



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Albert Balagso

SUBJECT: SEE BELOW

DATE: 02-22-11

Approved

Date

2-24-11

COUNCIL DISTRICT: 6 and 7

SUBJECT: GRANT APPLICATION FOR THREE CREEKS TRAIL MASTER PLAN

RECOMMENDATION

Adopt a resolution that:

1. Authorizes the City Manager, or designee, to submit a grant application in an amount not to exceed \$300,000 to the State of California under the Community Based Transportation Planning grant program for the preparation of a Master Plan for the Three Creeks Trail ("Project"); and
2. Certifies that the City will provide \$340,000 towards the Project; and
3. Agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines for the Project; and
4. 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
5. 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 a grant award with the initial grant application and to negotiate and execute any necessary documents to effectuate the grant.

OUTCOME

City Council approval of the recommended actions will authorize the City Manager, or designee, to apply for a grant for the Project to the State of California under the Community Based Transportation Planning (CBTP) grant program, accept any grant funding, and negotiate and

execute a grant agreement (and other necessary documents) with the State of California for the Project. The City will contribute \$340,000 towards the Project.

EXECUTIVE SUMMARY

City Council action would allow staff to submit a grant application to the State of California for up to \$300,000 for the preparation of a Master Plan for the Three Creeks Trail under the CBTP grant program.

Grant guidelines require the City to provide a local match of at least 10% of the total cost and any additional funds required to complete the Project. The total Project cost is approximately \$640,000. City will contribute \$340,000 towards the Project. If the City is awarded grant funds in the full amount requested and upon appropriation of funds to advance the grant funding and provide for City's contribution through the annual budget process or through a separate council action, the City would have sufficient funds to proceed with the Project.

The Project would result in a master plan defining future trail improvements along the Three Creeks alignment from Los Gatos Creek to Coyote Creek, with linkages to Guadalupe River and Highway 87 Bikeway.

Design and construction of the Project may occur at some future date after completion of the Master Plan and after sufficient resources are identified and appropriated.

BACKGROUND

The Three Creeks Trail is identified in the City's Greenprint for Parks and Community Facilities and Programs (Greenprint). The trail provides an opportunity for trail inter-connection, as it would link the future Los Gatos Creek Trail, Guadalupe River Trail, Highway 87 Bikeway and the Coyote Creek Trail.

In 2008, the City established a focus group staffed by participants from various City Departments, stakeholder agencies, and neighborhood representatives to review opportunities and constraints faced in development of the entire Three Creeks Trail alignment. The focus group identified opportunities and constraints that were analyzed but would benefit from further study and community input.

On November 17, 2009, the City Council adopted the San José Bike Plan 2020. The Three Creeks Trail is one of the Trail Systems identified in the plan.

The Office of Community Planning at the California Department of Transportation (Caltrans) works to influence the integration of land use and transportation decisions at the local level through the CBTP grant program. This program is primarily used to seed planning activities that encourage smart growth and livable communities. It helps communities develop concepts or

plans that promote efficient land use-transportation infrastructure investments, which address sustainable growth while maintaining community value and integrity.

Caltrans manages CBTP which is funded via the State Highway Account and generally has a budget of \$3 million each year. The maximum grant award allowable is capped at \$300,000.

ANALYSIS

The CBTP grant program funds coordinated transportation and land-use planning projects that encourage community involvement and partnership. The projects must support livable/sustainable community concepts with a transportation or mobility objective and promote community identity and quality of life. Project proposals should involve conceptual-level plans or study activities that encourage community based stakeholder collaboration and consensus building through active public engagement. Each proposal should display a transportation/land use benefit that will likely induce additional benefits.

An estimated \$6 million will be available for the FY 2011-2012 grant cycle pending approval of the state budget.

The Three Creeks Trail system is identified in the Greenprint as part of the Trail Network. Preparation of a master plan supports a thorough evaluation of the Project's opportunities and challenges, secures community input and includes environmental documentation to comply with the California Environmental Quality Act (CEQA).

The Project is a high priority project for grant applications when annually evaluated against the Trail Program Prioritization Process approved by Council on August 23, 2003. On an annual basis, the process analyzes all potential projects against seven measures to determine which projects are best suited to complete gaps, expand existing systems, and to advance strategic objectives. A companion grant seeking process aligns high priority projects with available grant funding sources.

The Three Creeks Trail has not been previously studied and meets the CBTP grant's objective for outreach efforts that engage traditionally under-represented communities. The Project also aligns well with the following CBTP grant objectives:

Objective	Project Outcome
Innovative public and stakeholder participation in the planning and decision-making process.	Staff has obtained support from the Rails to Trails Conservancy to participate in the outreach process.
Each project should be a smart growth - livable community demonstration approach to collaborative planning.	The trail system offers an east-west cross-town connector trail which is unique since most trails follow a north-south alignment. The trail would be accessible at many points from neighborhood

Objective	Project Outcome
	streets and employment areas.
Completed CBTP products should contribute to positive local planning practice by influencing and integrating those products into the larger regional or blueprint plan.	The Three Creeks Trail project is referenced and defined by the City's Greenprint and contributes to the Green Vision goal of a 100-mile interconnected trail network.

During the development of the master plan, staff will work with stakeholder agencies like Caltrans, Santa Clara Valley Water District, California High-Speed Rail Authority and private property owners to determine the suitability of alignment of the trail. The completed plan will identify a feasible alignment addressing all known challenges. The well documented plan may increase the City's competitiveness for grant funds from other local, state and federal sources to construct the Project

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

Requirement	Addressed in the following manner:
If awarded, contract or the Fund Transfer Agreement (FTA) will expire on February 28, 2014, and all final invoices must be submitted to Caltrans by April 28, 2014.	Implementing the project would take approximately 18 months. With current workloads, it would be possible to complete this Project by the deadline.
Local match funds cannot be state or federal, or funds that has already been earmarked for other programs or projects.	Through a future budget action, staff would recommend suitable local funds of \$340,000 for Council's approval.
The City's accounting system including those of subcontractor's shall conform to Generally Accepted Accounting Principles (GAAP) that enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices sent to or paid by Caltrans.	The City's financial accounting system conforms to GAAP. It is current practice to require subcontractors and vendors to provide support for reimbursements for all grants. City shall take steps to specify that subcontractors conform to GAAP.
FTA may be terminated by either party for any reason by giving written notice to the other party at least 30 days in advance of the effective date of such termination.	In the event of termination by said notice, funds reimbursed to the City will include all allowable authorized non-cancelable obligations and prior costs incurred.
The State Department of Transportation has the option to void the FTA under the thirty (30) day termination clause or to amend this FTA to reflect any reduction of funds.	In the event of an unscheduled termination, the Caltrans Contract Manager may reimburse allowable City costs. Staff would work with Caltrans to reimburse allowable costs. Any remaining eligible costs will be borne by the City.

In addition, the grant requires that the City Council approve a grant-specific resolution allowing the submission of an application to the CBTP and if awarded, accepting the award and entering into an agreement with Caltrans for the purposes of implementing the Project and specifying local matching funds specific to the Project.

EVALUATION AND FOLLOW-UP

If the City is awarded the grant for the Project, staff will seek the required appropriation actions from the City Council. In accordance with standard procedures, should the Project move forward in the future, CEQA analysis and clearance will be required prior to commitment of City funds or resources towards construction of the Project.

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 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 15, 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, the Redevelopment Agency (SNI Staff), 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.

The Project is referenced in the Council-adopted Greenprint Update (December 8, 2009, item 5.2) generally as part of the Trail Network. 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 \$640,000 is anticipated to be required to complete the Project. The Grant application is seeking \$300,000 funding for the Project. The remaining \$340,000 will be provided as City's contribution towards the Project. Staff will recommend that the City's contribution be allocated from funds in Park Trust Fund (PTF) collected within the three mile nexus of the Project. The Program awards are expected to be approved by Caltrans in mid to late summer 2011 pending approval of the State budget. Since grants funds will be provided on a reimbursement basis, the City will need to advance funds for the Project. Upon award of the grant, staff would recommend the use of PTF (for both front and match) that is eligible for the Project to be appropriated as part of the annual budget process or through a future City Council memorandum.

The Project results in a Master Plan that will determine the trail alignment. It is expected to be about 2.8 miles in length. Staff anticipates that the future constructed trail would be operational in July 2013 and the annual cost to maintain the Project would be \$34,945 and the cost for Park Rangers to patrol the trail segment would be \$5,180. These operating and maintenance costs were included in the Preliminary 2012-2016 Five-Year Forecast and Revenue Projections for the General Fund, which was released November 10, 2010.

BUDGET REFERENCE

Not Applicable

HONORABLE MAYOR AND CITY COUNCIL

02-22-11

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CEQA

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

/s/

ALBERT BALAGSO
Director of Parks, Recreation and
Neighborhood Services

For questions please contact Yves Zsutty, Trails Manager, at 408-793-5561.