



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jon Cicirelli

SUBJECT: SEE BELOW

DATE: April 25, 2022

Approved

Date

4/29/2022

COUNCIL DISTRICT: 7

SUBJECT: GRANT APPLICATION FOR SANTA CLARA VALLEY OPEN SPACE AUTHORITY AND EXECUTE COOPERATIVE AGREEMENT WITH CALTRANS FOR PARK DEVELOPMENT LOCATED AT THE SOUTHEAST CORNER OF MIDFIELD AVENUE AND HAVANA WAY

RECOMMENDATION

- (a) Adopt a resolution authorizing the City Manager to submit a grant application and, if awarded, negotiate and execute a grant agreement with Santa Clara Valley Open Space Authority for an amount up to \$250,000 for park development at the southeast corner of Midfield Avenue and Havana Way.
- (b) Adopt a resolution authorizing the City Manager to negotiate and execute a cooperative agreement with Caltrans under the Clean California Program for an amount up to \$500,000 for park development at the southeast corner of Midfield Avenue and Havana Way.

OUTCOME

Awarded grant from the Santa Clara Valley Open Space Authority (OSA) and awarded cooperative agreement from Caltrans' Clean California Program (Clean CA) will supplement appropriated City funds to develop a playground in the Tropicana Neighborhood in east San José.

BACKGROUND

Since 2014, the Tropicana Neighborhood community has focused on improving their neighborhood and engaged the City Manager and the Department of Parks, Recreation, and Neighborhood Services (Department) to create a pocket park on remnant land owned by the California Department of Transportation (Caltrans). The property identified for a pocket park is a small (0.15-acre) site at the southwest corner of Havana Drive and Midfield Avenue. The

neighborhood residents refer to the site as Nuestro Lugar (Spanish for “Our Place”) and envision it as a neighborhood-gathering space. The community-developed plan calls for a playground, tables, seating, landscaping, a small stage, a mural, and storage to hold tools and supplies needed for maintaining the site.

Caltrans developed Clean CA in which approximately \$296 million in funds will go to local communities to beautify and improve local streets and roads, tribal lands, parks, pathways, and transit centers to clean and enhance public spaces. Through the combination of adding beautification measures and art in public spaces along with the removal of litter and debris, this effort will enhance communities and improve spaces for walking and recreation.

In October of 2021, Caltrans reached out to the City to see if it would be interested in entering into a cooperative agreement for a local project in San José using funds from Clean CA. The City was interested and found that the Havana-Midfield Park project would meet the Clean CA funding requirements.

The City’s Department, the Public Works Department and the Department of Transportation met with Caltrans on moving the Havana-Midfield Park project forward. Based on the City’s cost estimate and funding needed for the project, Caltrans agreed to give the City \$500,000 in Clean CA funding to construct the park at Havana Drive and Midfield Avenue.

Once the cooperative agreement between the City and Caltrans is executed, the City will receive the \$500,000 for the project from Caltrans.

In addition, a request to adopt a resolution to submit a grant application with OSA for an amount up to \$250,000 for park development at the southeast corner of Midfield Avenue and Havana Way was previously approved by Council back on November 2, 2021 ¹. A resolution was adopted, however OSA requires specific verbiage in the resolution for the grant. To meet this request, a new resolution needs to be adopted and OSA has provided the following wording that the City will use to meet its requirement.

- 1. Truth of Recitals.** That the forgoing recitations are true and correct.
- 2. Measure Q Consistency.** That the Project is consistent with the Measure Q Expenditure Plan.
- 3. Authorization.** City Manager of the City of San José is hereby authorized to conduct all negotiations and submit and sign all documents, including but not limited to, grant agreement, conservation easement, amendments, reimbursement requests as may be necessary for completion of the project.
- 4. Matching Funds.** The City of San of San José has available matching funds as cash or in-kind and sufficient funds to complete the project.
- 5. Operation and Maintenance.** The City of San José has available and sufficient funds necessary to operate and maintain the project.
- 6. Program Guidelines.** The City of San José has reviewed, understands, and agrees to abide by the provisions contained in the Program Guidelines.

¹ <https://sanjose.legistar.com/View.ashx?M=F&ID=9908375&GUID=4B4AB0DE-0430-4892-932C-03437A69E4C7>

7. Legal Compliance. The City of San José acknowledges that it will comply with all federal, state, and local laws applicable to the Project.

ANALYSIS

The Department is proposing to apply for OSA grant funds and enter into cooperative agreement with Caltrans for the Havana-Midfield Park to close the budget gap and advance a project that has been advocated for since 2014 and has been part of the Department's work plan since that time.

The project is consistent with ActivateSJ, the Department's strategic plan, which calls for Equity & Access, in part through the development of parks in underserved neighborhoods. The Tropicana Neighborhood has limited open space available at public school campuses, with no public parks within a 10-minute walk which is a metric used by the Department as part of ActivateSJ for neighborhood park access. The playground will accommodate children, ages ranging from five to 12. The 0.15-acre site is much less than the half-acre objective for new parks but presents an opportunity for parkland development not otherwise available in the immediate area.

Clean CA is a new statewide program initiated by Governor Newsom and Caltrans to beautify and clean up the state highway system, and adjacent state and local properties. Clean CA has a state property component and a local grant component and the is participating in both components of the program. For the Havana-Midfield project, as well as two other projects (East San José Murals and Downtown Gateway Beautification under I-280), the City is partnering with Caltrans on the state property component and beautification effort. The \$500,000 in funding contemplated in this memorandum comes from the state program component to be used on state properties for beautification purposes.

In order to receive the funding, the City is required to execute a standard Cooperative Agreement with Caltrans to receive the funds. Given the Clean CA program was quickly established, Caltrans adapted a highway project agreement template for the Statewide Cooperative Agreement for minor Clean CA beautification projects. In discussions with Caltrans, the City identified provisions in the standard agreement that would not be applicable to a minor "non-highway" project including relevant design standards and a traditional quality management plan. Caltrans has indicated that any changes to the standard statewide agreement would likely result in up to nine months of delay to gain approval of new language from Caltrans.

Given the desire to expeditiously advance Clean CA projects in general, and the Havana-Midfield project specifically, avoiding an additional nine months of negotiations is desirable. Accordingly, Caltrans suggested, and City staff is pursuing, using the Caltrans encroachment permit process, which the City has participated in many times over the years, as the main process for review and approval of plans, specifications, project quality oversight, and final acceptance of the project. In doing so, City staff are confident that the benefits of receiving the \$500,000 in funding outweigh the risks of accepting the agreement language, based upon the expectation that

the project can be developed by the City, overseen through the Caltrans encroachment permit process, and be delivered acceptably, meeting the terms of the Agreement.

CONCLUSION

With City Council's approval of the recommendations above, the City will: 1) Adopt a resolution authorizing the City Manager to submit a grant application and, if awarded, negotiate and execute a grant agreement with OSA for an amount up to \$250,000 for park development at the southeast corner of Midfield Avenue and Havana Way; and, 2) Adopt a resolution authorizing the City Manager to negotiate and execute a cooperative agreement with Caltrans under the Clean CA program for an amount up to \$500,000 for park development at the southeast corner of Midfield Avenue and Havana Way.

EVALUATION AND FOLLOW-UP

The Department will report on project development via regularly scheduled updates with the Council Office for District 7. The Department will return to the City Council with park naming recommendations near the time that park construction should get underway.

CLIMATE SMART SAN JOSE

The recommendation in this memorandum has no effect on Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the May 10, 2022 Council Meeting.

COORDINATION

This memorandum has been coordinated with the City Manager's Budget Office, Office of Economic Development and Cultural Affairs (Real Estate Unit), Department of Public Works, and the City Attorney's Office.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

HONORABLE MAYOR AND CITY COUNCIL

April 25, 2022

Subject: Authorization for Silicon Valley Open Space Authority and Caltrans Agreements

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FISCAL/POLICY ALIGNMENT

The proposed action is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy.

COST SUMMARY/IMPLICATIONS

The City will need to front the total cost of the OSA grant (up to \$250,000) and will seek reimbursement from OSA as the project progresses whereas funding for Caltrans' Clean CA Program (up to \$500,000) will be disbursed upfront. The 2022-2023 Proposed Capital Budget and the 2023-2027 Capital Improvement Program assumes the grant revenues and expenditures to design and construct the park in 2022-2023 in the Council District 7 Construction and Conveyance Tax Fund (Fund 385). This pocket park is expected to come online in Spring 2023, with the operations and maintenance costs (\$5,000 in 2022-2023 and \$9,000 annualized) for the new facility included in the 2022-2023 Proposed Operating Budget.

CEQA

Midfield-Havana Pocket Park: Categorically Exempt, CEQA Guidelines Section 15332, Infill Development Projects, File No. ER20-200.

/s/

JON CICIRELLI
Director of Parks, Recreation
and Neighborhood Services

The principal author of this memorandum is Dean Casale, Senior Analyst. For questions, please contact Nicolle Burnham, Deputy Director, at nicolle.burnham@sanjoseca.gov.