



# Memorandum

**TO:** NEIGHBORHOOD SERVICES  
AND EDUCATION COMMITTEE

**FROM:** Jon Cicirelli  
Director

**SUBJECT:** SEE BELOW

**DATE:** October 23, 2023

Approved

Date

11/2/23

**SUBJECT: PARK IMPACT ORDINANCE AND PARKLAND DEDICATION  
ORDINANCE FEES AND CAPITAL IMPROVEMENT PROGRAM  
ANNUAL REPORT**

## RECOMMENDATION

- a. Accept the Annual Report on Park Impact Ordinance and Parkland Dedication Ordinance Fees for 2022-2023.
- b. Accept the Annual Status Report on Parks, Recreation and Neighborhood Services Department's Capital Improvement Program.

## 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 3,620 acres of land, which includes 2,120 acres of developed parks, trails, and community centers. Table 1 is an inventory of these facilities.

**Table 1 – Inventory of the Department's Facilities**

<b>Parks</b>	<b>Trails</b>	<b>Centers</b>	<b>Unique Assets</b>
202 neighborhood parks	57.07 miles paved (urban)	11 regional centers	1 amusement park & zoo
10 regional parks	7.86 miles gravel (urban)	35 neighborhood serving centers	6 swimming pools 3 golf courses

			2 BMX bike parks 7 skate parks
<b>212 parks</b>	<b>64.93 miles of trail</b>	<b>46 centers</b>	

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 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;
- Commercial Paper; and,
- CalOES and FEMA Reimbursements

**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 2022-2023, 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 that the City is facing.

The memorandum provides both reports in two sub-sections, as follows:

1. Annual Report on Park Impact Ordinance and Parkland Dedication Ordinance Fees for 2022-2023:
  - (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) Grants Programs;
    - (3) Measure P Parks and Recreation Bond Projects Fund; and
    - (4) CalOES, FEMA, and 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 and Park Facilities.

**1. Annual Report on Park Impact Ordinance and Parkland Dedication Ordinance Fees for 2022-2023**

**(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.*), that 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 new residents. The population of a new development is estimated using US Census Bureau data, that is translated into a land dedication requirement (e.g., a development that would increase population by 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 of \$6.3 million in 2022-2023 and encumbrances of prior fiscal years) from 2020-2021 through 2022-2023. 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)**

	<b>2020-2021</b>	<b>2021-2022</b>	<b>2022-2023</b>
PDO/PIO Fee Collection	\$12.0	\$18.3	\$11.5
Interest / Other Revenues*	\$3.8	\$6.0	\$3.8
<b>Total Revenues</b>	<b>\$15.8</b>	<b>\$24.3</b>	<b>\$15.3</b>
<b>Expenditures**</b>	<b>\$14.3</b>	<b>\$9.8</b>	<b>\$14.9</b>

\*Includes grant reimbursement revenue

\*\*Excludes encumbrances

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 ¼-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 \$11.5 million of in-lieu fees collected in 2022-2023 were in Council District 3 (\$7.4 million), although other council districts did receive revenue as well.

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

- Payne Avenue Park Phase I (CD 1)
- Pellier Park (CD 3)
- Mercado Park Development (CD 4)
- River Glen Restroom Restoration (CD 6)
- Evergreen Community Center Improvements (CD 8)
- TRAIL: Guadalupe River (Chynoweth Ave) Pedestrian Bridge Design (CD 9)

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 2022-2023 reserves are:

- St. James Park Phase I Reserve - \$9,043,000
- Spartan Keyes Area Park Development Reserve - \$6,780,000
- North San Pedro Area Parks Reserve- \$6,302,000
- Del Monte Park Phase III Development Reserve- \$6,001,000

- Santana Park Development Reserve- \$3,138,000

The majority of funds in the Parks Trust Fund have been committed to specific capital projects. There is an ongoing assessment to allocate the Park Impact Fees within the five-year window of receipt versus allocation. If the fees are not allocated within this five-year window, then they must be returned.

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, 2023 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/your-government/departments-offices/parks-recreation-neighborhood-services/in-the-works/developers-page> (Attachment A). This report is being presented to Neighborhood Services and Education Committee in advance of the six-month requirement and is therefore in compliance with the Act.

## **(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 among Fire, Library, and Communications.

C&C funds play a significant role in addressing the need to repair and replace the City's aging park infrastructure. In 2022-2023, the Department received \$24.7 million in actual C&C revenues versus the Modified Budget assumption of \$30.3 million for both Parks and Park Yards.<sup>1</sup> 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. Council district needs are determined based on park condition assessments and the growing infrastructure backlog in each district. Table 3 below outlines the allocation of C&C funding for capital-related project appropriations, staffing costs, and reserves.

**Table 3 – Summary of C&C Allocations (2022-2023)**

<b>Allocation of C&amp;C Funding (Includes Central, Citywide and Council District C&amp;C funds)</b>	<b>2022-2023 Funding Allocation (millions)</b>
Project-Specific Capital Appropriations	\$58.7
Major Ongoing Allocations (see Table 4)	\$9.7
Staffing	\$12.6
Park Yards	\$4.3
Infrastructure Backlog Reserves	\$2.4
<b>TOTAL</b>	<b>\$87.7</b>

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

**Table 4 – Value of Major Ongoing C&C Funding Allocations (2022-2023)**

<b>Project Categories</b>	<b>2022-2023 (millions)</b>
Strategic Capital Replacement & Maintenance Needs	\$2.0
Minor Park and Minor Building Renovations	\$1.9
Minor Infrastructure Contract Services	\$0.2
Pool Repairs/Fountains	\$0.3
Preliminary Studies/Engineering	\$0.9
Agronomic and Tree Services/Weed Abatement/Ball Field Renovations	\$0.8
Major and Minor Park Equipment/Hardware	\$2.3
Miscellaneous Needs	\$1.3
<b>TOTAL</b>	<b>\$9.7</b>

Strategic Capital Replacement and Maintenance Needs – These allocations are distributed among the council districts and provide funding to address ongoing capital infrastructure maintenance needs. The Capital Infrastructure Team works on projects that include playground equipment, surfacing and materials replacement, backflow repairs and replacement, concrete and asphalt repairs and replacement, and other park amenity replacements as needed.

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, 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 arise and miscellaneous pool supplies and materials 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, support preliminary engineering including surveys and evaluations, technical studies, condition assessments, design guideline updates, and 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, etc.

## **(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 that detail how projects can positively impact the community. 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 that did not score competitively were placed on an "unfunded" list and may receive an opportunity for 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 of the approved 10-year list. The request for funding would provide monies for a specific project phase(s) over a two-year period to align with the VTA's budget cycle. Once each two-year budget cycle is complete, VTA initiates another two-year call for funding; therefore, 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, the VTA and City executed the grant award agreement to finalize design and construct this trail segment. In Summer 2023 the trail project was completed.

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



Requests for the 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 the 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**

<b>Project</b>	<b>Limits</b>	<b>Phase(s) Requested</b>	<b>Measure B Request</b>	<b>Application Status</b>
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.
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 executed FY22-23.
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.
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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 playground in the Tropicana Neighborhood in east San José. The City must purchase the site property from Caltrans before it can request reimbursement, which is anticipated to be completed by February 2024.

Priority Conservation Area Grant Program

The Priority Conservation Area Grant Program was initiated in 2013 to enhance open spaces and provide natural resource, ecological, ecosystem, 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 has closed out that grant award in fall 2022.

County of Santa Clara All-Inclusive Playground Grant Program

In fiscal year 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 and Rotary Playgarden Park projects are complete and have been invoiced in the amount of \$1.0 million each for reimbursement. Emma Prusch began construction in February 2023 and is anticipated to be completed March 2024. Lake Almaden is currently in the 95% design phase and construction is expected to start by June 2024 with a completion date of March 2025.

#### Santa Clara Valley Open Space Authority (OSA)

In 2015, the Latinos United for a New America (LUNA) secured a \$250,000 grant from the OSA under the Urban Grant Program to build the pocket park (0.15-acre) at Mariposa Park. LUNA was unable to fulfill their obligation to build the park, so they reached out to OSA to see if the \$250,000 grant funding could be transferred to the City. At the August 26, 2021, meeting, the OSA board voted unanimously to transfer the LUNA 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 has begun and is anticipated to be completed by the end of October 2023.

#### Caltrans CLEAN California Program

Caltrans developed the CLEAN California Program of 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 the CLEAN California Program. The City was interested and found that the Mariposa Park would meet the CLEAN California funding requirements.

Based on the City's cost estimate and funding needed for the project, Caltrans agreed to give the City \$500,000 in CLEAN California funding to construct at Mariposa Park.

The cooperative agreement with Caltrans was executed on September 9, 2022, and construction has begun with completion anticipated for the end of October 2023.

### Active Transportation Program (ATP)

Coyote Creek from Mabury Road to Empire Street is a 0.3-mile Class 1 trail that stretches along the Coyote Creek channel. The work scope of the project includes a 12-foot-wide paved pedestrian/bicycle pathway with 2-foot-wide shoulders, a steel pedestrian bridge, trailheads, signage, striping, seating areas, and other miscellaneous work. The majority of the trail is located within the City property, with an under-crossing beneath Caltrans right-of-way under Highway 101. In addition, a portion of the bridge footing is on Valley Water land.

The project is partially funded by an ATP grant in the amount of \$5.3 million and a federal earmark of \$1.3 million for a total of \$6.6 million. Under the ATP grant, \$1.2 million for the Design phase was fully disbursed in April 2020, and currently \$4 million in ATP funding and \$1.3 million in federal earmarks will support the construction phase of the project. As of, April 2023 Public Works awarded the contract and construction is planned to be completed by January 2025.

### **(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 since the measure was approved, but none moved forward to construction for many reasons. In fall 2019, the Council approved \$3 million to fund the redesign of Columbus Park to accommodate soccer, and other uses. The City is in the conceptual design phase. Once the design phase is complete, a project scope is defined and construction cost are determined, additional funding will be allocated from remaining Measure P Bond funds and the Parks City-Wide C&C Tax Fund for the construction of soccer fields along with other park amenities at Columbus Park. This is the last project under the Measure P Bond.

### **(4) CalOES / FEMA / 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 the impacted facilities and a financial plan for funding this work. The City Council authorized the use of up to \$21 million in commercial paper to finance the reconstruction of damaged facilities. A portion of the reconstruction expenses are expected to be reimbursed through the City’s property insurance policies, the Federal Emergency Management Agency (FEMA) and the California Governor’s Office of Emergency Services (CalOES).

As of June 2023, the City received a total of \$5.9 million from its insurance provider (closed out Fiscal Year 2021-2022) and \$2.4 million from FEMA/CalOES. 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 CalOES to ensure that projects conform to those agencies’ requirements, including tracking and documenting activities and expenditures, in an effort 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 to the costs expected in 2018. The City’s share has almost doubled since 2018 due to lower-than-expected reimbursements/payments from FEMA/Cal-OES.

**Table 6 - Summary of Capital Project Expenses**

<b>Summary Data</b>	<b>2018 Projections</b>	<b>Total as of 6/30/2023</b>	<b>Future Projected</b>	<b>Current Total</b>	<b>Delta 2018 vs Present</b>
<b>USE</b>					
Total Projected Expenses <sup>(1)</sup>	\$27,859,709	\$19,042,422	\$10,429,205	\$29,474,627	\$1,614,918
<b>SOURCE</b>					
Total Projected Insurance Proceeds <sup>(4)</sup>	\$9,210,000	\$5,877,294	\$0	\$5,877,294	(\$3,332,706)
FEMA/CalOES Reimbursements	\$10,083,709	\$3,673,592	\$4,440,000	\$8,113,592	(\$1,970,177)

Potential City Share <sup>(2)(3)</sup>	\$8,566,000	\$9,234,341	\$6,626,263	\$15,860,604	\$7,294,604
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(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 that concluded in fiscal year 2021-2022

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

## 2. The Annual Status Report for the Capital Improvement Program

### (a) Parks Overview

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

- 8.8 acres of new, in development, and/or improved parks:
  - Payne Ave Friendship Park Construction (2.0 acres)
  - Golden Oak Park Opening (1.5 acres)
  - All Inclusive Rotary Playgarden Phase II Opening (1.4 acres)
  - Penitencia Creek Dog Park Renovation (1.31 acres)
  - Newbury Park Construction (1.0 acres)
  - Heinlerville Construction (Japantown park site) (0.75 acres)
  - Delano Manongs Park Opening (0.6 acres)
  - Pellier Park Construction (0.2 acres)
- 1.92 miles of new trails (under construction):
  - Coyote Creek Trail from Story Road to Phelan Avenue - 1.34 miles paved
  - Coyote Creek Trail from Mabury to Empire - 0.58 miles paved
- 1.06 miles of new trails
  - Thompson Creek Trail from Quimby to Aborn Court) – 1.06 miles

**Table 7 - Top Ten Funded Projects for the Department**

<b>Project Name</b>	<b>2024-2028 CIP budget (millions)</b>	<b>Scope</b>	<b>Estimated Completion Date</b>
TRAIL: Coyote Creek Trail from Phelan to Tully	\$12.9	Construct 1.92 miles of trail	November 2024
TRAIL: Coyote Creek from Mabury Road to Empire Street	\$12.8	Construct 0.58 miles of trail	November 2024
Measure T – Community Center/Emergency Centers	\$12.6	Improve community center readiness for use as Emergency Shelters	Phase 1 - Bascom, Mayfair, Roosevelt, and Seven Trees - Winter 2024 Phase 2 - Camden - Fall 2025 Phase 3 - Almaden, Berryessa, and Evergreen – Winter 2024
Spartan Keyes Area Park Development	\$10.0	Design and construct a new 1.36-acre park	December 2024
Payne Avenue Park Phase I	\$5.5	Design and construction in the first phase	February 2024
St. James Park Phase I	\$4.6	Consultant CMG to provide 65% design and documentation for St. James Park based on the competition concept /20% design	November 2024
Police Athletic League Stadium Turf Replacement	\$4.6	Replace grass football field with artificial turf and new irrigation system	March 2025
2017 Flood – Japanese Friendship Garden Koi Pond and Pump House	\$4.5	Repair Koi Pump House from 2017 flood damage	June 2024
Pellier Park	\$4.5	Construct a 0.5-acre neighborhood park	November 2023
Happy Hollow Park and Zoo Exhibit	\$3.5	Replace supporting poles and netting improvements for Jaguar, Fossa, and Red Panda exhibits	March 2024

### **(b) Trails Program Overview**

The Department is developing one of the nation's largest urban trail networks, with over 65 miles open to the public with plans to expand the network by an additional 35 miles per the City's General Plan and other guiding documents.

During fiscal year 2022–2023, the following projects were moved into construction, enhancing the City Trail Network: Coyote Creek Trail from Mabury Road to Empire Street and Thompson Creek Trail from Quimby Road to Aborn Court. The Penitencia Creek Trail Realignment was completed. Additionally, during 2022-2023 the Guadalupe River Trail from Woz Way to Virginia Street received repairs through remove-and-replace pavement, sealing, and striping; and Coyote Creek Trail from Tully Road to Capitol Avenue received spot treatment repairs.

Coming soon, for fiscal year 2023-2024 the Coyote Creek Trail from Watson Avenue to Julian Street and the Guadalupe River Trail from Branham Lane to Chynoweth Avenue will initiate the design phase. Additionally, for fiscal year 2023-2024 the Coyote Creek Trail from Phelan Avenue to Tully Road will enter construction.

Annually, the San José Trail Team conducts a survey to engage trail users and receive user feedback. Summary reports and fact sheets are posted to the City's website<sup>1</sup> dating back to 2007 when annual trail count and survey were started. Receiving over 530 surveys, the 2022 survey was conducted over a one-month period, to gather user feedback and improve trail planning and operations. The 2022 Trail Count Fact Sheet and the 2022 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, including the Department's reach to followers via [@SanJoseTrails](https://twitter.com/SanJoseTrails) and [@SanJoseTrails](https://www.instagram.com/SanJoseTrails).

### **(c) Community Centers and Parks Facilities**

The Capital Improvement Program (CIP) supports critical repairs and infrastructure needs for community centers, neighborhood centers, and park facilities. Typical work includes roof replacement, HVAC replacement, electrical upgrades, and other renovation work. Measure T funding is being utilized to improve community center readiness for use as emergency shelters. During fiscal year 2022-2023 work continued or was newly funded for a variety of community centers and park locations as shown in Table 8.

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<sup>1</sup> Annual Trail Survey: <https://www.sanjoseca.gov/your-government/departments-offices/parks-recreation-neighborhood-services/parks-trails/trail-network/trail-count>



**Table 8 – Community Center Projects in Progress**

<b>Location</b>	<b>Project Description</b>	<b>% Complete</b>
Bascom Community Center	Marquee replacement and associated misc. improvements.	95%
Northside Community Center	HVAC replacement and other minor improvements.	95%
Alum Rock Youth Center	HVAC replacement and other minor improvements.	90%
Berryessa Community Center	HVAC replacement and other minor repairs.	90%
Southside Community Center	New roof, HVAC replacement, electrical upgrades, and other minor repairs.	90%
Willow Glen Community Center	HVAC replacement, Sewer line replacement, window replacement and other minor repairs.	90%
Kirk Community Center	Roof replacement and other minor repairs.	85%
Cypress Community Center	Restroom renovation, roof replacement and other minor improvements.	60%
Camden Community Center	Roof replacement, gym refurbishment, and other repairs.	30%
Evergreen Community Center	Marquee replacement, HVAC replacement, renovation of the center and other minor improvements.	35%
City-Wide Community Centers (8)	Measure T - Planning, design, and construction to improve readiness of community centers to be used as emergency shelters.	15%
City-Wide Community Centers (30+)	Family-Friendly Restrooms - Install lactation pod at one center and baby changing stations at others.	10%
Almaden Library and Community Center	Roof replacement and associated minor improvements.	5%
River Glen Park	Restroom sewer line replacement.	5%
Seven Trees Community Center and Branch Library	Roof Replacement at joint facility and associated minor improvements.	5%
Starbird Youth Center	HVAC functionality improvements, dedicated restrooms, and other minor improvements	5%

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Welch Park Neighborhood Center	Convert existing two restrooms into two unisex restrooms (1 for Park and 1 for Community Center)	5%
Meadowfair Park	Restroom renovation	5%
Lake Cunningham Park	Restroom renovation	5%

This report serves to inform the Neighborhood Services and Education Committee about revenue fee collections and their 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.). In addition, this memo provides an update and status on the Parks Capital Improvement Program for Fiscal Year 2022-2023 and the various funds that support it.

**COORDINATION**

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

/s/  
JON CICIRELLI  
Director of Parks, Recreation and  
Neighborhood Services

For questions, please contact Raymond Costantino, Deputy Director, at (408) 535-3570.

Attachments:

- A. Report on Park Impact Ordinance and Parkland Dedication Ordinance Fees
- B. Project Costs and Schedule for Flood Projects