



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Albert Balagso

SUBJECT: SEE BELOW

DATE: 05-24-10

Approved

Date

5-27-10

COUNCIL DISTRICT: Citywide

SNI AREA: n/a

**SUBJECT: GRANT APPLICATIONS FOR PROPOSITION 84 – NATURE
EDUCATION FACILITIES GRANT FUNDS**

RECOMMENDATION

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

- a. Submit grant applications for the four projects identified in Table 2 of this memorandum in the total amount not to exceed \$25,500,000 under the Nature Education Facilities Grant Program administered by the Office of Grants and Local Services (OGALS) within the California State Department of Parks and Recreation (DPR);
- b. Accept any grants funds awarded to the City for the limited purpose of completing CEQA clearance, and negotiate and execute all necessary documents to implement the grant awards to complete CEQA clearance;
- c. Return to Council at a future date for authorization to negotiate and execute all necessary documents to implement the grant awards.

OUTCOME

City Council approval of the recommendations in this memorandum will authorize the City Manager, or designee, to apply for Nature Education Facilities grant funding for the projects identified in Table 2 in this memorandum; accept any grants funds awarded to the City for the limited purpose of completing CEQA and to negotiate and execute all necessary documents to implement the grant awards to complete CEQA clearance; and return to Council at a later date for authorization to negotiate and execute all necessary documents to implement the grant awards.

EXECUTIVE SUMMARY

Reimbursable grant funding of approximately \$93 million is being made available state-wide through the Parks and Nature Education Facilities chapter in Proposition 84. This competitive grant program will provide grant funds for the construction and renovation of nature education facilities, buildings, structures and exhibit galleries that preserve collections, inspire and educate the public. Applications for funding will be sorted into five tiers based on grant amount with a minimum request of \$25,000 to a maximum request of \$7 million for each project. Applications are due to the DPR on or before July 1, 2010.

Staff is recommending four projects to be submitted for this grant. These projects have been carefully selected based on the grant guidelines and incorporate partnership opportunities with local non-profit agencies that can provide or are currently providing nature education to the residents in the City of San José.

BACKGROUND

On November 7, 2006, the voters approved the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84). Proposition 84 authorizes the state to sell \$5.4 billion in general obligation bonds for safe drinking water, water quality and supply, flood control, waterway and natural resource protection, water pollution and contamination control, water conservation efforts, and park improvements.

Chapter 8, Subsection 75063 (b) of Proposition 84 included \$93 million for competitive grants for nature education facilities. The intent of the grant program is to educate the public about the impacts of climate change and population growth which pose significant challenges to California's environmental resources. The Nature Education Facilities Program (Program) will award competitive grants for development projects that will increase public understanding and knowledge of California's resources.

On March 1, 2010, the Program application guide was released. The applications are due on July 1, 2010.

ANALYSIS

The Program is a competitive grant program that will provide funds for the development, including construction and renovation, of nature education facilities, buildings, structures, and exhibit galleries that present collections to inspire and educate the public. The Program will provide funds to projects that include focused learning about the natural environment that inspires environmental stewardship and meet one of the following objectives:

- Combine the study of natural science with preservation, demonstration, and education programs that serve diverse populations

- Provide collections and programs related to the relationship of Native American cultures to the environment
- Conduct marine wildlife conservation research

The following are the eligible project types:

- Facilities and buildings
- Exhibit galleries and interpretive exhibit space including freestanding interpretive exhibits (indoor or outdoor)
- Outdoor structures used for nature education, e.g., arbors, ramadas, pavilions
- Marine research facilities and marine research equipment

The grant performance period began on July 1, 2009 and extends to June 30, 2017. A total of \$93 million in funds is available for the Program. The minimum grant amount is \$25,000 while the maximum grant amount is \$7,000,000 for each project. The Program has five funding tiers, based on the grant amount requested as shown in Table 1. However, the funds listed for each tier are estimates only and may change based on the quality and quantity of applications received in each tier. In addition, the entire amount of reserve funds will be dispersed across the tiers to ensure sufficient funds are available to award quality projects statewide.

Table 1		
<i>Tier</i>	<i>Grant Request Amount</i>	<i>Total Awards</i>
A	\$3,000,001 to \$7,000,000	\$ 42,000,000
B	\$1,000,001 to \$3,000,000	\$ 24,000,000
C	\$500,001 to \$1,000,000	\$ 10,000,000
D	\$100,001 to \$500,000	\$ 5,000,000
E	\$25,000 to \$100,000	\$ 2,000,000
	Reserve Funds	\$ 10,000,000
	Total Funds Available	\$ 93,000,000

OGALS will assess the relative value of the wide range of project types eligible under this program. Applications will be reviewed within their respective tiers to allow projects similar in size and scope to be scored competitively against each other.

Only projects that will provide nature education programming and fit the grant guidelines were selected for recommendation in this memorandum. Staff recommends submission of four proposed projects up to a total amount of approximately \$25.5 million as set forth below in Table 2. The grant amounts requested for each project could change as staff prepares the grant application, but the total requested will be within the \$25.5 million cap.

<i>No.</i>	<i>Project</i>	<i>Description</i>	<i>Estimated Amount (\$)</i>
1	Happy Hollow Park and Zoo Amphitheater and Bat Exhibit	Construct a new amphitheater and a bat exhibit	7,000,000
2	Alum Rock Park Log Cabin and Youth Science Institute (YSI) Building Improvements	Renovation of the Log Cabin and improvements to the YSI Building	4,500,000
3	Friends of Guadalupe Gardens Building Improvements	Expand the existing building as per master plan	7,000,000
4	Family Camp Nature Center	Construct a new multipurpose building to replace existing dining hall	7,000,000
Total			\$25,500,000

Commitments

In the event that DPR awards grant funding for any of the four projects listed above, the City will be first required to enter into a CEQA Pending contract. This contract is for the sole purpose of completing CEQA and monies under this contract will not exceed 10% of the grant amount. The City is obligated to pay any additional monies required to complete CEQA compliance. If the City does not complete CEQA compliance within twelve months from the grant award announcement, DPR may rescind the grant award.

Once CEQA compliance is cleared the City will need to enter into a second written grant agreement that will commit the City to the following for each of the awarded Projects as shown in Table 3 if the City desires to continue to receive and implement the grant. Staff will come to City Council for consideration of approval of the grant agreements for construction at that time.

<i>Commitment</i>	<i>Approach for Addressing</i>
City shall execute a grant agreement with the State by 06/30/12.	Staff will take all necessary steps to execute the grant agreement before the deadline.
City is responsible for any increase in project cost.	City will address funding shortfall, if any, through local funding and other grant sources. Staff will notify the City Council if additional funding beyond the allocated budget will be required due to unforeseen circumstances.
City will advance its own funds to complete the project.	This is consistent with most grant programs. Funds to advance the cost of the project will be appropriated through

Table 3	
<i>Commitment</i>	<i>Approach for Addressing</i>
	the annual budget process or through a separate City Council memorandum. The City will request reimbursements for expenses incurred on a quarterly basis, or sooner if necessary, to replenish the City funds that advance the money.
The City shall have sufficient funds to operate and maintain the project.	The City will not incur any operations and maintenance costs associated with three of the four projects. The fourth project, Family Camp Nature Center operational costs will be part of the Family Camp overall annual budget and it is anticipated that these costs will be 100% offset by revenues.
City must continue the use of the project(s) for at least 30 years or will have to return the grant funds and pay additional penalties	The City owns the land for the projects except for the Family Camp Nature Center and intends to operate these facilities for at least 30 years. Family Camp is leased from the Department of Forestry and staff is working to renew the lease with a 20 year option with a subsequent option to renew for additional 10 years.
Comply with CEQA	This requirement is consistent with City Policy and Procedures, and the City shall comply with this requirement.
Compliance with the funding deadlines (NOTE: Project must be completed by the deadline in order to receive full funds awarded.)	All projects need to be constructed by December 2016 and final reimbursement packages submitted by March 31, 2017. The City is well positioned to complete any grant funded project within the deadline.
Record a Memorandum of Unrecorded Grant Agreement (MUGA) i.e. record a notice on the title of the Project property owned by the City stating that the property use has restrictions due to the grant contract with DPR	The City shall comply with this requirement by recording a notice on the title for parcels owned by the City on which the Project will be built. A sample MUGA is shown in Attachment A.

As part of the grant application process, the City is required to adopt a resolution (see Attachment B) in substantially the same form as the sample resolution provided in the grant guidelines and to make certain commitments, assurances, and certifications described in this memorandum. The resolution will be submitted along with the applications to OGALS.

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 seek grant funds of up to \$25.5 million for the identified projects.

Reason for not recommending: The identified projects are 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 Council Agenda website for the June 15, 2010 Council agenda. City Staff will continue to do outreach efforts in support of these projects.

COORDINATION

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

FISCAL/POLICY ALIGNMENT

All projects are consistent with the Council-approved Budget Strategy for Economic Recovery. If selected for funding, the projects will spur construction spending in our local economy. These projects align with long-term Greenprint priorities as well as short-term sustainability priorities.

COST SUMMARY/IMPLICATIONS

As with many other grant programs, the City will be required to provide upfront funding for each awarded project and seek reimbursement for eligible costs from the State as funds are expended and at the completion of the project. Staff will present City Council with a funding strategy if awarded.

The City will not incur any increased operations and maintenance costs associated with three of the four projects. The fourth project, Family Camp Nature Center operational costs will be part of the Family Camp overall annual budget and it is anticipated that these costs will be 100% offset by revenues.

BUDGET REFERENCE

Not applicable

CEQA

Statutorily Exempt, File No. PP10-066, CEQA Guidelines Section 15262, Feasibility and Planning Studies

/s/

ALBERT BALAGSO
Director of Parks, Recreation and
Neighborhood Services

For questions please contact Matt Cano, Acting Deputy Director at 408-535-3580.

Attachment A: Sample Memorandum of Unrecorded Agreement (MUGA)
Attachment B: Sample Resolution

Attachment A: Sample of Memorandum of Unrecorded Grant Agreement (MUGA)

Recording requested by, and when recorded)
 return to: State of California)
 Department of Parks and Recreation)
 Grants and Local Services Division)
 1416 9th Street, Room 918)
 Sacramento, CA 95814)
Space above this line for Recorder's use

County:
APN:

Memorandum Of Unrecorded Grant Agreement

This Memorandum of Unrecorded Grant Agreement (Memorandum), dated as of _____ (current date), is recorded to provide notice of an agreement between the State of California, acting by and through the Department of Parks and Recreation ("DPR"), and the CITY OF SAN JOSE.

RECITALS

- A. On or about _____ (date grant contract was signed by DPR), DPR and the CITY OF SAN JOSE entered into a certain Grant Agreement No. _____ (grant contract number), pursuant to which DPR granted to CITY OF SAN JOSE certain funds for the acquisition or improvement of certain real property, more particularly described in attached Exhibit A (legal description of the land) and incorporated by reference (the "Real Property").
- B. Under the terms of the Grant Agreement, DPR reserved certain rights with respect to the Real Property acquired or improved with the grant funds.
- C. CITY OF SAN JOSE desires to execute this Memorandum to provide constructive notice to all third parties of certain rights reserved by DPR under the Grant Agreement.

NOTICE

- 1. The Real Property (including any portion of it or any interest in it) may not be sold or transferred without the written approval of the State of California, acting by and through the Department of Parks and Recreation (DPR), or its successor, provided that such approval shall not be unreasonably withheld as long as the purposes for which the Grant was awarded are maintained.
- 1. For additional terms and conditions of the Grant, reference should be made to the Grant Agreement which is on file with the DPR located at: Office of Grants and Local Services (OGALS)
 1416 9th Street, Room 918
 Sacramento CA 95814

OGALS:		GRANTEE:	
By:		By:	
Signature	Date	Signature	Date
Printed Name and Title		Printed Name and Title (AUTHORIZED REPRESENTATIVE or designee)	

RESOLUTION OF THE
SAN JOSE CITY COUNCIL OF SAN JOSE
Approving the Applications for
NATURE EDUCATION FACILITY PROGRAM FUNDS
*Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection
Bond Act of 2006*

WHEREAS, the State Department of Parks and Recreation has been delegated the responsibility by the Legislature of the State of California for the administration of the Nature Education Facilities Program, setting up necessary procedures governing the Application; and

WHEREAS, said procedures established by the State Department of Parks and Recreation require the City of San José to certify by resolution the approval of application(s) before submission of said application(s) to the State; and

WHEREAS, the City of San José will consider entering into a contract with the State of California to complete the PROJECT (S) IN ACCORDANCE WITH STATE AND LOCAL LAWS;

NOW, THEREFORE, BE IT RESOLVED that the SAN JOSE CITY COUNCIL hereby:
Approves the filing of applications for the (List of projects) and

1. Certifies that said City of San José has or will have available, prior to commencement of any work on the project(s) included in this application, the sufficient funds to complete the project should this grant be awarded; and
2. Certifies that the City of San José has or will have sufficient funds to operate and maintain the project(s); and
3. Certifies that the City of San José has reviewed, understands, and agrees to the General Provisions contained in the contract shown in the Grant Administration Guide; and
4. Certifies that these project(s) are consistent with the applicable city or county, or appropriate planning document, as the case may be; and
5. Delegates the authority to CITY MANAGER or DESIGNEE to conduct all negotiations and submit all documents, including, but not limited to applications, agreements, amendments, and payment requests, which may be necessary for the completion of the project; and
6. Return to City Council once CEQA is completed for each project for Council consideration of approving grant agreements to implement the grant awards for construction of the projects.

7. Agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines.

Approved and adopted the _____ day of _____, 20_____

I, the undersigned, hereby certify that the foregoing Resolution Number _____ was duly adopted by the SAN JOSE CITY COUNCIL following a roll call vote:

Ayes:

Noes:

Absent:

(Clerk or Board Secretary)