



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Albert Balagso

SUBJECT: SEE BELOW

DATE: 11-24-08

Approved

Date

12/1/08

COUNCIL DISTRICT: 10
SNI AREA: Hoffman / Via
Monte

**SUBJECT: GRANT APPLICATIONS FOR THE GUADALUPE CREEK TRAIL
(ALMADEN EXPRESSWAY TO MERIDIAN AVENUE)**

RECOMMENDATION

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

1. Submit a grant application in an amount not to exceed \$900,000 under the River Parkways Grant program administered by the State of California Resources Agency ("Resources Agency") for the Guadalupe Creek Trail (Almaden Expressway to Meridian Avenue) ("Project").
2. Submit a grant application in an amount not to exceed \$225,000 to the Santa Clara Valley Open Space Authority (OSA) for the Project to serve as a 20% local fund match for the River Parkways Grant application to the Resources Agency.
3. Accept any grant funds awarded to City and to negotiate and execute all necessary documents related to the grant awards.

CEQA: Negative Declaration: PP03-04-110.

OUTCOME

City Council approval of the recommended actions will authorize the City Manager, or designee, to apply for grant funding for the Guadalupe Creek Trail (Almaden Expressway to Meridian Avenue) project, accept any grant funds awarded to City, and negotiate and execute any

necessary documents with the Resources Agency and OSA for acceptance and use of grant funds for the Project.

The grant funding will support preparation of construction documents and construction of 0.82 miles of paved trail along the north bank of Guadalupe Creek.

EXECUTIVE SUMMARY

The State of California is releasing funding in the amount of approximately \$30.9 million (2008-2009) to the Resources Agency to award funds for the River Parkways Grant. The grant program is meant to support projects that acquire, restore, protect and develop river parkways in accordance with the California River Parkways Act of 2004. City will be submitting two grant applications for the Guadalupe Creek Trail (Almaden Expressway to Meridian Avenue) project to construct 0.82 mile of paved trail. The first grant application will be in an amount not to exceed \$900,000 to the Resources Agency. The State grant program looks more favorably at grant submissions that include a local match. Therefore, staff recommends submitting a second grant application to the OSA to serve as a 20% local match (\$225,000) for the Project. Both grants permit reimbursement of allowable expenses. If the proposed project is selected for grant funding, 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.

BACKGROUND

California voters passed the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 – Proposition 84. It added to the Public Resources Code, Section 75050, authorizing the Legislature to appropriate a sum of \$62 million to the Resources Agency for the acquisition, restoration, protection and development of river parkways in accordance with the California River Parkways Act of 2004.

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.

On June 15, 2004, the City Council approved a master plan for the Guadalupe Creek Trail system. The trail system would link to the Guadalupe River Trail via a pedestrian bridge over Almaden Expressway, and continue southwesterly to the County’s Quicksilver Mines Park.

On June 27, 2007, after execution of a Joint Trail Agreement with the Santa Clara Valley Water District, the City formally opened an interim trail along Guadalupe Creek from Almaden Expressway to Meridian Avenue. The trail makes use of the existing gravel maintenance road used by the Water District to maintain the creek and adjacent ponds. Seeking grant funds will

permit the design and construction of paved trail improvements to enhance access for recreation and commuting.

In October 2007, the City Council adopted the Green Vision which established Goal 10 as the development of a 100-mile interconnected network of trails. The Guadalupe Creek Trail was identified as one of the many trail systems that will contribute to the 100-mile network.

ANALYSIS

The River Parkways grant program is available through the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 - Proposition 84. This grant program is available to any local public agency or non-profit organization with projects that meet the guidelines under the program. The grants are awarded on a competitive basis. The fiscal year 2008-2009 will be the first round of funding under this program in which \$30.9 million is set aside for the River Parkways program.

To be eligible, a project must support two (2) of the following five (5) statutory requirements:

- **Recreation:** Provide compatible recreational opportunities, including trails for strolling, hiking, bicycling and equestrian uses along rivers and streams.
- **Flood Management:** Maintain or restore the open space character of lands along rivers and streams so that they are compatible with periodic flooding as part of a flood management plan or project.
- **Habitat:** Protect, improve or restore riverine or riparian habitat, including benefits to wildlife habitat and water quality.
- **Conversion to River Parkways:** Convert existing riverfront land into uses consistent with river parkways.
- **Conservation and Interpretive Enhancement:** Provide facilities to support or interpret river or stream restoration or other conservation activities.

The proposed grant application aligns the project strongly with the Recreation and Conservation and Interpretive Enhancement statutory requirements. The project will provide a paved surface for walking, biking and skating. Additionally, it links directly to Chris Hotts Park, one of the City's smaller pocket parks, thereby expanding access to recreation and expanding available open space. To meet the second requirement, the project will include an interpretive station that will provide seating and several interpretive signage panels recalling the cultures and influences that have resulted in today's Silicon Valley.

City Council approval to submit an application to the Resources Agency, for the California River Parkways Grant program funding, commits the City to the following:

Commitment	Approach for Addressing
Maintain and operate the property for which the grant is received pursuant to the grant for a period of at least 20 years (for grants up to \$1million).	It is the City's intent to maintain the trail (consistent with executed Joint Trail Agreement with the Water District and similar to other park facilities) in accordance with the requirements of the grant.
Have sufficient funds to operate and maintain the project.	The City Council authorized funding as part of the Annual Budget Process for maintenance of the existing trail. With award of a construction contract, staff will make the Council aware of additional costs associated with maintenance of a paved trail and interpretive station.
Seek written approval from the State of California, through the Resources Agency, prior to entering into an agreement with another party to maintain and operate the property in accordance with the grant program.	Trails are maintained by the Department of Parks, Recreation and Neighborhood Services. Should the Council determine that another party would maintain the trail; staff would report this to the Resources Agency per the terms of the agreement.
Seek written approval from the State of California, through the Resources Agency, prior to the sale or transfer of the property for which the grant is received.	The City has a 25 year agreement with the Water District for use of the Guadalupe Creek as a joint trail facility. The Resources Agency is made aware of this agreement as part of the grant application.
Seek written approval from the State of California, through the Resources Agency, prior to allowing the use of any portion of the property for mitigation (i.e., to compensate for adverse changes to the environment elsewhere).	The City has access to the alignment for trail purposes only per the Joint Trail Agreement with the Water District. The Resources Agency is made aware of this agreement as part of the grant application.
City shall not allow the use of any portion of the property as security for any debt.	The City has access to the alignment for trail purposes only per the Joint Trail Agreement with the Water District. The City does not hold title to the land to use it as security for any debt.
Provide local matching funds of at least 10% to be more competitive.	The funding plan proposes \$225,000 in matching local funds from the Open Space Authority that will require approval by its board.
River Parkways funding will be fixed at the award amount and, therefore, any cost increase will be incurred by the City.	Consistent with other grant programs, the City will address funding shortfalls, if any, through local and other grant sources.

Commitment	Approach for Addressing
Comply with any laws and regulations that apply to development projects including, but not limited to, the California Environmental Quality Act (CEQA), legal requirements for prevailing wages, building codes, health and safety codes, and disabled access laws.	This requirement is consistent with City policies and practices.
Obtain all applicable permits prior to commencement of construction.	This requirement is consistent with City policies and practices.
Comply with all provisions of Section 1771.5 of California Labor Code.	This requirement is consistent with City policies and practices.
Complete the project as described in the application.	The scope and cost estimate provided with the grant application leads to completed project.
City will advance its own funds to complete the project.	This is consistent with City practice when receiving grant funds that are on a reimbursement schedule. Funds to advance the cost of the project will be appropriated through the normal budgetary process. The City will request reimbursements for expenses incurred on a quarterly basis, or sooner if necessary, to replenish the City fund that advances the money.
Compliance with the funding deadlines.	Project must be completed by the deadline in order to receive full funds awarded. The schedule for project delivery is consistent with the grant program deadline.

An informational memorandum was provided to Council on August 26, 2003 defining the Prioritization Process and Grant-Seeking Process utilized by 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 36 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:

Criterion	Justification
Approved Development Priority	The Guadalupe Creek Trail system is listed in the Greenprint. The project is referenced as a desired amenity in the Hoffman Via Monte SNI Plan.
Grant Alignment	The Project aligns well with the criteria required for funding as part of the California River Parkway Grant Program; it results in recreational and interpretive improvements.
Inter-Connectivity	The Project leads directly to the Chris Hotts Park. It also has the potential to connect to the Los Alamitos and the Guadalupe River trails upon construction of a pedestrian bridge over Almaden Expressway (design work is underway, construction funding has yet to be identified).
Leveraging of Funds	Funds from the Open Space Authority are proposed to be used as local matching funds.
Operations and Maintenance	The construction uses recycled asphalt as base rock material for the trail. The trail design is consistent with other trails in the city making the O & M costs consistent with other projects in the network.
"Project Ready"	Council approved the Guadalupe Creek Trail Master Plan in 2004 and associated environmental document.
Safety & Security	Development of Master Plan occurred in partnership with the Police Department. The trail alignment permits the maximum visibility possible.

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. The City loses the opportunity to secure grant funds in the amount of \$1,125,000 and to build 0.82 mile of paved trail.

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

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 action meets criterion #1. This memorandum will be posted on the City's website for the December 16, 2008 Council agenda.

Community meetings occurred several years ago to discuss the pedestrian bridge and related trail system. Preparation of the Guadalupe Creek Trail master plan included a feasibility study for the bridge and community input was sought regarding its appearance. The master plan was approved by the City Council on June 15, 2004.

COORDINATION

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

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 City's application to the Resources Agency includes matching funds in the amount of \$225,000 from the Santa Clara Valley Open Space Authority as shown below. If the proposed project is selected for grant funding from OSA and the Resources Agency, 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.

1. TOTAL PROJECT COST	\$1,190,000
Pre-Construction	\$150,000
Project Delivery	\$325,000
Construction	\$650,000
Contingency	\$ 65,000

TOTAL PROJECT COST

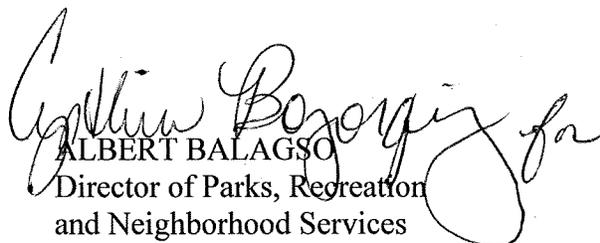
\$ 1,190,000

2. SOURCE OF FUNDING: River Parkways Grant (\$900,000)
Open Space Authority (\$225,000)
City Contribution \$65,000 (funding source will be identified as part of the 2009-2010 budget process)

3. OPERATING COSTS: Completion of the project will result in 0.82 miles of paved trail, and is anticipated to be operational in 2010-2011. The trail will require \$9,880 for annual maintenance, and \$1,804 to support the fractional cost of trail patrol staff monitoring the trail system, for a total annual impact of \$11,684 to the General Fund. This funding was not included in the 2009-2013 General Fund Forecast, released on February 29, 2008. Staff will continue to pursue options to minimize the General Fund impact of this obligation, including establishment of new Public-Private Partnerships.

CEQA

Negative Declaration: PP03-04-110


ALBERT BALAGSO
Director of Parks, Recreation
and Neighborhood Services

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

Attachment: Resolution