



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Albert Balagso

SUBJECT: SEE BELOW

DATE: 11-24-08

Approved

Date

12/1/08

COUNCIL DISTRICT: 3
SNI AREA: N/A

SUBJECT: GRANT APPLICATION IN THE AMOUNT NOT TO EXCEED \$2,500,000 FOR THE GUADALUPE RIVER PARK & GARDENS CIRCUIT PATHWAYS, NATIVE PLANT INSTALLATION AND INTERPRETIVE SIGNAGE PROJECT

RECOMMENDATION

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

1. Submit a grant application in an amount not to exceed \$2,500,000 under the River Parkways Grant program administered by the State Resources Agency (Resources Agency) for the Guadalupe River Park & Gardens Circuit Pathways, Native Plants Installation and Interpretive Signage project ("Project").
2. Accept any grant funds and to negotiate and execute all necessary documents related to the grant award.

CEQA: Negative Declaration PP08-253

OUTCOME

City Council approval of the recommended action will authorize the City Manager, or designee, to apply for grant funding for the Project, accept the grant, and negotiate and execute any necessary documents with the Resources Agency for acceptance and use of the grant funds for the Project. Grant funds will be used for the Project as follows: (1) to re-establish native plants in the area north of Taylor Street within the Guadalupe Gardens; (2) build approximately two (2) miles of circuit pathways; (3) install garden paths and entryways connecting existing amenities to the circuit pathways; (4) install up to two (2) strategically placed pedestrian entrances along

pathway in the Guadalupe River Park and (5) install interpretive signage educating visitors on the native plants. The grant application is an excellent opportunity to secure funds without any required matching contribution from the City. 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 the following:

- **River Parkways:** The 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.

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.

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 meets the guidelines under the program. The grants are awarded on a competitive basis.

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 Parks, Recreation and Neighborhood Services Department is seeking City Council authorization to submit a grant application in an amount not to exceed \$2,500,000 for the Project. The Project will satisfy the recreation enhancement and conservation and interpretive enhancement statutory requirements.

The April 2008 Draft Design Guidelines and Implementation Strategy for the Guadalupe Gardens is a refinement of the approved 2002 Master Plan. The guidelines spell out the vision and strategy for the next phases of development of the Guadalupe Gardens. The guidelines include analysis and specific proposals to improve the Guadalupe Gardens experience. The implementation strategy addresses an approach for activation and unification of the Guadalupe Gardens.

This plan includes the construction of approximately two (2) miles of circuit pathways in the area north of Taylor Street, installation of garden paths and entrances, reestablishing native plants, and installation of interpretive signage and two (2) strategically-placed pedestrian entrances along trails in the park.

The preliminary cost of this project is in the range of \$2,500,000. Staff anticipates seeking City Council approval for the award of a construction contract in February 2010.

When the project is completed, the City of San José will have built circuit pathways between Taylor and Hedding Streets allowing users to encounter, interact, and enjoy an unstructured landscape in the center of the urban environment and connect to the Guadalupe Trail System. The City will have reintroduced native plant species and enhanced interpretive signage through out the Gardens. The area of Guadalupe Gardens between Hedding and Asbury streets will now provide access to informal passive recreation in a naturalistic environment. The trails will connect the Gardens as a whole as well as strengthen links to the Guadalupe River Park and adjacent neighborhoods. The pedestrian entrances will encourage users of the river park to flow to the Guadalupe Gardens to use the new circuit pathways and enjoy other garden elements.

City Council approval to submit an application for and receipt of grant funds for the Guadalupe Gardens Project from the California River Parkways Grant Program 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 25 years (for grants over \$1 million).	It is the City's intent to maintain the Guadalupe River Park with the proposed improvements in accordance with the requirements of the grant.
Have sufficient funds to operate and maintain the project.	The operations and maintenance costs are incremental to the existing costs and are estimated to be \$65,000/year.

Commitment	Approach for Addressing
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.	It is the intent of the City to operate and maintain the property and to comply with this grant requirement should the need to contract with another party arise.
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.	Approval shall not be unreasonably withheld as long as the purposes for which the grant was awarded are maintained.
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).	It is the intent of the City to comply with this grant requirement should the need arise.
City shall not allow the use of any portion of the property as security for any debt.	The City shall comply with this requirement.
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 shortfall, if any, through local and other grant sources.
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.	Consistent with other grant programs.

Commitment	Approach for Addressing
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.

As part of the grant application process, the City is required to adopt a resolution in substantially the same form as the sample resolution provided in the grant guidelines and to make certain commitments, assurances, and certifications described above.

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 an opportunity to secure grant funds of up to \$2.5 million to build the circuit pathways, install native plants and interpretive signage in the Guadalupe Gardens with funding almost entirely from grant funds.

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)**

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- 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.

The Friends of Guadalupe River Park and Gardens continue to do outreach efforts in support of the Design Guidelines and Strategy Implementation for the Guadalupe Gardens. Extensive outreach was done as part of the process for the approval of the 2002 Master Plan.

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

While matching funds are not required for the River Parkways grant application, the City of San José will be in a better competitive position if there are matching funds of at least 5% of the project amount. Therefore, matching funds will come from an existing appropriation for staff performing project management functions.

1. TOTAL PROJECT COST	\$2,704,570
Pre-Construction	\$228,100
Project Delivery	\$433,220
Construction	\$1,903,250
Contingency	\$ 140,000
TOTAL PROJECT COST	\$2,704,570

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The project cost includes \$204,570 of non-reimbursable costs such as overhead costs and a portion of the management costs.

2. SOURCE OF FUNDING: River Parkways Grant (\$2,500,000)
City Contribution (\$204,570) (funding source will be identified as part of the 2009-2010 budget process).

3. OPERATING COSTS: The operating and maintenance impact related to this project has been reviewed and determined to be \$65,000/year beginning in fiscal year 2011-2012. Staff will continue to work with the Friends of the Guadalupe Park and Gardens to minimize the General Fund impact of this expense, including seeking Public Private Partnerships.

CEQA

Negative Declaration, PP08-253



ALBERT BALAGSO
Director of Parks, Recreation,
and Neighborhood Services

For questions, please contact Simeon Mercado, Project Manager, at (408) 793-5526.

Attachment: Resolution