



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Albert Balagso

SUBJECT: SEE BELOW

DATE: 09-08-08

Approved

Date

9/16/08

COUNCIL DISTRICT: 3, 4
SNI AREA: N/A

SUBJECT: APPLICATION FOR LOCAL ASSISTANCE FUNDS FROM THE STATE OF CALIFORNIA UNDER THE RECREATIONAL TRAILS PROGRAM FOR THE TRAIL: LOWER GUADALUPE RIVER REACH E PROJECT

RECOMMENDATION

1. Adoption of a resolution authorizing the City Manager to submit an application for local assistance funds of up to \$500,000 from the State of California, Resource Agency, Department of Parks and Recreation (DPR) under the Recreational Trails Program to be used for the TRAIL: Lower Guadalupe River Reach E Project.
2. Authorize 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, PP04-323

OUTCOME

City Council approval of the recommended action will authorize the City Manager to apply for grant funding, accept the grant, negotiate and execute a grant agreement with the State of California for the use of local assistance grant funds available under the Recreational Trails Program grant program administered by the DPR.

Staff would seek additional City Council authorization for the award of a construction contract for the TRAIL: Lower Guadalupe River Reach E project. The funds, in combination with existing federal funding sources will permit construction of trail improvements between Highway 101 and Interstate 880.

BACKGROUND

The Recreational Trails Program (RTP) was originally established under the Federal Transportation Equity Act for the 21st Century and has been reauthorized under Public Law 109-59, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) enacted August 10, 2005. The SAFETEA-LU legislation provides \$286.4 billion in guaranteed funding for Federal surface transportation programs over five years through Fiscal Year 2009.

The SAFETEA-LU legislation included a \$6,400,000 earmark for San Jose to develop the Lower Guadalupe River Trail system from Gold Street to Highway 880.

The City Council approved the Lower Guadalupe River Trail Master Plan on June 21, 2005 (item 2.14). The plan defined a 6.4-mile trail system composed of five reaches. Reach E is from Highway 101 to Interstate 880.

On February 14, 2006, a Joint Trails Agreement was executed between the City and the Santa Clara Valley Water District (SCVWD). The agreement permits development of an interim trail between Gold Street and Highway 880. The gravel trail is now open to the public. The agreement acknowledges future construction of a paved trail using the same alignment.

In March 2008, the City received notification it could proceed with preparation of construction documents and National Environmental Protection Act (NEPA) documents for the Lower Guadalupe River Trail system. The balance of earmarked funds remaining will be used for partial construction of the paved trail.

ANALYSIS

In last year's grant cycle, DPR awarded 17 grants ranging from \$33,000 to \$660,000. During this cycle, it is anticipated that the State of California will fund a similar number of projects between the same range. The City's grant application of up to \$500,000 is deemed to be competitive because it falls within the historical funding range and meets the program's objective to develop a multi-use recreational trail.

The RTP program requires that agencies meet the following requirements:

Requirement	Addressed in the following manner:
Compliance with the National Environmental Policy Act (NEPA) and documentation	NEPA is being prepared at this time with existing SAFETEA-LU funding earmarked for the Lower Guadalupe River Trail project.
Completion of the National Historic Preservation Act of 1966 process and documentation	Staff is currently complying with HHPA as NEPA is being prepared as part of project work already funded by SAFETEA-LU funds. Documentation should be complete by December 2009.

Provide a 12% match which is committed at the time of the application.	The required match has been identified through local City funds.
Listing of the project on either the State Transportation Improvement Plan (STIP) or a local Transportation Improvement Plan (TIP), as applicable	The Lower Guadalupe River Trail is listed in the TIP.
Copy of the Resolution adopted by the City Council authorizing the application	The resolution is being drafted by the City Attorney and will be signed by the City Clerk as part of this City Council action.
Evidence of compliance with the California Environmental Quality Act (a CEQA Certification Form)	CEQA was secured as part of the City Council-approved June 2005 master plan for the trail system.

The master plan approved by the City Council in June 2005 indicated that \$19,376,000 would be required for construction of the trail system. SAFETEA-LU will partially fund construction of the trail system. The current plan is to extend the paved trails within the Guadalupe River Park northward. With available funding, it is expected that the paved trail system would extend from Interstate 880 to Montague Expressway. Developing the trail in this manner builds upon the existing trail system and improves access to the Airport. Securing funds through the RTP makes it feasible to leverage existing dollars for trail development further northward. Additionally, the northern reaches of the trail system are near planned housing developments and offer the potential for use of PDO/PIO funds to address the funding shortfall.

This Council action pertains specifically to Reach E instead of the entire trail system for competitive purposes. The granting agency will be able to document a meaningful project with its investment as opposed to playing a minor role in funding a much larger project. Staff can also show existing and anticipated commuting benefits from trail development along the Airport frontage and use photographs of the airport's construction in grant request documents to reinforce that this area of the river is being entirely redeveloped to significantly improve transportation options.

The RTP is funded through the Federal Transportation Bill. This is also the case with SAFETEA-LU earmark funds. Federal funding requires that the City prepare NEPA documentation. The documentation requires numerous studies beyond what is typical in satisfying California Environmental Quality Act (CEQA). The additional studies and related reviews can add about 1 year to a project's schedule and increase the cost of project delivery. Because the RTP's anticipated grant award is relatively small, staff reviewed trail projects under development that are already making use of federal funds. In this way, additional federal funds would be grouped and not unnecessarily delay projects that could otherwise proceed more quickly and cheaply. At this time, the Lower Guadalupe River Trail system is the only trail project supported with federal funds that will be able to proceed to construction within 2 to 3 years. Federally funded planning and design work along the Coyote Creek and Bay Trail respectively do not have identified funds for construction. Therefore, the Lower Guadalupe

River Trail Reach E project is the only competitive candidate suitable for construction dollars through the federally-funded RTP.

Staff anticipates that construction documents and NEPA documentation will be completed by Fall of 2009. At that time, construction permits will be secured and the RTP funds would be combined with available SAFETEA-LU funds to proceed with construction of paved trail improvements within Reach E. Staff would seek City Council approval for award of a construction contract.

POLICY ALTERNATIVES

Alternative #1: Do Nothing

Pros: Does not require staff time in the preparation of an application package.

Cons: Inconsistent with City Council's approach of seeking grant funds to develop projects when feasible.

Reason for not recommending:

The project is well suited for this funding source and not pursuing funds would be inconsistent with the Council's preferred approach.

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)**

This action does not meet any of the criteria above. The Council-approved Lower Guadalupe River Trail Master Plan is posted on the Trail Program website. Additionally, this memo will be posted on the City's website for the September 30, 2008 City Council Agenda.

COORDINATION

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

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 IMPLICATIONS

The total project cost is \$2.4 million. Funds for the project come from various sources, including:

SAFETEA-LU Grant	\$1,350,000
Park Trust Fund	555,000
RTP Grant	500,000
Council District 4 Construction and Conveyance Tax	<u>86,000</u>
TOTAL	\$2,491,000

Matching funding of 12% of the total project cost is required for the RTP grant application. The City is providing the required match for the RPT grant in the amount of \$288,600 from SAFETEA-LU grant funds.

OPERATING COST: The net impact to the General Fund for annual operating and maintenance of Reach E of the trail is projected to be \$29,000 annually starting in 2009-2010. This funding was not included in the 2009-2013 General Fund Forecast, released on February 29, 2008.

CEQA

Mitigated Negative Declaration, PP04-323


ALBERT BALAGSO
Director of Parks, Recreation,
and Neighborhood Services

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