



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

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

**SUBJECT:** SEE BELOW

**DATE:** 11-13-06

Approved

*Ray Wines*

Date

*11/22/06*

**COUNCIL DISTRICT:** 3  
**SNI AREA:** N/A

**SUBJECT: AUTHORIZATION FOR THE CITY MANAGER TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH THE SANTA CLARA VALLEY WATER DISTRICT (SCVWD) IN AN AMOUNT UP TO \$1,839,500 FOR CONSTRUCTION OF THE AIRPORT PARKWAY UNDER-CROSSING TRAIL PROJECT AND ADOPTION OF APPROPRIATION ORDINANCE AMENDMENTS IN THE PARKS CITY-WIDE CONSTRUCTION AND CONVEYANCE TAX FUND**

## REASON FOR REPLACEMENT

Pages 4 and 8 of the early distribution version of this report have been revised to correct the funding strategy described for this project.

## RECOMMENDATION

1. Adoption of a resolution authorizing the City Manager to negotiate and execute an agreement with the Santa Clara Valley Water District in an amount up to \$1,839,500 for the construction of the TRAIL: Airport Parkway Under-Crossing project.
2. Adoption of the following Appropriation Ordinance amendment in the Parks City-Wide Construction and Conveyance Tax Fund (Fund 391):
  - a. Establish an appropriation to the Parks, Recreation and Neighborhood Services Department in an amount of \$532,000 for the TRAIL: Airport Parkway Under-Crossing project; and
  - b. Decrease the Ending Fund Balance by \$532,000.

## **OUTCOME**

Approval of the Agreement will permit funding of the Airport Parkway Under-Crossing project to be implemented by the Santa Clara Valley Water District (SCVWD) on behalf of the City.

## **EXECUTIVE SUMMARY**

This memorandum recommends that the City Council adopt a resolution authorizing the City Manager to negotiate and execute an agreement with the SCVWD in an amount up to \$1,839,500 for the construction of the TRAIL: Airport Parkway Under-Crossing project. Also included in this memorandum is an appropriation action request to decrease the Parks City-wide Construction and Conveyance Tax Fund Ending Fund Balance by \$532,000 (of which \$229,000 will be reimbursed by the Airport Department by the end of the fiscal year). The SCVWD has obtained permits for the project and intends to construct a similar under-crossing at nearby Highway 101 during the summer 2007 construction season. There are two primary benefits in having the SCVWD construct both projects: 1) Bids on larger projects are generally more competitive, and 2) Work within close proximity and a confined site is best done by one contractor to minimize the potential for coordination delays and identification of responsibilities. Construction of the project this summer will permit continuous access along the six-mile interim Lower Guadalupe River Trail as defined by the project master plan approved by the City Council in June 2005.

## **BACKGROUND**

In September 2000, the City Council approved the *Greenprint*, a 20-year strategic plan for the development of parks, trails, community facilities, and programs. This document was the result of an extensive community outreach process and identified a 100-mile trail network. The Lower Guadalupe River provides an opportunity for significant trail development.

On January 21, 2003, the City Council approved the Collaborative Action Plan with the SCVWD, which designated the City Manager as the authorized representative to execute joint trail agreements necessary for development of many of the trail systems identified in the *Greenprint*.

On January 27, 2004, the City Council adopted a resolution approving the submission of an application for local assistance funds through the State of California Roberti-Z'Berg-Harris Urban Open Space and Recreational Program under the 2002 Resources Bond Act (Proposition 40) and authorized the City Manager to negotiate and execute all documents related to the grant agreement (Resolution No. 71943). The development of a trail from Highway 880 to Gold Street was one of the projects approved for submission of an application for grant funds totaling \$850,000. In order to begin preliminary work for this project, this funding was appropriated during the 2005-2006 Capital budget process (the project budget is displayed as

part of the Council District 3 Construction and Conveyance Tax Fund in the Parks and Community Facilities Development section of the Capital Budget). In addition to this funding, a separate memorandum was approved by the City Council on August 29, 2006 re-allocating \$25,000 of Proposition 40 funding that became available due to another City project being completed with project savings. This \$25,000 is available on a reimbursement basis, therefore, the Council memorandum allocated the funding from the Council District 3 Construction and Conveyance Tax Ending Fund Balance, and the Fund Balance will be reimbursed when the funding is received from the State after the project is complete.

On August 29, 2006, the City Council approved and budgeted a reallocation of \$273,000 in the 2000 Park Bond Act (Proposition 12) Roberti-Z'berg-Harris Open Space and Recreation Grant Program funding from the Guadalupe River Bridge Crossing project to the TRAIL: Airport Parkway Under-Crossing project. The \$273,000 allocated to the Guadalupe River Bridge Crossing project was insufficient to develop a pedestrian bridge in south San José and would have duplicated a crossing that was made available by the Coleman Road Pedestrian Bridge. This funding will be received on a reimbursement basis from the State; therefore, as part of the August memorandum, the funding was allocated from the Council District 3 Construction and Conveyance Tax Fund Ending Fund Balance. After the project is complete, the Fund Balance will be replenished accordingly.

The three granting sources mentioned above total \$1,148,000 (\$850,000 from Proposition 40, \$25,000 from Proposition 40, and \$273,000 from Proposition 12). All of this funding has already been appropriated and is available for expenditures associated with this project. When the project is complete, a total of \$1,148,000 in grant reimbursement will be requested.

On February 14, 2006, the City Manager executed a joint trail agreement to allow, with applicable permits issued by the SCVWD, the opening of existing SCVWD maintenance roads along the Lower Guadalupe River between Gold Street and Trimble Road, and from Skyport Drive to Highway 880. The agreement also acknowledged a continuous trail between Trimble Road and Skyport Drive at some future date when under-crossings at Highway 101 and Airport Parkway were constructed.

On May 3, 2005, the City Council approved a master agreement with CH2M-Hill for provision of engineering services related to trail development. On December 13, 2005, a service order was executed with the firm to prepare complete construction documents for the Airport Parkway Under-Crossing, as a part of a construction project on the Lower Guadalupe River that would be administered by the SCVWD. The SCVWD will fund construction of an under-crossing at Highway 101 as part of the same project.

## **ANALYSIS**

The City has an opportunity to partner with the SCVWD in the development of the under-crossing project. In 2002, the SCVWD had intended to construct the Airport Parkway and

Highway 101 under-crossings. However, funding limitations caused the SCVWD to delay work at Highway 101 and to eliminate the Airport Parkway project. The Airport Parkway project did not provide critical access capabilities for the SCVWD's routine maintenance purposes. The under-crossing is important to the City however, as it is required to provide a continuous trail facility for users to transition from the west bank near the airport to the east bank, and continue along an interim trail alignment from Airport Parkway to Gold Street in Alviso.

An under-crossing is a paved concrete structure that permits through access beneath a roadway bridge. The use of under-crossings is important for trail development as it eliminates the interaction between trail users and vehicles. Some trails do lead users to an on-street crossing when the elevation of the roadway bridge is relatively low in comparison to water levels, when environmental conditions limit the disruption caused by installation of such a structure, or when the right of way is too narrow to accommodate the structure. At Airport Parkway, the existing and planned roadway geometry and traffic controls do not allow for an at-grade crossing. There is no traffic signage at the intersection of Airport Parkway/Airport Boulevard. The installation of stop signs and/or crosswalks were considered as part of the Lower Guadalupe River Trail Master Plan but it was determined that the high volume of traffic and potential for vehicle/pedestrian conflicts could not permit that solution. The construction of an under-crossing at Airport Parkway was deemed to be feasible and the most appropriate means to provide continuity along the six-mile trail system between Highway 880 and Gold Street.

The City owns the land upon which the under-crossing will be constructed. As is common with other trails, a joint-trail agreement between the City and SCVWD was negotiated and executed for the Lower Guadalupe River Trail system. The agreement acknowledges development of the Airport Parkway Under-Crossing and defines the roles and responsibilities of each agency in operating and maintaining the under-crossing and all other aspects of the six-mile trail system.

The City, in cooperation with CH2M-Hill, has prepared a construction cost estimate for the project. The estimate requires \$1,415,000 for construction of the project. Due to the recent volatility of bids, the Department of Public Works is recommending that a 30% contingency be in place, which would increase the construction total to \$1,839,500. This is the amount recommended be transferred to SCVWD as part of this memorandum. Additional funding totaling \$217,060 is needed for project delivery and consultant services costs, bringing the total project budget up to \$2,056,560. As previously mentioned, grant funding totaling \$1,148,000 has already been allocated for this project; in addition, this memorandum includes a request to allocate \$532,000 from the Parks City-Wide Construction and Conveyance Tax Fund Ending Fund Balance. The Airport Department is actively seeking \$229,000 to reimburse the City-Wide Construction and Conveyance Tax Fund as part of its midyear budget recommendations. The Department of Transportation has approved a total of \$303,000 to be expended from the North San Jose Deficiency Improvements Plans appropriation and the Airport Department has approved an additional \$74,000 to be expended from the Advanced Planning appropriation.

Per the terms of the agreement, the City would establish an escrow account in the amount of \$1,839,500 to permit SCVWD staff to access funds to implement the project. Specifically, the agreement acknowledges the following:

- The City will supply the construction drawings for the project.
- The SCVWD will secure the necessary permits and approvals to construct the project.
- The SCVWD will advertise, bid and award the project.
- The City and SCVWD shall coordinate the invoicing process to secure reimbursement from the State of California for the grant-funded portion of the budget.
- The SCVWD will provide project management and inspection services.

The City will provide inspection oversight and project sign-off before final transfer to the City. The City and SCVWD have outlined an aggressive schedule for preparation of plans and specifications, the bid and award of a contract, and construction of the project. The proposed agreement acknowledges the challenge in 'fast-tracking' the project and includes a provision for the project to be delayed by one year if additional funding or time to complete major milestones is required.

The project is deemed a high priority for grant and city-wide funds for four primary reasons:

- Completes a trail segment that permits continuous access to over eight miles of trail including reaches of the Guadalupe River Park;
- Provides a suitable alternative commute route for residents of high density housing in the north San Jose area;
- Provides a pedestrian/bicycle facility consistent with the Airport's Pedestrian Bicycle Master Plan; and
- Existing permits for the construction of project expire in October 2007.

Seeking new permits will add expense and delay to project. The City might have to revise engineering documents to meet new requirements, which would require more funding and take additional time to develop. Additionally, resource agencies that issue permits for construction of projects within waterways are instituting new regulations that limit storm water run off and are sensitive to fish habitat issues. Such regulations may make it infeasible to secure permits for this type of project in the future and would prevent development a continuous system as defined by the Lower Guadalupe River Trail Master Plan.

## **POLICY ALTERNATIVES**

*Alternative #1:* Do nothing.

**Pros:** Taking no action at this time eliminates the need to transfer funds and impact resources that could be used for other projects.

**Cons:** Not pursuing a fund transfer agreement would make it necessary for the City to pursue development of the project on its own. Preparation of a construction bid documents, bidding and award of a construction document could not occur in sufficient time for work to commence on

June 1, 2007, the first date allowed by the existing permits already secured for the work by the SCVWD.

**Reason for not recommending:** Delay of the project until a future year presents a number of risks. Existing permits expire for the project and the City would need to secure them once again. As with all projects, there is no certainty that permits would be issued as environmental requirements are constantly changing. The likelihood is high that project cost would increase if the project were to be awarded in a future year.

### **PUBLIC OUTREACH/INTEREST**

- X **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)**

A community meeting was conducted in August 2004 to solicit input on the project's preferred alignment and outcomes. The presentation and resulting alignment plan was posted on the Parks, Recreation and Neighborhood Services and Public Works Web sites.

Progress reports on the master plan were shared with the Bicycle Pedestrian Advisory Committee as part of the Trail Program Updates on November 8, 2004, and April 11, 2005.

### **COORDINATION**

This memorandum has been coordinated with the City Attorney's Office, and the Departments of Planning, Building and Code Enforcement and Public Works.

### **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 with the additional project program elements. The Council-approved trail master plan defined an alignment that required construction of the under-crossing project for a continuous trail system.

**COST SUMMARY / IMPLICATIONS**

1.	AMOUNT OF RECOMMENDATION:	
	Transfer to SCVWD	\$1,839,500
2.	COST OF PROJECT:	
	Consultant Services	\$151,900
	Project Delivery (Staff Time)	65,160
	Construction Cost	1,415,000
	Construction Contingency	<u>424,500</u>
	<b>TOTAL PROJECT COSTS</b>	<b>\$2,056,560</b>
	Prior Year Expenditure	\$(174,740)*
	<b>REMAINING PROJECT COSTS</b>	<b>\$1,881,820</b>

\*A total of \$174,740 was expended/encumbered in 2005-2006 for Consultant Services and Project Delivery costs.

3. SOURCE OF FUNDING:  
 380 - Council District 3 Construction and Conveyance Tax Fund  
 465 – Construction Excise Tax Fund  
 527 – Airport Renewal and Replacement Fund
4. FISCAL IMPACT: This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in the City’s local economy should the City be successful in securing grant or other funds for construction. Upon construction, maintenance of the 800 linear foot under-crossing is estimated at \$2,000 annually. The larger six-mile trail project is anticipated to cost \$72,000 annually. This includes the cost of routine and preventative maintenance and capital (rehabilitation) expenditures. Park patrol costs are estimated at \$13,200 annually for the larger six-mile trail project.

**BUDGET REFERENCE**

Fund #	Appn. #	Appn. Name	Total Appn.	Amount for Fund Transfer	2006-2007 Adopted Capital Budget (Page)	Last Budget Action (Date, Ord. No.)
Remaining Project Cost			\$1,881,820			
Current Available Funding						
380	5175	TRAIL: Airport Parkway Under	\$973,000	\$930,500	V-377	10-17-06, Ord. No.

		Crossing				27888
465	6257	North San Jose Deficiency Plan Improvements*	\$303,000	\$303,000	V-1108	10-17-06, Ord. No. 27888
527	4007	Advanced Planning*	\$74,000	\$74,000	V-992	10-17-06, Ord. No. 27888
Recommended Additional Funding						
391	7999	Ending Fund Balance**	\$532,000	\$532,000	V-538	10-17-06, Ord. No. 27888
<b>Total Funding for Project</b>			<b>\$1,882,000</b>	<b>\$1,839,500</b>		

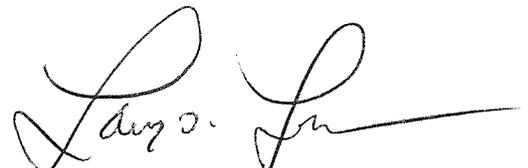
\* The Department of Transportation has allocated \$303,000 of the existing \$1,765,000 budgeted for the North San Jose Deficiency Plan Improvements appropriation to be used for the Airport Parkway Under-Crossing project. The Airport Department has allocated \$74,000 of the existing \$759,000 budgeted for the Advanced Planning appropriation to be used for the Airport Parkway Under-Crossing Project.

\*\* Included in this memorandum is a request to appropriate \$532,000 (out of an existing appropriation totaling \$3,183,185) from the Parks City-Wide Construction and Conveyance Tax Fund Ending Fund Balance to ensure adequate funding to complete this project.

**CEQA**

Mitigated Negative Declaration, File No. PP04-323.

  
 ALBERT BALAGSO  
 Director of Parks, Recreation  
 and Neighborhood Services

  
 LARRY D. LISENBEE  
 Budget Director

For questions, please contact YVES ZSUTTY, TRAILS MANAGER, at 793-5561

November 1, 2006

Mayor and City Council  
City of San José  
200 E. Santa Clara Street, 18<sup>th</sup> Floor  
San José, CA 95113

Re: Support 12-05-06 Council Agenda Item 5.6  
Airport Parkway Under-Crossing (Guadalupe River Trail)

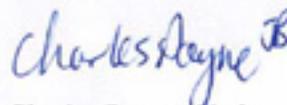
Honorable Mayor and City Council:

As Chair of the City of San José's Bicycle Pedestrian Advisory Committee (BPAC), I'm writing to express BPAC's support for the December 5, 2006 Council Agenda item 5.6 (Airport Parkway Undercrossing). BPAC requests that City Council approve this item so that a key gap in the Guadalupe River Trail will be filled.

San José bicyclists and pedestrians have long sought a north-south trail connecting the downtown area with north San José and neighboring communities. While the existing Guadalupe Trail runs from downtown San José to the airport area, the Airport Parkway bridge creates a barrier for continued bike and pedestrian travel to the north. Approval of the Airport Parkway undercrossing will address this problem and remove this trail barrier. It will benefit not only recreational trail users and commuters passing through the area, but also Airport workers who bicycle or walk to and from the airport. Closing this gap will provide safe routes to school, jobs, housings, and shopping, as well as create recreational opportunities. For a relatively small investment, this project will permit people to enjoy a continuous trail experience, extending over 8 miles as it links the Guadalupe River Park to the Hwy 237 Bikeway and the developing Bay Trail.

San José City Council has already identified the Guadalupe River Trail as a high priority for bicyclist and pedestrian accommodation through its inclusion in the VTA's Bicycle Expenditure Plan. Approval of this item will be in harmony with San José's Lower Guadalupe River Trail Master Plan, which Council approved in June 2005. Please approve this item so this high priority project can be constructed. For additional information, contact John Brazil (408-975-3206), City staff liaison to BPAC.

Sincerely,



Charles Payne, Chair  
Bicycle Pedestrian Advisory Committee  
City of San José

Copy: City Manager's office  
DOT Director's office  
Bike/Ped Program Coordinator