



Memorandum

TO: NEIGHBORHOOD SERVICES
AND EDUCATION COMMITTEE

FROM: Jon Cicirelli

SUBJECT: SEE BELOW

DATE: January 23, 2023

Approved

Date

2/1/23

**SUBJECT: 2021-2022 STATUS REPORT ON PARKS AND COMMUNITY FACILITIES
DEVELOPMENT CAPITAL IMPROVEMENT PROGRAM**

RECOMMENDATION

- (a) Accept the Annual Report on Park Impact Ordinance and Parkland Dedication Ordinance Fees for 2021-2022; and
- (b) Accept the Annual Status Report on Parks, Recreation and Neighborhood Services Department's Capital Improvement Program.

SUMMARY AND OUTCOME

The annual report on Park Impact Ordinance and Parkland Dedication Ordinance Fee Collections informs the Neighborhood Services and Education Committee and the community regarding developer-related revenue fee collection and use. The annual status report on the Capital Improvement Program summarizes the use of those fees paired with other resources to implement the Department of Parks, Recreation and Neighborhood Services (the Department) Capital Improvement Program (CIP).

EXECUTIVE SUMMARY

Receipt of the following reports meets the reporting mandate per the California Mitigation Fee Act for the Parks Impact Fee.

The Department's Capital Projects Division manages the 2023-2027 capital projects work plan related to all of San José's parks, trails, and community centers. The Department oversees \$421.6 million in funded projects over this five-year period to plan, design, rehabilitate and/or construct new parks, trails, community centers, and other recreational facilities. This report on Park Impact Ordinance and Parkland Dedication Ordinance Fees provides an overview and update on key capital improvement projects funded by these fees, which were completed or started in 2021-2022, as well as those moving forward in 2022-2023.

The Annual Status Report on the Capital Improvement Program provides an update on primary capital project funding sources, including Construction Tax and Property Conveyance Tax (C&C) revenues; Park Trust Fund fees; the remaining balance on year 2000 Measure P Bond funds; commercial paper securities funding; a variety of local, state and federal grants; and insurance and Federal Emergency Management Agency (FEMA) reimbursement proceeds received in response to the City's 2017 Coyote Creek Flood response and recovery efforts.

BACKGROUND

The California Mitigation Fee Act (Government Code Section 66000 *et seq.*) mandates annual reporting on the use of Parks Impact Fees inside the Park Trust Fund within six months following the end of each fiscal year.

The Department manages 3,617 acres of land, which includes 2,116 acres of developed parks, trails, and community centers. Table 1 is an inventory of these facilities.

Table 1 – Inventory of the Department's Facilities

Parks	Trails	Centers	Unique Assets
200 neighborhood parks	53.49 miles paved (urban)	12 regional centers	1 amusement park & zoo, Family Camp, Cherry Flat Reservoir
10 regional parks	8.87 miles gravel (urban)	31 neighborhood serving centers	6 swimming pools 3 golf courses 2 BMX bike parks 7 skate parks
210 parks	62.36 miles of trail	43 centers	

The Department's CIP is supported by technical professionals that manage and oversee the full range of development tasks including strategic planning, land acquisition, feasibility studies, master plans, concept designs, and project implementation for major and minor capital projects. Work is performed independently or in collaboration with the Department of Public Works, other City departments, contractors, and consultants. The CIP is supported through revenue from the following sources:

- Park Impact Ordinance and Parkland Dedication Ordinance (Park Trust Fund);

- Construction and Conveyance Tax Fund;
- Grant Programs;
- Measure P Bond Funding; and
- Commercial Paper.

ANALYSIS

This memorandum provides an overview of the portion of the Citywide Capital Improvement Program that is managed by the Department and includes the annual status report pertaining to the use of Park Impact Fees, as required by the California Mitigation Fee Act; and staff's annual report out on the status of CIP projects that were started, underway, and/or completed in 2021-2022, including an update on the status of the Department's 2017 Coyote Creek Flood recovery efforts. Flood reconstruction is a high priority, and it is vital that these projects move forward within the timelines specified by FEMA to ensure City reimbursements are maximized to address the full breadth of recovery projects.

The memorandum provides both reports in two subsections, as follows:

1. Annual Report on Park Impact Ordinance and Parkland Dedication Ordinance Fees for 2021-2022:
 - (a) Park Impact Ordinance and Parkland Dedication Ordinance Fees; and
 - (b) Other Capital Improvement Program Funding Sources:
 - (1) Construction and Conveyance (C&C) Tax Fund;
 - (2) Grant Programs;
 - (3) Measure P Parks and Recreation Bond Projects Fund; and
 - (4) Commercial Paper – 2017 Flood Recovery.
2. The Annual Status Report for the Capital Improvement Program:
 - (a) Parks Overview;
 - (b) Trails Program Overview; and
 - (c) Community Centers.

1. Annual Report on Park Impact Ordinance and Parkland Dedication Ordinance Fees for 2021-2022

(a) Park Impact Ordinance and Parkland Dedication Ordinance Fees

The City of San José enacted the Parkland Dedication Ordinance (PDO) in 1988 to meet the demand for new neighborhood and community parkland generated by the development of new residential subdivisions. The City's PDO is consistent with the State's Quimby Act (Government Code Section 66477), which authorizes the legislative body of a city or county to require the dedication of land or impose fees for park or recreational purposes as a condition to the approval of a tentative or parcel subdivision

map if specified requirements are met. In 1992, the City Council adopted the Park Impact Ordinance (PIO), which is similar to the PDO, but applies to new non-subdivided residential projects, such as apartment buildings. The City's PIO is consistent with the State's Mitigation Fee Act (Government Code Section 66000 *et seq.*), which similarly authorizes a local agency to establish, increase, or impose various fees as a condition of approval of a development project.

The PDO and PIO programs require developers of new residential projects to provide the value equivalent of three new acres of parkland per 1,000 residents. The population of a new development is estimated using U.S. Census Bureau data, which is translated into a land dedication requirement. For example, a new development that houses 2,000 residents would be required to develop or fund an equivalent amount of 6 acres of new parkland.

To meet this requirement under the PDO and PIO, residential developers dedicate land, improve existing parkland, provide private recreation areas, and/or pay a parkland fee in lieu of parkland dedication depending on the needs of the parks system in the vicinity of the development. Fees paid in lieu of land dedication are deposited into, and accounted for, in the Park Trust Fund. The fees paid into the Fund are directly tied to the residential development activity that takes place in various geographic areas throughout the city.

Table 2 provides a year-over-year comparison of PDO/PIO-related revenues and associated expenditures (excluding encumbrances) from 2019-2020 through 2021-2022. Past years are included as a reference to show the annual variability in this revenue source.

Table 2 – Park Trust Fund Revenues & Expenses (in millions)

	2019-2020	2020-2021	2021-2022
PDO/PIO Fee Collection	\$5.6	\$12.0	\$18.3
Interest / Other Revenues*	\$3.1	\$3.8	\$6.0
Total Revenues	\$8.7	\$15.8	\$24.3
Expenditures**	\$10.9	\$14.3	\$9.8

*Includes grant reimbursement revenue

**Excludes encumbrances of \$5.8 million

Table 2 shows that in-lieu fee collection varies from year to year, based upon development activity. The funds are secured as developers obtain building permits from the City's Department of Planning, Building and Code Enforcement. Use of these fees is geographically limited and proximate to the development for which they are collected (neighborhood-serving facilities must be within ¾-mile of the development and community-serving facilities must be within three miles of the development). Development of new housing in San José is based upon available and suitable sites. The

majority of the \$18.3 million of in-lieu fees collected in 2021-2022 were in Council District 6 (\$10.4 million).

Examples of projects funded with Park Trust Fund revenues shown above include:

- Emma Prusch Park - All Inclusive Playground (CD 5)
- Newbury Park Development (CD 3)
- Payne Avenue Park Phase I (CD 1)
- Penitencia Creek Dog Park (CD 4)
- TRAIL: Guadalupe River (Chynoweth Ave) Pedestrian Bridge Design (CD 9)
- TRAIL: Thompson Creek (Quimby Road to Aborn Court) (CD 8); and
- Tully Road Ballfields Dog Park Improvements (CD 7)

In some cases, Park Trust Fund monies are collected, but the Department is not able to move forward with a specific project. For example, when a desired project requires funding greater than the Park Trust Fund monies collected. In those cases, the Department coordinates with the City Council and the City Manager's Budget Office to establish reserves dedicated for specific future projects until sufficient resources are available to proceed. The five largest of these reserves are:

- St. James Park Phase I Reserve - \$9,043,000;
- North San Pedro Area Parks Reserve- \$6,922,000;
- Spartan Keyes Area Park Development Reserve - \$6,780,000;
- Coyote Creek Trail (Mabury to Empire Street) Reserve - \$6,759,000; and
- Del Monte Park Phase III Development Reserve- \$6,001,000.

Most funds in the Parks Trust Fund have been committed to specific capital projects. Staff is exploring options for delivering the projects noted above, and others, more quickly and efficiently to prevent building up extensive amounts of park fees.

As required by the California Mitigation Fee Act, documentation on the City's use of Park Impact Fee monies for the fiscal year ending June 30, 2022, can be found on the City's website under the section "Parks and Community Facilities Development Capital Improvement Program Status Report" at:

<https://www.sanjoseca.gov/home/showpublisheddocument/92176> (Attachment A). This report will be posted online in advance of the six-month requirement, in compliance with the Act. It will also be presented to the Neighborhood Services and Education Committee on February 9, 2023.

(b) Other Capital Improvement Program Funding Sources

(1) Construction and Conveyance Tax Fund

The Construction and Conveyance (C&C) Tax consists of two types of revenue generated by the City. The Construction Tax is levied on most types of construction, including residential, commercial, and industrial, and accounts for one percent of the overall C&C revenues. The Property Conveyance Tax is levied on the transfer of all real property with a value greater than \$100. C&C Tax is the largest source of the Department's CIP revenues, with 65.2 percent of the total Conveyance Tax receipts collected by the City allocated to the Parks and Community Facilities Development Program for parks-related and parks service yard projects. The remaining 34.8 percent of revenues are distributed amongst the Fire Department, Library Department, and City Manager's Office of Communications.

C&C funds play a significant role in addressing needed repairs and replacements within the City's aging recreational infrastructure. In 2021-2022, the Department received \$64.5 million in actual C&C revenues versus the Modified Budget assumption of \$60.0 million for both parks and park yards.¹ These monies are used by the Department in various ways, including funding for ongoing capital-related appropriations, project specific capital appropriations, staffing costs, and Council District needs.

Table 3 – Summary of C&C Allocations (2021-2022)

Allocation of C&C Funding (Central, Citywide and Council District C&C funds)	2021-2022 Funding Allocation (millions)
Project Specific Capital Appropriations	\$49.3
Major Ongoing Allocations (see Table 4)	\$8.2
Staffing	\$12.6
Park Yards	\$5.8
Infrastructure Backlog Reserves	\$5.6
Other Reserves	\$12.9
TOTAL ²	\$94.4

Table 4 below summarizes the major ongoing C&C funding allocations within the Department's CIP Program, followed by a brief discussion of each type of funding allocation.

Table 4 – Value of Major Ongoing C&C Funding Allocations (2021-2022)

Project Categories	2021-2022 (millions)
Strategic Capital Replacement & Maintenance Needs	\$1.8

¹ Revenue in the C&C Funds are expended on Capital Projects, Reserves, Staff Costs, and Ending Fund Balance

² Capital Project expenditures are made up of revenue received in 2021-2022 and rebudgeted project expenditures from 2020-2021.

Project Categories	2021-2022 (millions)
Minor Park and Minor Building Renovations	\$1.8
Minor Infrastructure Contract Services	\$0.4
Pool Repairs/Fountains	\$0.3
Preliminary Studies/Engineering	\$0.8
Agronomic and Tree Services/Weed Abatement/Ball Field Renovations	\$0.7
Major and Minor Park Equipment/Hardware	\$1.3
Miscellaneous Needs (described below)	\$1.1
TOTAL	\$8.2

Strategic Capital Replacement and Maintenance Needs – These allocations are distributed amongst Council Districts and provide funding for various items such as turf renovation, irrigation upgrades, and similar small repairs. Work funded in these allocations are typically completed by Parks Maintenance staff or through the Public Works Facilities team.

Minor Park and Minor Building Renovations – These allocations provide funding to address short-term minor capital repair and maintenance needs throughout the year such as renovation and repair to existing community centers, irrigation systems, park restrooms, neighborhood centers, picnic equipment, drinking fountains, and other park amenities.

Minor Infrastructure Contract Services – These allocations provide funding for contract services for minor improvements at park facilities. Improvements include turf area renovation, irrigation replacement and renovation, park lighting repair, infrastructure repairs to make park facilities compliant with new code requirements, and all other minor capital improvements that reduce maintenance efforts and enhance the usability of the park.

Pool Repairs/Fountains – These allocations provide ongoing funding for updated code compliance, repair or replacement of mechanical equipment such as pumping equipment, chemical injection systems, filter equipment and other accessories, repair of pool lighting, and other capital repairs that are necessary to keep the pools open and safe for public use at the City’s six swimming pools.

Preliminary Studies and Engineering – This allocation provides ongoing funding (in conjunction with resources from the Park Trust Fund) to research, respond to City Council inquiries, provide real estate services and related activities prior to recommendations for, or implementation of, formal projects.

Agronomic and Tree Services/Weed Abatement/Ball Fields Renovations – This combination of funding supports preventative maintenance and rehabilitation work to soil, turf, and other plant materials as well as the renovation of damaged turf and sports fields in City parks; tree trimming, planting, and the replacement of trees and shrubs; weed abatement needs on undeveloped park properties throughout the City; and the renovation of sports fields at City parks, including backstops, irrigation, turf renovation, dugouts, scorekeeper booths, lighting systems, and bleachers.

Major and Minor Park Equipment/Hardware – This combination of funding supports the acquisition of large equipment that is required for the maintenance and safety of park facilities; the purchase and/or replacement of new and existing equipment at community centers throughout the City; and the purchase of park hardware and furnishings for neighborhood and regional parks throughout the City.

Miscellaneous Category – This funding is used to support various capital-related expenses, including periodic updates needed at San José Family Camp, replacement of copper wire due to theft, environmental mitigation maintenance and monitoring, volunteer project support, pedestrian bridge assessment, and other miscellaneous needs.

(2) Grants Program

The Department actively pursues grants from a variety of local, state, and federal sources. Pursuing external funding permits the City to leverage its resources to deliver new projects, increase the scope of projects, or advance projects sooner. Grant funding is seldom available as a cash transfer between agencies. Instead, grant opportunities typically require that the City front all expenses, produce matching funds, align projects to specific grant goals, and develop competitive grant applications. Specific grant programs that often yield the Department's largest sources of capital funding are described below.

Measure B

In 2016, Santa Clara County voters approved Measure B, a 30-year, half cent countywide sales tax to support transit, highways, expressways, and active transportation (bicycles, pedestrians, and complete streets). The Valley Transportation Authority (VTA) administers the use and disbursement of funding for related projects and in December 2019, released its first competitive call for project proposals. The Department submitted six applications, and five scored highly and were included in the program's 10-year priority list or "funded" list, as approved by the VTA Board. Any remaining projects which did not score

competitively were placed on an “unfunded” list and may receive funding if excess funds become available.

Once the 10-year priority list was approved by the Board, VTA staff initiated a request for funding based on the scored ranking. The request for funding provides monies for a specific project phase(s) over a two-year period to align with VTA’s budget cycle. Once each two-year budget cycle is complete, VTA initiates another two-year call for funding (where projects on the 10-year priority list can request to draw from their awarded amount through a reimbursement-based grant agreement). Thus, there will be five calls for funding throughout the 10-year grant cycle.

For the first two-year cycle, San José received approval to fund design and construction of the Thompson Creek Trail from Quimby Road to Aborn Court. During fiscal year 2020-2021, VTA and the City executed the grant award agreement to finalize design and construction of this trail segment.

For the second two-year cycle, San José received approval to fund masterplan work of the Five Wounds Trail from Story Road to Lower Silver Creek. During fiscal year 2022-2023, VTA and the City plan to negotiate and execute the grant award agreement to complete the masterplan for the trail segment.

Requests for remaining projects were not submitted because they were not at a level of project readiness or had other factors that prevented project advancement. Staff will continue to work with the City Council to advance development of remaining projects in order to make use of Measure B funds during future cycles. Table 5 is the list of projects eligible for Measure B funding during this 10-year grant cycle.

Table 5 – Projects Eligible for Measure B Funding

Project	Limits	Phase(s) Requested	Measure B Request	Application Status
Coyote Creek Trail	1) Montague Expressway to Brokaw Road (1.35 miles); 2) Old Oakland Road to Berryessa Road (1.20 miles); 3) Empire Street to Santa Clara Street (0.95 miles); and 4) Singleton Crossing near Tuers Road (300 feet).	-Design	\$6,876,000	Placed on the 10-year priority list.

Project	Limits	Phase(s) Requested	Measure B Request	Application Status
Five Wounds Trail	Story Road to East Julian Street per current proposed agreement with VTA (2.0 miles), with intent to extend to Mabury Road, subject to coordination with VTA.	-Environmental Clearance -Design	\$4,140,000	-Placed on the 10-year priority list. -Masterplan funding requested (summer 2023 start date).
Guadalupe River Trail	Virginia Street to Chynoweth Avenue (5.5 miles).	-Environmental Clearance -Design	\$5,400,000	Placed on the 10-year priority list.
Los Gatos Creek Trail	Auzerais Avenue to Santa Clara Street (0.76 miles).	-Environmental Clearance -Design	\$2,587,500	Placed on the 10-year priority list.
Thompson Creek Trail	Quimby Road to Heartland Way (6.55 miles).	-Design -Construction	\$2,410,000	-Quimby Road to Aborn Court: award agreement executed (\$610,000). -Project entering Construction fiscal year 2022-2023.

Parks and Water Bond Act of 2018 (Proposition 68)

California Proposition 68, which was approved in June 2018, authorized \$4.1 billion in general obligation bonds for state and local parks, environmental protection projects, water infrastructure projects, and flood protection projects. The City was awarded \$177,952 under the Per Capita Program, which had an allocation of \$185 million. Funds were not allocated based on population due to the high volume of applicants, the award amounts were distributed evenly among all the applicants giving every entity \$177,952. The Department intends to apply the awarded Proposition 68 General Per Capita Grant Program grant to supplement City funds already appropriated for the development of a pocket park in the Tropicana Neighborhood in East San José.

Priority Conservation Area Grant Program

The Priority Conservation Area Grant Program was initiated in 2013 to enhance open spaces and provide natural resources, ecological, recreational, and public

health benefits. In 2016, \$8.2 million from the One Bay Area Grant Program became available through a competitive process to the Counties of Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara under the Peninsula, Southern, and East Bay Counties Program. Through this program, the State Coastal Conservancy (Conservancy) awarded the City two grants: \$140,000 for the Singleton Road Crossing (Interim Project) and \$83,000 for the Five Wounds Trail Feasibility Study. In spring 2022, the City and the Conservancy completed the grant scope to advance the Singleton Crossing Project, which consisted of removing a fish barrier, restoring fish habitat, and re-constructing the existing creek crossing of the Coyote Creek Trail where Singleton Road Crosses Coyote Creek, part of the Bay Area Ridge Trail. In addition, the Five Wounds Trail Feasibility Study from Story Road to Whitton Avenue has been completed, and the City will close out that grant award in fall 2022.

Safe, Clean Water Partnership Program

In November 2012, the voters of Santa Clara County approved the Safe Clean Water and Natural Flood Protection Program, which included \$6 million for fish passage improvements. In 2015, Santa Clara Valley Water District Board approved a Project D4 partnership grant of up to \$1 million for the Coyote Creek Trail - Singleton Road Crossing Interim project. Receiving the full \$1 million grant award, the project completed construction during fiscal year 2021-2022, with the in-channel fish barrier removed and a new bridge structure installed to support restored trail access and improve the creek environment. The trail and bridge are open for community use.

County of Santa Clara All-Inclusive Playground Grant Program

In FY 2018/2019, The County of Santa Clara awarded San José four grants totaling \$4.7 million to support construction of all-inclusive playgrounds at Emma Prusch Farm Park, Lincoln Glen Park, Almaden Lake Park, and expansion of the Rotary Playgarden. The Lincoln Glen Park project is completed and has been invoiced in the amount of \$1.0 million for reimbursement. Construction on Rotary Playgarden began in May 2022 is anticipated to be completed by December 2022. The construction phase for Lake Almaden is expected to start in the next few months and Emma Prusch will begin in January 2023. Both projects are anticipated to be completed by March 2024.

Santa Clara Valley Open Space Authority

In 2015, the Latinos United for a New America secured a \$250,000 grant from the Santa Clara Valley Open Space Authority under the Urban Grant Program to build the pocket park (0.15-acre) at the southeast corner of Midfield Avenue and Havana Way in the Tropicana Neighborhood in East San José. Latinos United for

a New America was unable to fulfill their obligation to build the park, so they reached out to the Open Space Authority to see if the \$250,000 grant funding could be transferred to the City. At the August 26, 2021, meeting, the Open Space Authority Board voted unanimously to transfer the Latinos United for a New America grant to the City because of its fiscal capacity to front contract expenditures and for delivery of public park improvements under the guidance of the Director of Public Works. Construction on the project began in October 2022 and is anticipated to be completed by June 2023.

Caltrans CLEAN California Program

Caltrans developed the CLEAN California Program through which approximately \$296 million in funds are distributed 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 space 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 the CLEAN California Program. The City determined that the Havana-Midfield Park project would meet the CLEAN California funding requirements.

Based on the City's cost estimate and funding needs for the project, Caltrans agreed to give the City \$500,000 in CLEAN California funding to construct the pocket park at Havana Drive and Midfield Avenue.

The cooperative agreement with Caltrans was executed on September 9, 2022, and construction began in October 2022 with completion anticipated for June 2023.

(3) Measure P Parks and Recreation Bond Projects Fund

In November 2000, voters approved the Measure P Bond initiative, which provided \$228 million to expand the City of San José's parks infrastructure. To date, 89 of 90 original projects planned under Measure P have been completed. The one remaining bond-funded project is the Columbus Park Soccer Facility (detailed below).

Columbus Park Soccer Facility

A soccer facility was planned as part of the 2000 Measure P Bond. The Department evaluated and considered many locations, but none moved forward to construction for many reasons. In fall 2019, the City Council approved \$3.0 million to fund the redesign of Columbus Park to accommodate soccer, softball, and other uses. This project is currently in design and is expected to expend all remaining bond funds and complete the Measure P Bond program.

Projects funded with the \$4.7 million allocation to the Measure P Parks and Recreation Bond Projects Fund include:

- All-Inclusive Playground – Emma Prusch – \$338,000;
- All-Inclusive Playground – Lincoln Glen – \$65,000;
- Alum Rock Avenue and 31st Street Park Phase II – \$1,000,000;
- Butcher Park Playlot Renovation – \$300,000;
- Coyote Creek Trail – \$162,000;
- Hathaway Park Renovation – \$850,000;
- Iris Chang Park Development – \$728,000;
- La Colina Park Playground Renovation – \$300,000;
- Playa Del Rey Shade Structure – \$100,000;
- River Glen Park Improvements – \$135,000;
- Seven Trees Community Center Lighting – \$150,000;
- Solari Park Improvements – \$150,000;
- Trail: Yerba Buena Creek Pedestrian Bridge - Preliminary Design – \$144,000;
- Waterford Park Improvements – \$100,000; and
- Welch Park and Neighborhood Center Improvements – \$200,000.

The Department has carefully tracked, monitored, and expended the Coleman Sale Bond Measure P-funded projects on or before the December 14, 2020, deadline.

The independent accounting firm Macias Gini & O’Connell, LLP completed its annual audit of the Parks and Recreation Bond Projects Fund (Fund 471) for the fiscal year that ended on June 30, 2022, and is included as Attachment B.

The audit is posted on the City’s website: <http://www.sanjoseca.gov/prc>. Copies can also be obtained from the Parks, Recreation and Neighborhood Services Department on the 9th floor of City Hall at 200 East Santa Clara Street, San José, 95113.

(4) Commercial Paper – 2017 Flood Recovery

In January and February 2017, winter storms caused significant damage to several municipal facilities in the Alum Rock area and along the Coyote Creek corridor. Both events were declared disasters by the President of the United States on April 1, 2017, which allowed the City to seek reimbursement for recoverable costs and expenses (including those incurred for emergency response during and shortly after the event, as well as for prospective project costs related to restoring or replacing City-owned and operated property damaged by the flood). Upon conducting its assessment, the City identified a total of 26 flood-related reconstruction projects for which the City will seek reimbursement.

At the February 13, 2018 City Council meeting, staff presented the schedule for reconstructing impacted facilities and a financial plan for funding this work. The City Council authorized the use of up to \$21 million dollars in commercial paper to finance the reconstruction. A portion of the reconstruction expenses are expected to be reimbursed through the City's property insurance policies, FEMA, and the California Governor's Office of Emergency Services (Cal OES).

As of June 2022, the City has received a total of \$5.9 million from its insurance provider and \$3.3 million from FEMA/Cal OES. The effort to maximize reimbursement from the state and federal agencies is ongoing and is a primary focus for the Department. Staff continues to work with FEMA and Cal OES to ensure that projects conform to those agencies' requirements, including tracking and documenting activities and expenditures to maximize reimbursements.

Next steps include identifying potential project savings, closing out projects, and continuing efforts to maximize FEMA/Cal OES reimbursements.

Table 6 summarizes the costs for flood-related capital project expenses in comparison the costs expected in 2018. The City's share has almost doubled since 2018 due to lower-than-expected reimbursements.

Table 6 - Summary of Capital Project Expenses

Summary Data	2018 Projections	Total as of 6/30/2022	Future Projected	Current Total	Delta 2018 vs Present
USE					
Total Projected Expenses ⁽¹⁾	\$27,859,709	\$18,408,364	\$11,066,263	\$29,474,627	\$1,614,918
SOURCE					
Potential City Share ⁽²⁾⁽³⁾	\$8,566,000	\$9,192,566	\$6,626,263	\$15,818,829	\$7,252,829
Total Projected Insurance Proceeds ⁽⁴⁾	\$9,210,000	\$5,877,294	\$0	\$5,877,294	(\$3,332,706)
FEMA/CalOES Reimbursements	\$10,083,709	\$3,338,504	\$4,440,000	\$7,778,504	(\$2,305,205)

(1) Based on Appendix B of the Council Memorandum dated February 3, 2018 and present February 13, 2018 Item 3.5 <http://sanjose.legistar.com/gateway.aspx?M=F&ID=967c90b7-06d6-46a3-bf80-4c5ec9f97b1d.pdf>

(2) Excludes \$2,535,621 in commercial paper / project financing costs incurred to date

(3) City share is all costs remaining after Insurance and FEMA. Excludes costs associated with pre-disaster and post-disaster clean-up, sheltering, etc.

(4) Includes all payments from AIG including debris clean up and capital costs

Remaining projects are either in the design phase or in the construction phase.
The status of all flood projects is shown in Attachment C.

2. The Annual Status Report for the Capital Improvement Program

(a) Parks Overview

The CIP supports delivery of new and/or improved parks, trails, community centers, and other recreational projects. Table 7 summarizes the largest projects currently in development. Major projects delivered or underway during 2022-2023 include:

- 16.9 acres of new and/or improved parks:
 - RAMAC Park artificial turf (.7 acres)
 - Tamien Park turf renovation (.7 acres)
 - Pellier Park (.2 acres)
 - All Inclusive Rotary Playgarden Phase II (1.4 acres)
 - Payne Ave Friendship Park (2.0 acres)
 - Newbury Park (1.0 acres)
 - Elia Park (0.4 acres)
 - Baypointe Park (2.4 acres)
 - Acquisition of Bruzzone Park (3.7 acres) and Mercado Park (4 acres)

- Acquisition of 460 Park Ave (0.4 acres)
- 2.1 miles of new trails (under construction):
 - Coyote Creek Trail (Williams Street to Story Road) - 1.23 miles paved (reported in the Trails Database as 0.55 miles of new construction with the balance being 0.68 miles of rehabilitation)
 - Coyote Creek Trail (Story Road - Phelan Avenue) - 0.87 miles paved
- New trails
 - Penitencia Creek Trail (King Road to Berryessa BART) – 0.3 miles, although completed in a prior fiscal year and counted in the following year, the opening of the trail occurred alongside the start of BART operations in San José.
 - Three Creeks Trail’s Los Gatos Creek Pedestrian Bridge – 316.8 feet.

Table 7 - Top Ten Funded Projects for the Department

Project Name	Total Funding FY22-23 (millions)	Scope	Estimated Completion Date
Measure T – Community Center/Emergency Centers	\$12.8	Improve community center readiness for use as Emergency Shelters	Phase 1 - Bascom, Mayfair, Roosevelt, and Seven Trees - Summer 2023 Phase 2 - Camden - Fall 2023 Phase 3 - Almaden, Berryessa, and Evergreen – December 2025
TRAIL: Coyote Creek (Story Road to Tully Road)	\$9.6	Construct 2.25 miles of trail	December 2022
Payne Avenue Park Phase I	\$5.5	Design and construction in the first phase	June 2023
Agnews Property Development	\$4.5	Demolition costs and site preparation	June 2023
All-Inclusive Emma Prusch	\$4.4	Construct an all-inclusive playground and restroom	May 2024
Pellier Park	\$4.3	Construct a 1.0 acre neighborhood park	December 2022
St. James Park Design	\$3.2	Scope: Consultant CMG to provide 65% design and documentation for St.	December 2024

		James Park based on the competition concept/25% design.	
Police Athletic League Stadium Electrical Improvements	\$3.0	Removal and replacement of two electrical switchgear panels at PAL Stadium for the Baseball & Football fields	June 2024
Columbus Park Soccer Facility design	\$3.0	Design work and construction documents for a soccer facility	December 2023
Camden Community Center Improvements	\$2.0	Infrastructure repairs and enhancements	June 2023

(b) Trails Program Overview

The Department is developing one of the nation’s largest urban trail networks, with over 62 miles open to the public with plans to expand the network by an additional 38 miles per the City’s General Plan and other guiding documents.

During fiscal year 2021–2022, the following projects were completed, enhancing the City Trail Network:

- Coyote Creek Trail: Selma Olinder Park to Phelan Avenue;
- Coyote Creek Trail: Singleton Road Crossing (Interim Project);
- and Three Creeks Trail: Coe Avenue to Lonus Street.

During the last fiscal year, Department staff continued to advance the multi-department, multi-organization initiative to enhance safety through the Trail Safety Pilot Program along the Coyote Creek Trail.

Coming soon, the following trail projects have finalized design and are preparing to initiate construction during fiscal year 2022 – 2023:

- Coyote Creek Trail from Mabury Road to Watson Park;
- Guadalupe River Trail spur connection via Blossom River Drive;
- Penitencia Creek Trail Realignment;
- and Thompson Creek Trail from Quimby Road to Aborn Court.

Trail projects support health, recreation, and active transportation needs. Trail Count 2021 survey results showed that 48 percent of respondents access San José Trails for “health” reasons and benefits, with 33 percent stating “recreation”, 15 percent stating “active transportation”, and 4 percent stating “other”. With the shift to work from home to limit the spread of COVID-19, Trail Count 2021 continued to see a reduction in the

number of users attributed to active transportation, and trails that tend to be predominantly for recreation saw higher usage.

On September 15, 2021, staff worked with over 40 volunteers (for a total of over 100 hours volunteered) to conduct the 15th annual Trail Count at nine different count stations including:

- Coyote Creek Trail (Selma Olinder Park);
- Coyote Creek Trail (Stonegate Park);
- Five Wounds Trail (Olinder Dog Park);
- Guadalupe River Trail (near Coleman Avenue);
- Guadalupe River Trail (River Oaks Parkway);
- Los Alamitos Creek Trail (near Camden Avenue);
- Los Gatos Creek Trail (near Hamilton Avenue);
- Penitencia Creek Trail (King Road); and
- Three Creeks Trail (Willow Street).

Trail Count 2021 included eight returning stations and one new station at Penitencia Creek Trail near King Road. The San José Trail Team, with the continued support of volunteers, was proud to count for a full 12 hours at all nine count stations (7:00 am to 7:00 pm). In contrast to the previous year, Trail Count 2021 experienced warm and sunny weather, with almost 6,200 people accessing the trail system for recreation, health, social, and commuting benefits.

Receiving over 250 responses, the associated annual survey was conducted over a one-month period, to gather user feedback and improve trail planning and operations. The 2021 Trail Count Summary Report is available online on the Parks, Recreation and Neighborhood Services Trail Count webpage.

Staff share updates and continue to increase public awareness and engagement regarding the trail network through social media, on Twitter@SanJoseTrails followers and on Instagram@SanJoseTrails followers.

(c) Community Centers

The CIP supports critical repairs and infrastructure needs for community and neighborhood centers such as roof replacement, HVAC replacement, electrical upgrades, and other renovation work including Measure T funding to improve community center readiness for use as emergency shelters. During 2020-2021 work continued or was newly funded for seven community centers and three neighborhood centers as shown in Table 8.

Table 8 – Community Center Projects in Progress

Location	Project Description	% Complete
Community Centers (10)	Planning, design, and construction to improve readiness for Emergency Shelters.	15%
Berryessa Community Center	HVAC replacement and other minor repairs.	75%
Camden Community Center	Roof replacement, gym refurbishment, and other minor repairs.	30%
Community Center Wi-Fi	Number of sites expanded to include additional neighborhood centers.	95%
Roosevelt Community Center	Critical electrical and lighting upgrades.	100%
Southside Community Center	New roof, HVAC replacement, electrical upgrades, window replacement and other minor repairs.	90%
Willow Glen Community Center	HVAC replacement, Sewer line replacement, window replacement and other minor repairs.	90%
Evergreen Community Center	Marquee replacement, HVAC replacement, renovation of the center and other minor improvements.	25%
Cypress Community Center	Restroom renovation and other minor improvements.	10%
Starbird Youth Center	HVAC functionality improvements, dedicated restrooms, and other minor improvements.	5%
JC Northside Community Center	HVAC replacement and other minor improvements.	20%
Bascom Community Center	Marquee replacement and associated misc. improvements.	30%
Welch Park Neighborhood Community Center	Close off one restroom from the outside and install access from inside the building.	5%
Kirk Community Center	New Roof replacement and other minor repairs.	5%
Alum Rock Youth Center	HVAC replacement and other minor improvements.	5%
Seven Trees Community Center and Branch Library	Roof Replacement at joint facility and associated minor improvements.	5%
Almaden Library and Community Center	Roof Replacement at joint facility and associated minor improvements.	5%

CONCLUSION

The Department developed a report to inform the Neighborhood Services and Education Committee about revenue fee collection and its use through the Park Impact Ordinance and Parkland Dedication Ordinance Fee Collections. The Department will continue to report annually within six months following the end of each fiscal year, as required by the California Mitigation Fee Act (Government Code Section 66000 et seq.).

EVALUATION AND FOLLOW-UP

The Department will continue to provide annual reports to the Parks and Recreation Commission and Neighborhood Services and Education Committee.

COST SUMMARY/IMPLICATIONS

The projected costs of maintaining and operating new and expanded parks and recreation facilities are noted in the 2022-2026 Adopted Capital Improvement Program.

COORDINATION

This memorandum has been coordinated with the City Manager's Budget Office and the City Attorney's Office.

PUBLIC OUTREACH

The Department's CIP status report was presented to the Parks and Recreation Commission on December 7, 2022 and individual CIP projects have their own public outreach process.

COMMISSION RECOMMENDATION/INPUT

The Parks and Recreation Commission requested the CIP report be returned for further review of Measure P. This item is scheduled to return on February 1, 2023.

CEQA

Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action.

CLIMATE SMART SAN JOSÉ

The recommendation in this memorandum does not have any negative impact on Climate Smart San José energy, water, or mobility goals.

FISCAL/POLICY ALIGNMENT

Projects discussed are consistent with the Envision San José 2040 General Plan and ActivateSJ Strategic Plan 2020-2040.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy.

/s/

JON CICIRELLI

Director of Parks, Recreation and
Neighborhood Services

For questions, please contact Sara Sellers, Interim Deputy Director, at (408)793-5514.

Attachments:

- A. Report on Park Impact Ordinance and Parkland Dedication Ordinance Fees
- B. Annual Audit of Parks and Recreation Bond Projects Fund
- C. Project Costs and Schedule for Flood Projects