



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Julie Edmonds-Mares  
Jennifer A. Maguire

**SUBJECT:** SEE BELOW

**DATE:** December 1, 2011

Approved

Date

12/5/11

**COUNCIL DISTRICT:** 6

**SUBJECT: ADOPTION OF APPROPRIATION ORDINANCE AMENDMENTS IN  
PARKS CITY-WIDE CONSTRUCTION AND CONVEYANCE TAX FUND  
FOR THE THREE CREEKS TRAIL LAND ACQUISITION PROJECT**

## REASON FOR ADDENDUM

This memorandum is necessary in order to ensure that all of the funding received from the Santa Clara County Open Space Authority is being used to pay for acquisition of the Three Creeks Trail. Full funding for the Three Creeks Trail acquisition must be in place prior to the end of the calendar year so it is necessary to activate this reserve at this time.

## RECOMMENDATION

1. Adopt the following Appropriation Ordinance and Funding Sources Resolution Amendments in the Construction and Conveyance Tax Fund: City-Wide Parks Purposes (Fund 391):
  - a. Increase the TRAIL: Three Creeks Land Acquisition appropriation to the Parks, Recreation and Neighborhood Services Department by \$244,000;
  - b. Decrease the Reserve: TRAIL: Three Creeks appropriation by \$173,000; and
  - c. Decrease the Ending Fund Balance by \$71,000.

## OUTCOME

Acquisition of the subject properties will allow for partial future development of the western alignment of the Three Creeks Trail from Lonus Street to Minnesota Avenue, with a direct link to the Los Gatos Creek Trail. An already completed portion of the trail system from Minnesota Avenue to the Guadalupe River allows for interconnection with the core trail system at a future date.

## **BACKGROUND**

The Three Creeks Trail is identified as a core trail system from Lonus Street to Coyote Creek. It was identified in the City's *Greenprint for Parks and Community Facilities and Programs (Greenprint)* in September 2000 and continues to be a priority project in the Greenprint's 2009 update. Once developed, the trail system will provide an opportunity for trail inter-connection, as it would link the Los Gatos Creek Trail, the Guadalupe River Trail (future) and the Coyote Creek Trail (future), and a potential connection to the Highway 87 Bikeway (existing).

On September 21, 2004, (Item 5.2), the Council authorized the City Manager to negotiate and execute a funding agreement for \$1,000,000 with the Open Space Authority for the acquisition of properties associated with the Three Creeks Trail project.

On August 24, 2010 (item 5.1), the Council approved an additional \$2,000,000 funding agreement with the Santa Clara County Open Space Authority for acquisition of lands for the future Three Creeks Trail for a total of \$3,000,000 from the Open Space Authority for this purchase.

On September 27, 2011 (item 4.2), the Council authorized the negotiation and execution of a purchase agreement and associated budget actions to secure necessary funding. The allocated funding exceeded the amount required for purchase, primarily as a result of interest that has been earned by the City as a result of the initial \$1,000,000 of Open Space Authority funding being provided to the City in 2004. Therefore a portion of the excess funding (\$173,000) was placed in a reserve of funds in the Parks City-Wide Construction and Conveyance Tax Fund for a future use associated with the Three Creeks Trail.

## **ANALYSIS**

This memorandum requests re-allocating funds in the Parks City-Wide Construction and Conveyance Tax Fund. Funding totaling \$244,000 is recommended to be shifted into the Three Creeks Trail Land Acquisition appropriation to reflect the initial \$1,000,000 contribution from OSA as well as the interest earned since 2004 (\$236,000) from the Three Creeks Trail reserve (\$173,000) and the Parks City-Wide Construction and Conveyance Tax Fund Ending Fund Balance (\$71,000). This action is necessary to demonstrate that the funding associated with the initial \$1,000,000 payment, including interest, that the Open Space Authority provided for the project is used for land acquisition. The final \$2,000,000 Open Space Authority payment towards the acquisition will be made directly through the escrow process.

## **EVALUATION AND FOLLOW-UP**

No follow-up is necessary as a result of this memorandum.

**PUBLIC OUTREACH**

- 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 memorandum does not meet any of the above criteria, however, it will be posted on the City's website for the December 13, 2011 City Council Agenda.

**COORDINATION**

Not Applicable.

**BUDGET REFERENCE**

Fund #	Appn. #	Appn. Name	RC #	Total Appn. Amount	2011-2012 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
<b><u>Recommended Funding Sources*</u></b>						
391	5283	TRAIL: Three Creeks Land Acquisition		\$992,000	V - 444	9/27/11 Ord. No. 28971
391	8317	Reserve: TRAIL: Three Creeks		\$173,000	V - 444	9/27/11 Ord. No. 28971
391	8999	Ending Fund Balance		\$71,000	V - 446	10/18/11 Ord. No. 28979
<b><u>Total Current Funding Available</u></b>				<b><u>\$1,236,000</u></b>		

\* Included in this memorandum is a recommendation to eliminate the Reserve: TRAIL: Three Creeks allocation (\$173,000) and decrease the Parks City-Wide Construction and Conveyance Tax Fund Ending Fund Balance (\$71,000; Ending Fund Balance totals \$665,875) and shift the funding to the TRAIL: Three Creeks Land Acquisition allocation in the Parks City-Wide Construction and Conveyance Tax Fund. As a result of this action, funding in the Parks City-Wide Construction and Conveyance Tax Fund will total \$1,236,000 for the Three Creeks Trail Land Acquisition project. Of this amount \$1,000,000 was received from the Open Space Authority and \$236,000 is interest earnings developed from the Open Space Authority contribution.

HONORABLE MAYOR AND CITY COUNCIL

12-1-11

**Subject: Adoption of Appropriation Ordinance Amendments for the Three Creeks Trail Project**

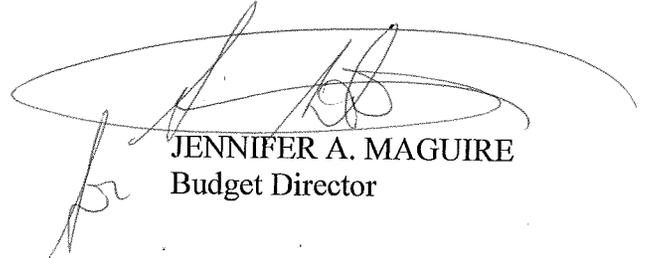
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**CEQA**

Resolution No. 65459, PP03-05-175

/s/

JULIE EDMONDS-MARES  
Acting Director of Parks, Recreation and  
Neighborhood Services



JENNIFER A. MAGUIRE  
Budget Director

For questions please contact MATT CANO, DEPUTY DIRECTOR, PARKS, RECREATION AND NEIGHBORHOOD SERVICES, at 535-3580.