



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Albert Balagso

**SUBJECT:** SEE BELOW

**DATE:** 03-16-09

Approved

Date

3/24/09

**Council Districts:** 3 and 6  
**SNI Areas:** Delmas Park  
Burbank/Del Monte

**SUBJECT: CONTINUATION AND EXTENSION OF GRANT AGREEMENT WITH SANTA CLARA VALLEY TRANSPORTATION AUTHORITY FOR THE LOS GATOS CREEK TRAIL REACH 5 PROJECT (AUZERAIS AVENUE TO WEST SANTA CLARA STREET)**

## RECOMMENDATION

Approval of a First Amendment to the grant agreement with Santa Clara Valley Transportation Authority (VTA) to continue and extend the grant agreement from September 30, 2006 to June 30, 2009 for receipt of Measure B Bicycle Program funds in the amount of up to \$500,000 for the feasibility and environmental studies completed for the Los Gatos Creek Trail Reach 5 project.

## OUTCOME

Approval of the recommendation in this memorandum will enable VTA to reimburse the City for eligible project expenses in the amount of up to \$500,000 for the completion of the feasibility and environmental phases of the Los Gatos Creek Trail Reach 5 project (Auzerais Avenue to West Santa Clara Street) (Project).

## BACKGROUND

VTA is administering the Bicycle Expenditure Program (BEP) consisting of a 10-year, \$32 million funding program for top priority projects in the Santa Clara Countywide Bicycle Plan. In order to take advantage of this grant funding opportunity, City Council adopted Resolution No. 72372 authorizing the City Manager to negotiate and execute grant agreements with VTA in the

amount up to \$2.4 million and with the Santa Clara County Open Space Authority (OSA) in the amount up to \$600,000 for the Project.

The budget to fully construct the Project is estimated at approximately \$3.0 million. In 2004, the City of San José (City) requested a \$2.4 million reimbursement grant from VTA under the BEP and a \$600,000 reimbursement grant from OSA to complete the Project. Of the \$2.4 million, VTA awarded the City a \$500,000 reimbursement grant and the parties executed a grant agreement on March 3, 2005. The VTA reimbursement grant was to be used for the feasibility and environmental studies for the Project.

Additionally, the City received a \$600,000 reimbursement grant from OSA as a twenty percent (20%) matching fund for the \$3.0 million Project. This amount was to be used for acquisition of land for the development of the Project. Unfortunately, the OSA reimbursement grant has not been used to date because of an unwilling seller. Staff is attempting to find alternative sources of funding for the acquisition.

Staff will continue to monitor and seek additional grant opportunities for the Project.

### **ANALYSIS**

On June 17, 2008 (Item 2.16), the City Council reviewed the Los Gatos Creek Trail Reach 5 Master Plan and adopted a resolution incorporating environmental mitigation measures as set forth in the Mitigation Monitoring and Reporting Program for the Project. Construction of the 0.9 mile Reach 5 Project would complete the Los Gatos Creek Trail within San José and link the trail system to existing reaches within the City of Campbell and the Town of Los Gatos. The alignment links the Guadalupe River Park near Santa Clara Street to Auzerais Avenue, providing direct access to the Guadalupe River Trail.

The City has completed the feasibility and environmental studies for the Project and now seeks reimbursement of up to \$500,000 from VTA. However, the grant agreement entered into between the City and VTA on March 3, 2005 expired on September 30, 2006. VTA has prepared and executed a First Amendment to the grant agreement to extend the grant agreement from September 30, 2006 to June 30, 2009. Once the First Amendment is approved and executed by City, VTA will reimburse City up to \$500,000 for certain eligible expenses for the feasibility and environmental studies completed and approved by City Council on June 17, 2008.

Staff recommends that Council approve the First Amendment to allow the City to be reimbursed by VTA for up to \$500,000.

### **EVALUATION AND FOLLOW UP**

Not applicable

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### **POLICY ALTERNATIVES**

**Alternative #1:** Do Nothing

**Pros:** Does not require staff time to pursue these funds.

**Cons:** Inconsistent with City Council's approach of utilizing grant funds to develop projects when feasible. The City loses an opportunity to recoup \$500,000 in expenses incurred towards the Los Gatos Creek Trail Reach 5 project.

#### **Reason for not recommending:**

The City will lose the opportunity to receive reimbursement for the expenses incurred on the Los Gatos Creek Trail Reach 5 project.

### **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)**

Although this item does not meet any of the special outreach criteria above, this memorandum will be posted on the City's website for the April 07, 2009 City Council agenda.

### **COORDINATION**

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

### **FISCAL/POLICY ALIGNMENT**

This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in the City's local economy.

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### **COST SUMMARY/IMPLICATIONS**

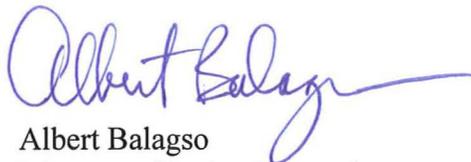
The \$500,000 in reimbursement funds will be recognized as revenue in Fund 384, Construction and Conveyance Fund (Council District 6).

With completion of the study and clearance, the City will seek additional grant funds (as and when they become available) for land acquisition, final design and construction of the Project. Staff will seek City Council direction in seeking additional funds as required to implement the Project fully.

Once completed, the operation and maintenance of the 1.16 mile Trail Reach (Reaches 5a, 5b, 5c, 5d, and 5e) is anticipated to cost approximately \$31,954 per year. This cost includes landscape maintenance costs for sub Reach 5a. The project is expected to be completed by January 2011.

### **CEQA**

Mitigated Negative Declaration, PP06-112.



Albert Balagso  
Director of Parks, Recreation  
and Neighborhood Services

For questions, please contact Matt Cano, Division Manager, at (408) 535-3580.

Attachment: Map

Attachment A

Los Gatos Creek Trail Reach 5 Map

# LOS GATOS CREEK TRAIL REACH 5

PROVIDES A KEY LINK BETWEEN:

LOS GATOS CREEK TRAIL REACH 4 (DEVELOPMENT UNDERWAY)

AND THE GUADALUPE RIVER TRAIL (UNDERWAY)

