



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Albert Balagso

SUBJECT: SEE BELOW

DATE: 11-24-08

Approved

Date

12/2/08

COUNCIL DISTRICT: 3, 4

SNI AREA: N/A

SUBJECT: GRANT APPLICATIONS FOR ENVIRONMENTAL ENHANCEMENT AND MITIGATION FUNDING FOR THE LOWER GUADALUPE RIVER TRAIL (SKYPORT DRIVE TO AIRPORT PARKWAY) AND HIGHWAY 237 BIKEWAY (ZANKER ROAD TO COYOTE CREEK) PROJECTS

RECOMMENDATION

Adoption of a resolution authorizing the City Manager, or designee, to:

1. Submit a grant application to the State of California Resources Agency in the amount not to exceed \$350,000 for Environmental Enhancement and Mitigation Program grant funding for construction of the Lower Guadalupe River Trail (Skyport Drive to Airport Parkway) project.
2. Submit a grant application to the State of California Resources Agency in the amount not to exceed \$350,000 for Environmental Enhancement and Mitigation Program grant funding for repair and reconstruction of the Highway 237 Bikeway (Zanker Road to Coyote Creek) project.
3. Accept any grant funds and to negotiate and execute any and all documents relating to the grant funding from the State of California Resources Agency for the Lower Guadalupe River Trail (Skyport Drive to Airport Parkway) project and Highway 237 Bikeway (Zanker Road to Coyote Creek) project.

CEQA: Mitigated Negative Declaration, PP04-323.
Exempt, PP08-195.

OUTCOME

Authorizes the City Manager, or designee, to submit two (2) grant applications and negotiate and execute any grant funding agreements or documents for reimbursable grant funds from the State of California Resources Agency for 1) construction of permeable pavement trail improvements along the Lower Guadalupe River from Skyport Drive to Airport Parkway, and 2) completion of construction documents for the Highway 237 Bikeway from Zanker Road to Coyote Creek.

BACKGROUND

The Environmental Enhancement and Mitigation Program (EEMP) was established by the State Legislature in 1989. It offers a total of \$10 million each year for grants to local, state, and federal governmental agencies and to nonprofit organizations for projects to mitigate the environmental impacts caused by new or modified state transportation facilities. Eligible projects must be directly or indirectly related to the environmental impact of the modification of an existing transportation facility (CA Constitution, Art. XIX, Sec.1) or construction of a new transportation facility. Grant funding through EEMP supports three (3) categories of projects: 1) Highway Landscape and Urban Forestry, 2) Resource Lands, and 3) Roadside Recreational. The final category supports trail development.

In 2000, the City Council adopted the "Greenprint: A 20-Year Strategic Plan for Parks and Community Facilities and Programs." The plan identified a goal of developing a 100-mile trail network. The Lower Guadalupe River Trail and Highway 237 Bikeway Trail systems contribute to achieving this goal. Over the past several years, the City has taken steps to develop both trail systems.

On October 30, 2007, the City Council adopted the Green Vision, a fifteen-year plan to transform San José into a world center of Clean Technology innovation, promote cutting-edge sustainable practices, and demonstrate that the goals of economic growth, environmental stewardship and fiscal responsibility are inextricably linked. Goal 10 of the vision is to provide a 100-mile network of interconnected trail systems.

Lower Guadalupe River Trail

On June 22, 2005, the City Council adopted a master plan for the Lower Guadalupe River Trail, from Gold Street to Highway 880. The plan defined a 6.4 mile paved trail system. In 2007, the existing gravel maintenance road opened as an "interim" trail. In December 2007, construction of under-crossings at Airport Parkway and Highway 101 were completed, resulting in continuous access along this part of the trail system.

On February 26, 2008 (Item 5.2), the City Council appropriated funds in order to make use of SAFETEA-LU earmark funds for partial development of the Lower Guadalupe River Trail. The appropriation will support:

- Federal environmental (NEPA) documentation; and
- Construction documents from Highway 880 to Gold Street (6.4 miles)

Highway 237 Bikeway

The path from Zanker Road to Coyote Creek along the south side of the highway was developed approximately ten (10) years ago as a temporary facility. A bikeway along the south side served as the ultimate facility and mitigated for loss of bicycle and pedestrian access along former San Jose-Milpitas Road. As Caltrans completed the highway and bikeway, the north side temporary path remained in place and in constant use. The facility was never turned over to the City as it was only intended as a temporary route. Over the years, it has seriously degraded and City staff routinely receive complaints about the path. As a facility not recognized by the City and, therefore, not funded for maintenance, there are no resources to respond to community calls. Construction of a permanent bikeway along the north side will support bicycle commuting and recreational access to the Alviso community, Water Pollution Control Plant and other area employers.

ANALYSIS

An informational memorandum dated August 26, 2003 was provided to the City Council defining the Prioritization Process and Grant-Seeking Process utilized by PRNS staff to propose candidate projects as part of the Annual Budget Process. A subsequent informational memo dated October 29, 2004 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.

The EEMP provides grants of up to \$350,000 for any single project. This level of funding is relatively small for trail projects. The cost to design and construct a trail project is approximately \$3,000,000 per mile. As a result, staff reviewed prioritized projects carefully for projects with a smaller and well defined scope that could compete well and align with the EEMP goals pertaining to Roadside Recreation.

A conversation with State of California staff about the EEMP identified four (4) points that make for a competitive grant application:

1. Project must have approved California Environmental Quality Act (CEQA) documentation.
2. Scope is well defined and results in a completed project.
3. Project is well justified by planning documents and supporting data.
4. Project is sufficiently developed so that construction may commence immediately upon receipt of an executed grant agreement.

Of the many trail projects considered for funding, two (2) projects are of a suitable scale and level of development for the immediate acceptance of grant funding through the EEMP:

Project	Lower Guadalupe River Trail (Skyport Drive to Airport Parkway)
CEQA	Mitigated Negative Declaration, PP04-323
Scope	Install 0.37 mile of permeable Portland cement concrete to minimize impacts from storm water run-off, permit development of specification documents for future installations, and confirm suitability of material for future trail development.
Plans/Data	Approved master plan. Trail Count 2007 documents high usage of existing interim trail. Trail system offers a parallel bicycle route along the Highway 87 corridor – which is consistent with the mitigation goal for the grant program.

Project	Highway 237 Bikeway (Zanker Road to Coyote Creek)
CEQA	Exempt, PP08-195
Scope	Repair and reconstruction a 1.1 mile paved pathway.
Plans/Data	Maintenance work orders to support repair and reconstruction work. Project links to the Coyote Creek Trail and other reaches of the Highway 237 Bikeway, offering access to north San Jose residential and commercial developments, and addresses loss of bicycle access, which is consistent with the mitigation goal of the grant program.

Pursuant to the EEMP grant guidelines, the City must meet all of the following conditions:

Condition	Means to Address
Establish and demonstrate a direct or indirect relationship to the environmental impact of modifying an existing transportation facility or construction of a new transportation facility	<ul style="list-style-type: none"> Lower Guadalupe River Trail project improves the condition of an existing active transportation trail (documented to carry nearly 1,000 users per day, 58% commuters). Highway 237 Bikeway was identified as mitigation for lost pedestrian/bicycle access in the Highway 237 EIR.
Provide mitigation or enhancement in addition to the mitigation required as part of the transportation facility to which they are related. <u>Project cannot supplant mitigation required of the Related Transportation Facility</u>	<ul style="list-style-type: none"> Pavement of the Lower Guadalupe River Trail improves its viability of a commuting corridor and links to the Highway 87 Bikeway (south of Willow Street). Highway 237 Bikeway adds an additional link to the existing bikeway system, supplementing the initial mitigation.
Mitigation, if in or near the right-of-way, must be compatible with and not interfere with the operation or safety of the transportation facilities.	<ul style="list-style-type: none"> Neither project impacts the operation of the adjacent “transportation facility” (Highways 87 and 237)

Projects must be completed prior to April 30, 2011.	<ul style="list-style-type: none">• Sufficient design and environmental review have occurred to permit construction and project delivery within the grant program's guideline.
Mitigation must not limit currently planned or anticipated future improvements to the transportation facility.	<ul style="list-style-type: none">• Both projects are documented in the City's Greenprint and North San Jose Plan and do not limit the adjacent "transportation facilities".

As part of the grant application process with the State, the City Council is required to adopt a resolution making certain assurances and in a form substantially similar to the attached sample resolution.

Use of permeable pavement along the Lower Guadalupe River will permit staff to study the effectiveness of the material and prepare specifications for future applications as the City seeks to address storm water mitigation as part of trail development.

EVALUATION AND FOLLOW-UP

The projects are discussed in the Trail Program Annual Report which is published on or before July 1 of each year.

POLICY ALTERNATIVES

Alternative #1: Do not accept supplemental funding.

Pros: Permits staff to proceed with project as currently funded, reduces paperwork and inter-agency coordination.

Cons: City loses opportunity to increase necessary funding for future construction of the trail project.

Reason for not recommending:

Approach is inconsistent with current City Council policy to utilize state grants and earmarks, as well as construction of a 100-mile trail network.

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 memorandum does not meet any of the defined Criteria above but will be posted on the City's website for the December 16, 2008 City Council meeting.

COORDINATION

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

FISCAL/POLICY ALIGNMENT

These projects are consistent with the Council-approved Budget Strategy Economic Recovery section. In the future should the Council appropriate funds for construction, the project will spur construction spending in our local economy. Additionally, the projects are consistent with the Greenprint objective of delivering a 100-mile Trail Network.

COST SUMMARY/IMPLICATIONS

1. TOTAL PROJECT COST	\$762,000
Consultant Contract	\$150,000
Non-Reimbursable expenses (Overhead charges)*	\$ 62,000
Project Management	\$ 60,000
Project Construction	\$490,000
TOTAL PROJECT COST	<u>\$762,000</u>
2. SOURCE OF FUNDING:	EEMP Grant(s) (\$700,000)

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3. OPERATING COSTS: Completion of the projects will result in 1.17 miles of paved trail. The Department anticipates that the projects will be operational in 2010-2011 and will require \$14,098 for annual maintenance and \$2,574 will be required to support the fractional cost of trail patrol staff monitoring the trail system for a total General Fund impact of \$16,672 annually. This funding was not included in the 2009-2013 General Fund Forecast released on February 29, 2008. Staff will continue to pursue options for addressing this cost, including Public-Private Partnerships.

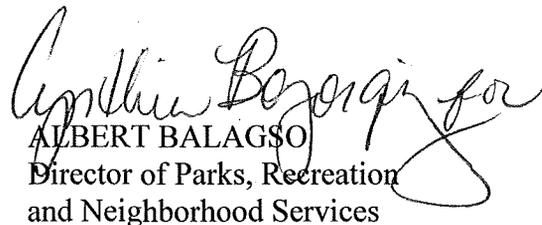
FISCAL IMPACT:

Receipt of EEMP funds requires no local match funds; however, City staff anticipates a total of \$62,000 being required for non-reimbursable project management costs. The funding source for these costs will be determined in the 2009-2010 budget process.

Since grant funding is received on a reimbursement basis, if the proposed project is selected, a recommendation will be brought forward for City Council consideration to front the money from another City funding source. The City would then be reimbursed for eligible expenditures as they occur, and the borrowed funds would be replenished accordingly.

CEQA

Lower Guadalupe River Trail: Mitigated Negative Declaration, PP04-323.
Highway 237 Bikeway: Exempt, PP08-195.


ALBERT BALAGSO
Director of Parks, Recreation
and Neighborhood Services

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