

# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

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

**SUBJECT:** SEE BELOW

**DATE:** March 4, 2013

Approved

Date

3/13/13

**COUNCIL DISTRICT: 6**

**SUBJECT: NEGOTIATE AND EXECUTE PROPOSITION 40 GRANT AGREEMENTS WITH STATE OF CALIFORNIA FOR THE THREE CREEKS TRAIL PEDESTRIAN BRIDGE DEVELOPMENT AND THE ADOPTION OF APPROPRIATION ORDINANCE AMENDMENTS IN THE SUBDIVISION PARK TRUST FUND**

## RECOMMENDATION

1. Adopt a resolution to authorize the City Manager or designee to:
  - a) Submit two grant applications to the State of California – Natural Resources Agency for an amount up to \$1,230,000 as part of the Roberti-Z'berg-Harris (Prop 40) grant program for the Three Creeks Trail Pedestrian Bridge development project with no local match required;
  - b) Make the required assurances to comply with the project applications, deadlines to complete the project, grant program requirements, and other assurances required by the State of California as explained in this memorandum; and
  - c) Accept any grants award(s) and negotiate and execute any documents that increase the amount of the grant(s) awarded or require an increase in the local match of funds from the City for the project, subject to the appropriation of funds.
  
2. Adoption of the following Appropriation Ordinance Amendments in the Subdivision Park Trust Fund:
  - a) Increase the Trail: Three Creeks Interim Improvements & Trestle Bridge appropriation to the Parks, Recreation and Neighborhood Services Department in the amount of \$1,188,000;
  - b) Decrease the Reserve: Future PDO/PIO Projects appropriation in the amount of \$503,000; and
  - c) Decrease the Reserve: Trail: Three Creeks appropriation in the amount of \$685,000.

## **OUTCOME**

This City Council action directs staff to define existing and new grant funding sources to permit development of a pedestrian bridge as part of the Three Creeks Trail alignment. Funding made available through the State grant funding will support removal of a trestle structure and construction of a replacement bridge to support pedestrian and bicycle travel across Los Gatos Creek.

## **BACKGROUND**

The Three Creeks Trail is proposed to extend from Lonus Street (Los Gatos Creek Trail) to Coyote Creek Trail. The trail also includes a linkage to the future Guadalupe River Trail and existing Highway 87 Bikeway. It was identified in the City's *Greenprint for Parks and Community Facilities and Programs (Greenprint)* in September 2000 and continues to be referenced in the Greenprint's 2009 update. The City's General Plan (Envision 2040) recognizes the trail system as part of the 100-mile interconnected trail network.

Interim public access is permitted along the acquired properties between Lonus Street and Minnesota Avenue. A paved portion of the trail system extends from Minnesota Avenue to Guadalupe River and was developed several years ago as part of a residential development project.

The City Council has taken actions in the past that focus on two objectives:

1. Acquisition of the western alignment of the trail system, between Lonus Street and Minnesota Avenue.
2. Development of the western alignment.

This memorandum seeks an action to support development, but revisits past council actions about acquisition because some funding is available from that process.

On January 7, 2004 (Item 5.2a), the City Council directed staff to apply for Local Assistance Funds through the State's Roberti-Z'berg-Harris Urban Open Space and Recreation Program. Staff was successful in securing \$800,000 for the Willow Glen Spur Trail (former name for the Three Creeks Trail) to support trail development and land acquisition activities. Use of the funds for acquisition was not possible due to conflicting assurances with other agency funding for the project. The \$800,000 grant remains unexpended and targeted for use on the Three Creeks Trail project.

On February 14, 2011, the City Council authorized the City Manager to seek \$450,000 in grant funding from the Santa Clara Valley Water District (District) for improving the trestle that spans Los Gatos Creek, and to install signage and fencing necessary for interim public use of the acquired parcels from Lonus Street to Minnesota Avenue. On June 14, 2011, the City received notification from the District that the grant was awarded.

As part of the State of California's 2011/12 budget process, an additional \$400,000 was earmarked for development of the Three Creeks Trail and a \$30,000 per capita grant was also awarded. As a result, \$1,230,000 in State grant funds is available through State funding for the City to pursue development of the Three Creeks Trail and can occur by submitting an application that clearly defines a project scope and executing the grant agreement.

## ANALYSIS

The Roberti-Z'berg Grant Program is a State program that provides funding based on a per capita basis and a prescribed balance of funding is available to the City for eligible projects after State review and approval. The applications referenced are to seek that approval.

Staff is recommending that funds be allocated to replace the trestle structure over Los Gatos Creek with a pedestrian / bicycle bridge structure because it can be delivered in a timely manner with greater certainty than using the money for land acquisition. A recently completed Engineering Study found that the cost to restore and retrofit the existing wooden trestle structure is similar to installation of a new steel pedestrian bridge when the cost is amortized over the structures' useful lives. Installation of a new steel pedestrian bridge significantly reduces the time and cost of inspections and maintenance associated with an old wooden structure. The steel bridge is also not subject to fire hazards that could temporarily or permanently close the wooden structure. The steel bridge would also eliminate the trestle's structural elements in the channel that create recurring maintenance issues for the Santa Clara Valley Water District and can lead to erosion risk. The Department of Public Works estimates the cost of removing the old trestle and installing a new steel bridge structure to be \$2,467,672.

Staff recommends a new steel structure as opposed to retrofit of the existing wooden structure because it reduces ongoing operations and maintenance costs and can be custom designed for trail purposes. The historical character of the trestle structure is difficult to appreciate when on the structure, so staff is recommending as part of a funded master plan for the trail system to include trestle-like gateway structures at key entries to the trail system. Development of the pedestrian bridge structure supports interconnectivity of two trail systems and creates an opportunity for higher usage of the trail systems. Greater usage is seen as one means to improve community safety along trails.

Associating the available grant funding to the Three Creeks Trail pedestrian bridge project is warranted for the following reasons:

- The grant funding requires that a defined project must be completed by June 30, 2015. A completed feasibility study and on-going master plan support delivery of the completed bridge structure in this time period.
- The grant source is from State funds so there is no federal environmental reporting requirement that could extend the project schedule and risk loss of funding.
- The project is entirely on City property which meets the requirements of the granting agency.

The recommended City Council action advances development of the Three Creeks Trail project by:

1. Retaining State grant funds for the Three Creeks Trail and shifting its purpose from the previously envisioned acquisition of the western alignment to partial development of the western alignment from Lonus Avenue to Coe Avenue.
2. Acknowledges the additional \$400,000 in State grant funding earmarked for Three Creeks Trail by increasing the budget for the project.
3. Provides the resources necessary to proceed with trestle demolition, design, and construction of a replacement bridge structure.

The match requirement for the Prop 40 grant program has been eliminated with the passage of AB 1747 (Chapter 240, Statutes of 2003). Expenses up to 100% may be reimbursed from the State. With the City Council's approval of the recommended action, staff will submit a grant application to the State that will require the City Manager to negotiate and execute a funding agreement with the following requirements.

Requirement	Addressed in the following manner
Long-term operation and maintenance funding.	As with all trail projects, staff will seek funding through the annual budget process. For landscaped trails – funding is recommended at the following rates (rates are accumulative): \$12,050/mile (O&M) + \$2,200/mile (Ranger) + \$12,050/acre (O&M). For this pedestrian bridge, the annual operating cost impact amounts to \$500.
Confirmation that City has reviewed, understands, and agrees to the General Provisions contained in the Contract.	Staff has reviewed contract language and report that terms and conditions are consistent with other grant programs, with notable conditions reported in this table.
Certifies that additional funds are available prior to use of grant funds.	This City Council action acknowledges existing funds and appropriates additional funding to complete the project.
Certifies that the Project conforms to the recreation element of any applicable city or county general plan.	The Three Creeks Trail is referenced in the City's Greenprint, Trail Program Database, Bike Plan 2020, and General Plan (Envision 2040).
Appoints a city official 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 the Project.	This copy of the memorandum recommendation designates the City Manager to conduct negotiations and execute the grant agreement. It also recommends that the Director of PRNS be designated to submit payment requests and periodic project updates in order to streamline the invoicing and reporting process.

The project cost estimate is \$2,467,672 to demolish the existing structure and install a new steel pedestrian / bike bridge over Los Gatos Creek. When accounting for the prior year expenditures, the project costs that remain total \$2,253,000. The City has a reimbursable grant from the Santa Clara Valley Water District in the amount of \$450,000 (\$200,000 City match) and an additional \$1,230,000 million grant earmarked from the from State of California – Natural Resources Agency. The remaining funding for the project would be funded from the Subdivision Park Trust Fund.

Source of Funding	Funds
State Grant - Proposition 40	\$1,230,000
Santa Clara Valley Water District Grant	\$450,000
City Funds	\$787,672
<b>Total</b>	<b>\$2,467,672*</b>

\* Includes \$214,672 in prior year costs

The funding currently available is \$1,065,000 and includes funding from the Subdivision Park Trust Fund and Council District 6 Construction and Conveyance Tax Fund. This memorandum includes an appropriation action recommendation to increase the project by \$1,188,000 for a total of \$2,253,000 of City Funds for the current and future fiscal years. Approval of the Appropriation Ordinance amendments would allow for the construction of the project to proceed on its current schedule. Of the \$2,253,000 in City funding, approximately \$1,680,000 will eventually be reimbursed. A total of \$503,000 in reimbursements will be recommended for the allocation to the Reserve for Future PDO/PIO Projects in the Subdivision Park Trust Fund and the remainder will be recommended to be allocated to the appropriation for Three Creeks future projects in the Subdivision Park Trust Fund.

**EVALUATION AND FOLLOW-UP**

Staff will report on project development as part of an annual report to the Transportation & Environment Committee and the Annual Trail Program report (issued each year on or around July 1). Regular updates on construction projects are posted on the Trail Program website – see the *Construction Updates* link at [www.sjparks.org/trails](http://www.sjparks.org/trails).

**POLICY ALTERNATIVES**

***Alternative #1: Do Nothing***

**Pros:** This approach does not require an investment of staff time for administration of funding agreements or project development.

**Cons:** Sufficient City financial resources, without grant support, are not available for development of the Three Creeks Trail.

**Reason for not recommending:** This approach is inconsistent with current City Council policy to promote development of the trail network. Execution of the funding agreements must occur in order to have access to funds necessary for development.

**PUBLIC OUTREACH/INTEREST**

- X **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 project meets Criterion 1. A copy of this memo will be posted as part of the March 26, 2013 City Council agenda.

**COORDINATION**

This project has been coordinated with the City Attorney's Office and the Department of Public Works.

**COST SUMMARY/IMPLICATIONS**

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:	\$2,467,672
2. COST OF PROJECT:	
Project Delivery	\$1,048,672
Construction	\$1,290,000
Contingency	\$129,000
<b>TOTAL PROJECT COSTS</b>	<b>\$2,467,672</b>
Prior Year Expenditures	(\$214,672)
<b>REMAINING PROJECT COSTS</b>	<b>\$2,253,000</b>
Current Funding Available	\$1,065,000
<b>ADDITIONAL FUNDING REQUIRED</b>	<b>\$1,188,000*</b>

\* The \$1,188,000 in City funds is needed at this time to fully fund the project. It is anticipated that approximately \$1,680,000 will be reimbursed by grants (\$1,230,000 from the Roberti-Z'berg-Harris (Prop 40) grant program and \$450,000 from the Santa Clara County Water District.)

3. **OPERATING COST:** This memorandum provides funding for development of a pedestrian bridge as part of the Three Creeks Trail. Once the design and construction of the bridge has been completed, the operating and maintenance impact will be approximately \$500 annually beginning in 2014-2015. The costs to inspect this bridge will be absorbed within the existing Pedestrian Bridge Assessment appropriation, which provides funding for the semi-annual inspection of all pedestrian bridges associated with City parks and trails.

**BUDGET REFERENCE**

Fund	Appn	Appn Name	RC#	Total Appn	Adopted Budget Page	Last Budget Action
<b>Remaining Project Costs</b>				<b>\$2,253,000</b>		
<b>Current Funding Available</b>						
375	7307	TRAIL: Three Creeks Interim Improvements and Trestle Bridge	16996x	\$482,000	V-517	10/16/2012; Ord. No. 29163
384	7307	TRAIL: Three Creeks Interim Improvements and Trestle Bridge	NA	\$215,000	V-384	10/16/2012; Ord. No. 29163
384	5950	TRAIL: Three Creeks Land Acquisition	13435x	\$368,000	V-384	10/16/2012; Ord. No. 29163
<b>Additional Funding Recommended</b>						
375	8317	Reserve: TRAIL: Three Creeks	NA	\$685,000	V-520	6/19/2012; Ord. No. 29102
375	8845	Reserve: Future PDO/PIO Projects	NA	\$503,000*	V-521	10/16/2012; Ord. No. 29163
<b>Total Funding for Project</b>				<b>\$2,253,000</b>		

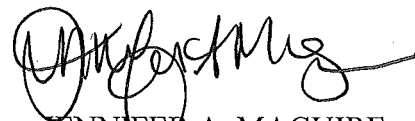
\* This City Council memorandum includes a recommendation to allocate \$503,000 from the Subdivision Park Trust Fund's Reserve for Future PDO/PIO Projects (reserve totals \$9,507,581). This increase will ensure sufficient funding is available for the installation of the new steel pedestrian/bike bridge over the Los Gatos Creek

**CEQA**

Resolution No. 65459, PP03-05-175

/s/

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Acting Director of Parks,  
Recreation and Neighborhood Services



JENNIFER A. MAGUIRE  
Budget Director

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