



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Albert Balagso

SUBJECT: SEE BELOW

DATE: 02-14-11

Approved

Date

2-22-11

COUNCIL DISTRICT: 6

SUBJECT: GRANT APPLICATION FOR THREE CREEKS TRAIL (LOS GATOS CREEK TRAIL TO GUADALUPE RIVER) INTERIM IMPROVEMENTS

RECOMMENDATION

Adopt a resolution that:

1. Authorizes the City Manager, or designee, to submit a grant application in the amount not to exceed \$450,000 to Santa Clara Valley Water District (Water District) under the 2011 Trails and Open Space Program for the Three Creeks Trail (Los Gatos Creek to Guadalupe River) Interim Improvements project ("Project") with a local contribution of \$200,000 for a total project cost of \$650,000; and
2. Certifies that the City has or will have sufficient funds to operate and maintain the Project, provided the City has obtained the necessary property interests in real properties for the Project; and
3. Agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines for Project; and
4. Certifies that the City has reviewed, understands and agrees to the Special Provisions, General Provisions and Financial Provisions contained in the Agreement; and
5. Delegates the authority to the City Manager, or designee, to conduct all negotiations, execute 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. Authorizes the City Manager, or designee, to resubmit the grant application in subsequent years for the same amount and grant requirements described in this memorandum if the City is unsuccessful in receiving an award with the initial grant application and to negotiate and execute any documents to effectuate the grant.

OUTCOME

City Council approval of the recommended actions will authorize the City Manager, or designee, to apply for grant funding for the Three Creeks Trail (Los Gatos Creek to Guadalupe River) Interim Improvements project under the 2011 Trail and Open Space grant program, accept any grant funding, and negotiate and execute grant agreements (and other necessary documents) with the Water District for the Project.

The Project will provide structural reinforcement of the existing trestle structure across Los Gatos Creek, surface and railing improvements to permit safer public access, and minor ramp and pavement work to link the trestle structure to the existing Los Gatos Creek Trail. It will also include interim improvements comprised of fencing and signage necessary to convey that vacant parcels can be accessed and will be the future site of permanent trail improvements. All proposed improvements are contingent upon successful acquisition of parcels that define the former railway alignment.

BACKGROUND

On October 30, 2007, the City Council adopted the Green Vision, a 15-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.

On December 8, 2009, the City Council adopted an update to 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 Three Creeks Trail system is identified as one of the 32 trail systems located in the City that will lead to achieving this goal.

The Trail and Open Space grant program (Program) is part of the Clean, Safe Creeks and Natural Flood Protection Special Tax Funded Program which was passed by voters in Santa Clara County as a Special Tax in 2000. The Water District Board of Directors has identified access to open spaces, trails, and parks along creeks and in the watersheds as a core outcome for this funding source. The objective of the trails element of the special tax is to provide public access to 70 miles of trails or open space.

The 2011 Request for Proposals (RFP) is the fourth round of the grant program and a minimum of \$2,000,000 is available.

ANALYSIS

The following are minimum requirements of the Program to be eligible for grant funding:

- Project must include a new creek side trail or a significant link to support the creek side trail network
- Project cannot inhibit Water District access to the proposed project site
- Project must have a minimum of 25% local funding match for the Project

The Program's requirement to deliver projects that add new trail mileage limits the City projects potentially eligible for grant funding under the Program. Although the City has a number of "interim" trails that would benefit from the construction of paved trail improvements, they are already recognized by the City and the Water District as trails that are open to the public. Consequently, the Program requirements limit the candidates for this funding program to projects that are in the pre-construction stages or have not been developed in a temporary or permanent basis. The Three Creeks alignment can be made publicly accessible with a modest investment which is not typical for a trail project that would provide new access within a riparian corridor. Staff believes that a funding request of \$450,000 will be competitive because the project offers significant new mileage, offers interconnectivity to an existing trail, and is slightly below the maximum grant awarded by the Water District in their prior grant cycle.

The Project could move forward if City staff is successful in negotiating with Union Pacific Railway to acquire parcels from Lonus Street (near Los Gatos Creek) to Minnesota Avenue (near the Guadalupe River). If acquisition is successful, the grant funding would be used to install attractive fencing at all roadway interfaces and signage to convey that passage along the linear alignment is permissible. The funding being pursued would be inadequate for grading and development of gravel or paved walking/biking surface. The majority of grant funding would be applied to structural repairs and improvements to a wooden trestle structure that spans Los Gatos Creek. The structure was studied by the City five years ago, and staff has a good understanding of the required work to be performed. If the acquisition is unsuccessful, the Project will not move forward and the City shall let the grant expire without incurring any costs.

The Program requires a 25% or \$162,500 match from a local funding source. In order for the Project to be competitive, staff recommends a local contribution of \$200,000. In the event the City is awarded the requested grant, staff will return to the City Council and will recommend the use of Park Trust Funds ("PTF") to meet the local grant match requirement. This Project is located within an area that could benefit residents who paid parkland fees. Since grant funds will be provided on a reimbursement basis, the City will need to advance funds for the project. Staff would likely recommend the use of funds from the eligible sources in PTF and Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District 6 (Fund 384) for the purpose of "fronting." Reimbursements from the Water District will be deposited back into the respective funds.

In the event that the Water District awards grant funding for the Project, the City will be required to enter into a written grant agreement with the Water District that will commit the City to the following:

Requirement	Addressed in the following manner:
The City shall complete the Project and submit final documentation within five years of Trail Grant Agreement.	The acquisition process is anticipated to be completed by the end of 2011. The proposed scope of trestle improvements, signage and fencing can be easily accomplished before the deadline as work would commence in 2012. If the acquisition is unsuccessful, City will not proceed with the Project.
Where applicable, the City will comply with all applicable laws and regulations affecting development projects, including, but not limited to, legal requirements for construction contracts, building codes, health and safety codes, and disabled access laws.	Trail development is accomplished under the leadership of trail staff in the departments of Parks, Recreation and Neighborhood Services and Public Works. Staff is familiar with all regulations and attends State and National conferences to stay up to date on all requirements.
The City shall complete CEQA within one year from the date of grant award.	The proposed Project includes securing CEQA documentation for the trestle improvements, signage and fencing improvements.
The City shall operate and maintain the Project for a period of no less than 25 years.	The City shall agree to this commitment.
The City must certify adequate control and land tenure for the project site.	Grant funds will be used only after acquisition of requisite parcels. The grant application will indicate that use of funds is contingent upon securing legal rights to the land.
The City shall use the property only for the purpose for which the grant was made.	The grant application will clearly specify that the funds are to be used for trestle improvement, fencing and signage to support interim public access.

As part of the grant application process, the City is required to adopt a resolution (see attachment) 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 and the resolution.

EVALUATION AND FOLLOW-UP

If the City is awarded the grant for the Project, staff will seek the required appropriation actions to appropriate fronting and matching funds from the City Council as well as the authorization for the award of a construction contract at a later date.

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.

Reason for not recommending: The Project is well suited for this funding source and the City would lose an opportunity to seek and receive local grant funding that will help build this 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)**

The proposed Council action does not meet any of the above criteria. However, this memorandum will be posted on the City Council's Agenda website prior to the March 8, 2011 City Council meeting.

COORDINATION

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

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.

HONORABLE MAYOR AND CITY COUNCIL

02-14-11

Subject: Three Creeks Trail (Los Gatos Creek to Guadalupe River) Interim Improvements

Page 6

The Project is referenced in the Council-adopted Greenprint Update (December 8, 2009, item 5.2). Delivery of the Project supports Goal 10 of the Council-adopted Green Vision (October 30, 2007, item 9.1) to provide a 100-mile Trail Network by 2022.

COST SUMMARY/IMPLICATIONS

Based on the most recent cost estimates, a total of \$650,000 is anticipated to be required to complete this Project. The grant application is seeking approximately \$450,000 funding for the Project. Staff is recommending the local match of \$200,000 to be allocated from the PTF Fund in the nexus of the Project. Upon award of the grant, the matching funds and the fronting funds will be recommended to be appropriated as part of the annual Budget process or through a future City Council memorandum.

The trail is expected to be in operations in July 2013. The annual cost to maintain the Project would be \$7,920 and the cost for Park Rangers to patrol the trail segment would be \$1,800. These operating and maintenance costs were included in the 2011-2015 Five-Year Forecast and Revenue Projections for the General Fund, which was released February 2010, as the Forecast includes funding for 3.3 miles of new (unidentified) trails each year.

BUDGET REFERENCE

Not Applicable

CEQA

Exempt, File No. PP02-370

/s/

ALBERT BALAGSO
Director of Parks, Recreation and
Neighborhood Services

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

Attachment

Attachment: Sample Resolution

**2000 Clean, Safe Creeks and Natural Flood Protection Program
TRAIL AND OPEN SPACE GRANT
Resolution No: _____**

RESOLUTION OF THE SAN JOSE CITY COUNCIL

**APPROVING THE CITY OF SAN JOSE TO APPLY FOR GRANT FUNDS FOR THE
TRAILS AND OPENSACE GRANT PROGRAM UNDER THE CLEAN, SAFE CREEKS
AND NATURAL FLOOD PROTECTION PROGRAM OF 2000**

WHEREAS, the Santa Clara Valley Water District has enacted the Trails and Open Space Grant Program, which provides funds for the acquisition and development of neighborhood, community, and regional parks and recreation lands and facilities; and

WHEREAS, the Santa Clara Valley Water District's Watershed planning Unit has been delegated the responsibility for the administration of the grant program, setting up necessary procedures; and

WHEREAS, said procedures established by the Santa Clara Valley Water District require San José City Council to certify by resolution the approval of City of San José to apply for Trails and Open Space Grant Program funds, and

WHEREAS, THE CITY OF SAN JOSE will enter into an Agreement with the Contract with the Santa Clara Valley Water District, provided the City has obtained the necessary property interests in real properties for the Three Creeks Trail (from Los Gatos Creek to Guadalupe River) project;

NOW, THEREFORE, BE IT RESOLVED that the SAN JOSE CITY COUNCIL hereby:

1. Approves the filing of an Application for local assistance funds from the Trails and Open Space Grant Program under the Clean, Safe Creeks and Natural Flood Protection Program of 2000; and
2. Certifies that the CITY OF SAN JOSE has or will have sufficient funds to operate and maintain the Project(s); and
3. Certifies that the CITY OF SAN JOSE has reviewed, understands and agrees to the Special Provisions, General Provisions and Financial Provisions contained in the Agreement; and
4. Appoints the CITY MANAGER OR DESIGNEE as agent to conduct all negotiations, execute and submit all documents including, but not limited to Applications, agreements, payment requests and so on, which may be necessary for the completion of Project(s).

Approved and Adopted on the ____ day of _____, 2011.

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

Ayes:
Noes:
Absent:

(Clerk)