



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Matt Cano
Jacky Morales-Ferrand
Jim Shannon

**SUBJECT: COOPERATIVE AGREEMENT
WITH CALTRANS FOR THE
280 ALMADEN AVE PROJECT**

DATE: November 22, 2022

Approved

Date

12/2/22

COUNCIL DISTRICT: 3

RECOMMENDATION

- (a) Adopt a resolution authorizing the City Manager or designee to negotiate and execute a Cooperative Agreement with the State of California (Caltrans) to receive funding up to \$2,200,000 to design and construct the 280 Almaden Ave Beautification Improvement Project as part of the Clean California Program.
- (b) Adopt the following 2022-2023 Funding Sources Resolution and Appropriation Ordinance amendments in the General Fund:
 - (1) Increase the estimate for Revenue from the State of California by \$350,000; and
 - (2) Establish the 280 Almaden Ave Beautification Improvement Project Capital Improvements appropriation to the Public Works Department in the amount of \$350,000.

OUTCOME

Approval of this action will allow staff to complete negotiations and execute a Cooperative Agreement with the State of California (Caltrans) to receive funding of up to \$2,200,000 to design and deliver the 280 Almaden Ave Beautification Improvement Project (Project) as part of the State of California's Clean California Program.

BACKGROUND

In 2020, the property located under Interstate 280 bounded by Almaden Ave, Reed St, Vine St, and Grant St. (mostly State/Caltrans owned) experienced frequent illegal dumping and proliferation of encampments, and the upkeep of Caltrans' leased construction storage space was not up to standards, which resulted in frequent complaints from adjacent neighbors, businesses, and downtown advocates. In response, Caltrans and its leasee, and the Parks, Recreation, and Neighborhood Services Department's BeautifySJ team initiated a clean-up of the area, and have worked since that time to keep the area in a cleaner and more orderly condition. However, the site remains unimproved, with no real ability to have the site contribute to improving the quality of the area given that no City funding exists to take on a project.

Neighbors, businesses, downtown advocates, and elected officials (Council District 3, State Representative Offices) requested that Caltrans and the City consider alternative uses for the site to improve its aesthetic condition, and better serve the community. Staff at Caltrans and the City considered various options, but major hurdles associated with funding improvements and future maintenance obligations remained.

In 2021, Governor Newsom and Caltrans launched the Clean California Initiative aimed at cleaning up and beautifying State rights of way and property, in partnership with local agencies and local organizations. Given the challenges associated with the 280 Almaden Ave property, Caltrans staff approached City staff to determine if the City had an interest in developing a beautification improvement project at the site for funding through the Clean California Initiative. Staff from the City Manager's Office, Public Works, Housing, and Transportation, working with Council District 3 and PATH (a local non-profit), developed a concept to improve and beautify the site. Caltrans approved the concept and negotiated a Cooperative Agreement with the City to fund and deliver the Project.

ANALYSIS

The Project has a concept scope (please see the attachment) and an estimated cost of \$2.2 million (to be fully funded by Caltrans). The concept scope contains elements aimed at cleaning up, beautifying, activating, and ensuring future efficient maintenance of the site including:

- Safe storage trailers for unsheltered people to store possessions;
- Placement of previously fabricated trailers for PATH to operate a safe storage program and provide other support services to unsheltered people (e.g., water, snacks, referrals);
- Potential community garden;
- Installation of sidewalks and connecting bike lanes between Almaden Blvd in the north and Vine St/Almaden Ave to the south;
- Painting and beautification of the freeway structural columns; and
- Trees and low maintenance plantings, and fencing.

To receive the funding to design and deliver the project, the City is required to execute a Cooperative Agreement with Caltrans. Caltrans adapted a highway project agreement template for the Clean California Statewide Cooperative Agreement for these minor beautification improvement projects. In discussions with Caltrans, the City identified provisions in the standard agreement that would not typically be applicable to a minor “non-highway” project including design standards and a traditional quality management plan, among others. Caltrans indicated that any changes to the standard Statewide agreement would likely result in significant delay to gain approval of new language from Caltrans headquarters and legal, or may not be approved at all, and the City may not receive the funds to design and deliver the project. Given the desire to quickly address the needs and blight at the 280 Almaden Ave site, avoiding extended negotiations is desirable.

Accordingly, Caltrans has 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. City staff are confident that the benefits of receiving the \$2.2 million in funding for the Project outweigh the risks of accepting the agreement language generally as-is, 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 Cooperative Agreement.

The City has two other projects that are proceeding under the Clean California Initiative – the Havana Midfield Park Project and East San José Murals. The City Council authorized staff to negotiate and execute a Cooperative Agreement for the Havana Midfield Park Project under essentially the same terms and conditions as the proposed 280 Almaden Ave Project. The Havana Midfield Park Project Cooperative Agreement has been executed and the project has broken ground and is proceeding in alignment with the Cooperative Agreement. The East San José Murals is a smaller dollar amount Cooperative Agreement and will proceed under the City Manager’s authority in much the same manner.

The Clean California Initiative and the Project provides an excellent opportunity to address multiple needs and concerns with the site, and circumstances occurring in the surrounding area, by addressing blight, beautification, and the needs of the unsheltered community in the surrounding area. Caltrans has agreed to the concept design, and has provided the City with a draft Cooperative Agreement for \$2.2 million in funding to complete final design, construction, and deliver the project. Staff recommends that City Council authorize the City Manager (or designee) to negotiate and execute the Cooperative Agreement with Caltrans to receive funding to deliver the Project.

EVALUATION AND FOLLOW-UP

If approved staff will enter the Project in the City’s Capital Project Management System and follow up on the Project with the District 3 Council Office through normal capital project

coordination process. Staff anticipates returning to the City Council with a construction contract award in summer 2023.

CLIMATE SMART SAN JOSE

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

PUBLIC OUTREACH

In November 2021, City staff and PATH, along with Council District 3, conducted a virtual community meeting to discuss the project and the associated concept and programmatic elements. The notification of the community meeting occurred through various channels, including over 100 flyer/door hangers to nearby residents and businesses. Participation did not meet expectations, and as the design proceeds, additional community outreach, in coordination with Council District 3, will occur.

This memorandum will be posted on the City's Council Agenda website for the December 13, 2022 City Council meeting.

COORDINATION

This memorandum has been coordinated with the Office of Economic Development and Cultural Affairs and the City Attorney's Office.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

COST SUMMARY/IMPLICATIONS

The Cooperation Agreement is proposed on a cost reimbursement basis. If approved, the City will need to front the cost to design and deliver the Project and then receive payment from Caltrans on an invoice reimbursement basis. The total estimated cost and the associated elements of the Project are listed below.

1. AMOUNT OF RECOMMENDATION/ESTIMATED COST OF PROJECT:

Project Delivery	\$480,000
Construction	\$1,634,000
Contingency (5%)	<u>\$86,000</u>
TOTAL PROJECT COSTS	\$2,200,000
Prior Years' Expenditures & Encumbrances	\$0
TOTAL REMAINING PROJECT COSTS	\$2,200,000

2. SOURCE: Funding in the amount of \$350,000 is anticipated to be expended and reimbursed in 2022-2023 within the General Fund for the design and bidding of the Project. The remaining amount of \$1,850,000 is anticipated to be expended and reimbursed in 2023-2024 for construction, inspection, and delivery of the Project.

3. FISCAL IMPACT: Though the design of the project is still under development, staff does not anticipate significant additional maintenance and operating costs once the Project is completed.

BUDGET REFERENCE

The table below identifies the fund and appropriations to fund recommended Cooperative Agreement in 2022-2023 as part of this memorandum.

Fund #	Appn #	Appn Name	Current Total Appn	Recommended Budget Action	2022-23 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
001	R100	Revenue from State of California	\$30,135,522	\$350,000	135	10/18/2022, 80717
001	NEW	280 Almaden Ave Beautification Improvement Project	N/A	\$350,000	N/A	N/A

HONORABLE MAYOR AND CITY COUNCIL

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CEQA

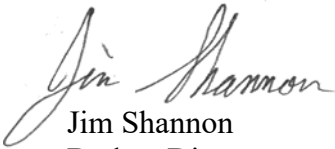
Not a Project, File No. PP17-007, Preliminary direction to staff and eventual action requires approval from decision-making body.



Matt Cano
Director of Public Works

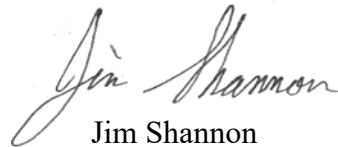
/s/

Jacky Morales-Ferrand
Director of Housing



Jim Shannon
Budget Director

I hereby certify that there will be available for appropriation in the General Fund in the Fiscal Year 2022-2023 moneys in excess of those heretofore appropriated therefrom, said excess being at least \$350,000.



Jim Shannon
Budget Director

For questions, please contact Jim Ortbal, Special Projects Executive in the City Manager's Office, at jim.ortbal@sanjoseca.gov.

Attachment: 280 Almaden Ave Preliminary Concept Scope

