



COUNCIL AGENDA: 6-24-08

ITEM: 2.31

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Albert Balagso

SUBJECT: ACCEPT GRANT FROM
CALIFORNIA COASTAL
CONSERVANCY FOR PENITENCIA
CREEK TRAIL REACH 6

DATE: 06-02-08

Approved

Date

6/10/08

COUNCIL DISTRICT: 4
SNI AREA: N/A

RECOMMENDATION

Adoption of a resolution authorizing the City Manager to accept up to \$150,000 in grant funding and to negotiate and execute all documents related to the grant funding from the California Coastal Conservancy for the Penitencia Creek Trail Reach 6 (King Road to Mabury Avenue) project.

CEQA: Mitigated Negative Declaration PP03-04-134.

OUTCOME

City Council approval of the recommended action will authorize the City Manager to accept, and negotiate and execute a grant agreement, and all related documents, with the California Coastal Conservancy (the "Conservancy") for the acceptance of grant funds of up to \$150,000 for the Penitencia Creek Trail Reach 6 project ("Project"). Acceptance of the grant funds from the Conservancy will support construction of the 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. Penitencia Creek Trail is identified in the Greenprint.

On March 5, 2002, voters passed Proposition 40, the "California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002". The passage of Proposition 40 provided funds for local assistance grants for development, restoration, and acquisition of state and local parks, recreation areas and historical resources, and for land, air, and water conservation programs.

A master plan prepared in June 1967 defined the Penitencia Creek Park Chain as extending from Alum Rock Park to Coyote Creek. The chain included trails and park amenities.

On August 26, 2003, the City Council approved the Penitencia Creek Park Chain Reach 6 Master Plan ("Master Plan"). The Master Plan defined park improvements within the 33 acres of land generally between Jackson Avenue and King Road, a continuous trail was identified within these limits. Trail improvements exist within the Penitencia Creek Park (County Park) from Jackson Avenue to Mabury Road. Along Mabury Road, trail users follow existing sidewalk for a distance of approximately 1,800 linear feet (0.31 miles). An undeveloped area along the creek bank extends from Mabury Road to King Road. This area is the subject of this memorandum.

In 2005-2006 funding totalling \$200,000 was allocated for development of Penitencia Creek Trail system. During 2005-2006 and 2006-2007 a total of \$140,000 was expended to address a funding shortfall with Reach 2 and complete construction documents for Reach 6 and an additional \$60,000 is available in the current year for these costs.

On December 5, 2007, staff submitted a grant application to the Bay Area Ridge Trail Council (the "BARTC"). The application sought grant funds for the construction of the Project. The BARTC was formed through a partnership between the Greenbelt Alliance, the East Bay Regional Park District, and the National Park Service. Greenbelt Alliance is a non-profit organization dedicated to establishing a permanent greenbelt in the Bay Area and served as the original fiscal agent for what would become a separate, independent nonprofit organization, the BARTC. Today, the BARTC is responsible for the planning, promotion, designation, dedication, development and management of the Bay Area Ridge Trail. It works cooperatively with grant administrating agencies like the Conservancy to fund projects.

ANALYSIS

Staff determined that the trail alignment from King Road to Mabury Road was the only project ready to receive grant funds which met the anticipated grant award and agency guidelines.

1. The BARTC seeks to fund trail development along the area's ridgeline. Acknowledging that this effort is a long-term goal, BARTC has defined "valley floor" alignments to offer trail users more immediate access to a continuous trail system. Within San José, Penitencia Creek Trail and portions of Coyote Creek Trail (from Penitencia Creek to Hellyer Avenue) are defined as valley floor alignments. These two systems are solely eligible for the BARTC's grant program.

2. The prioritization process and grant-seeking process used by staff to recommend projects for local and grant funding strategically identifies projects that are ready for immediate development. The Project has completed construction documents and permits. No other reach of the Penitencia Creek Trail or Coyote Creek Trail systems are in a similar state of development.
3. The grant application process ranks a project more highly if they link to existing trails, and have documented high usage, proximity to schools, transit and commercial developments. In the City's application, each of these points was well documented in presenting the Reach 6 project for funding.
4. The BARTC's grant program had a limited amount of funding to distribute. Considering past awards and the current funding level, staff believed that the grant request of \$175,000 would be competitive. Of the \$175,000 requested, staff was seeking \$25,000 to support project management changes to be incurred by the Department of Public Works.

In February 2008, staff was notified that the BARTC's Executive Committee voted to endorse the City's grant request. This endorsement was carried forward to the Conservancy which functions as the grant administrator. The Conservancy Staff reviewed the endorsements and determined that its grant funding source could only permit a grant award of \$150,000 to the City. The Conservancy does not fund project management costs. This reduced amount may impact the City's ability to bid, award and manage the construction project, and therefore additional local funding support may be necessary. Acceptance of this grant award from the Conservancy will commit the City to find additional funding to complete the Project. Per the engineering estimate for the project, it is anticipated that the total project cost is \$398,055, of which the City has provided \$130,200. If the \$150,000 grant is secured, it is anticipated that the City will need \$117,855 in additional funding.

Acceptance of the grant award would require the City to satisfy certain conditions. Below is a summary of the main conditions:

1. City Council resolution authorizing the execution of a grant agreement;
2. City construct approximately 0.3 mile trail with an all-weather trail service, 8-foot wide, made of asphalt concrete for about 33% of its distance, and the remaining trail will surface will be hard-packed gravel;
3. City provide any additional funds required to complete the Project;
4. City have a contingency plan in the event backup funds are required to complete the Project;
5. City commence construction and complete the Project within a reasonable time;
6. City install and maintain a sign from the nearest public roadway identifying the project, acknowledging the Conservancy assistance, displaying the Conservancy's logo, and directing the public to the Project;
7. City shall maintain and operate the trail for at least 20 years;

8. Final Disbursement will be withheld until the signs are installed as approved by the Conservancy.

As the construction documents were being completed, staff conveyed to Council District 4 office staff that it would actively seek grant funding to off-set the cost of construction. This approach is consistent with all trail projects. Trails at this level of development are the highest priority for grant seeking efforts. Once bids are secured by the Department of Public Works, staff will be able to report back to the Council District 4 office regarding the need for supplemental local funding. A subsequent Council memorandum would seek the necessary appropriation and permit the award of a construction contract.

The grant program is administered on a reimbursement basis. The Conservancy staff reports that invoices are paid with 10% withheld. Upon acceptance of the completed project, the remaining balance is returned to the City.

EVALUATION AND FOLLOW-UP

Construction of the trail alignment defined by the Master Plan delivers 1,800 linear feet (0.34 miles) of trail contributing to the Greenprint's goal for development of a 100-mile trail network.

POLICY ALTERNATIVES

Alternative #1: Decline to accept grant funds.

Pros: Permits staff to pursue potentially larger source of grant funding.

Cons: Inconsistent with the City Council's direction to pursue grant funding.

Reason for not recommending:

May have some impact on the City's ability to pursue funds from this same grant source as they may no longer be available.

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)**

This item does not meet any of the above criteria. A copy of this memorandum will be posted to the City's website for the June 24, 2008 City Council Agenda.

Development of the project included the following outreach:

- A community outreach meeting was conducted as part of the master planning process. The meeting was held on January 10, 2002. Input was received and changes were made to the Master Plan based on community input. The resulting Master Plan was presented to the Parks and Recreation Commission on June 18, 2003. The Master Plan was adopted by the City Council on August 26, 2003.
- The construction documents were developed based on the alignment defined by the Master Plan. A Technical Advisory Committee (TAC) was formed to review technical aspects of the Project. A community leader and representative from a neighborhood Homeowners Association were participants on the TAC.

COORDINATION

This memorandum has been coordinated with the Department of Public Works, City Attorney's Office, Council District 4 Office, and the City Manager's Budget Office.

FISCAL/POLICY ALIGNMENT

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

COST SUMMARY/IMPLICATIONS

The grant program reimburses at a rate of 100%. City acceptance of this grant award from the Conservancy would require the City to provide at least \$117,855 to complete the Project. At the time of award of a construction contract, staff will report in a Council Memorandum the need for any additional non-reimbursable local funding to permit the award. Should the Council determine not to appropriate the additional funding necessary, the executed grant includes a provision for termination by providing a 7 day notice. No expenses tied to the grant would occur until the Council appropriates funds for award of a construction contract.

Completion of the project will result in 1,800 linear feet (0.34 miles) of trail. The trail will require \$4,100 for annual maintenance. This figure is derived from a baseline annual figure of \$12,050/mile. An additional \$750 will be required annually to support the fractional cost of trail patrol staff monitoring the trail system. This figure is derived from a baseline annual figure of \$2,200/mile.

BUDGET REFERENCE

The table below identifies the fund and appropriations proposed to fund the contract recommended as part of this memorandum and remaining project costs, including project delivery, construction and contingency costs.

Fund #	Appn #	Appn. Name	Total Appn.	Amt. for Contract	2006-2007 Adopted Budget Page	Last Budget Action (Date, Ord. No.)
391	4630	TRAIL: Penitencia Creek/King Road Crossing	\$60,000		V-551	10/16/07 Ord No. 28143
		Total	\$60,000			

* Trail system funding initially totaled \$200,000. A total of \$140,000 was expended for encumbered in 2005-06 and 2006-07.

CEQA

CEQA: Mitigated Negative Declaration PP03-04-134.



ALBERT BALAGSO
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and Neighborhood Services

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