources to do so, and
4. Certifies that it will comply with the provisions of Section 1771.8 of the State Labor Code regarding payment of prevailing wages on Projects awarded Proposition 50 Funds, and
5. If applicable, certifies that the Project will comply with any laws and regulations including, but not limited to, legal requirements for building codes, health and safety codes, disabled access laws, and, that prior to commencement of construction, all applicable permits will have been obtained, and
6. Appoints the City Manager, or designee, as agent to conduct all negotiations, execute and submit all documents including, but not limited to applications, agreements, payment requests and so on, which may be necessary for the completion of the aforementioned Project(s).

HONORABLE MAYOR AND CITY COUNCIL

09-24-07

**Subject: Grant Application for Guadalupe River Reach 6 Project**

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Approved and adopted the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_. I, the undersigned, hereby certify that the foregoing Resolution Number \_\_\_\_\_ was duly adopted by the COUNCIL OF THE CITY OF SAN JOSE.

Following Roll Call Vote:      Ayes:            \_\_\_\_\_  
   Nos:             \_\_\_\_\_  
   Absent:        \_\_\_\_\_

\_\_\_\_\_  
Clerk/Secretary for the COUNCIL OF THE CITY OF SAN JOSE