



COUNCIL AGENDA: 12/11/18
FILE: 18-1646
ITEM: 5.1

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jon Cicirelli

SUBJECT: SEE BELOW

DATE: November 26, 2018

Approved

D. D. S. L.

Date

11/28/18

COUNCIL DISTRICT: 3, 7

**SUBJECT: ACTIVE TRANSPORTATION PROGRAM (ATP) GRANT
APPLICATION FOR FIVE WOUNDS TRAIL**

RECOMMENDATION

Adopt a resolution to:

- A. Retroactively approve staff's submission of a grant application in the amount of \$33,610,000 to the State of California via the Active Transportation Program; and
- B. Identify the City Manager or his designee as the authorized representative to negotiate and execute an Active Transportation Program grant agreement for the Five Wounds Trail project.

OUTCOME

The recommended actions retroactively authorize the City Manager to submit a grant application as part of the State of California Active Transportation Program (ATP) for development of the Five Wounds Trail. If awarded and upon future Council actions pertaining to project budgeting and staffing, the completed project would deliver 1.4 miles of paved trail from Story Road to Whitton Avenue and a Bike Plan Addendum to guide future trail development (1.4 miles) from Whitton Avenue to Mabury Road (see Attachment A for a map of the proposed Five Wounds Trail).

BACKGROUND

The proposed Five Wounds Trail alignment is a former railway route that frames residential, community-serving and industrial uses. The Five Wounds / Brookwood Terrace neighborhood is transitioning towards high-density, mixed-use per the City's General Plan. The alignment is

identified as *Transportation & Utilities* by the City's General Plan. The planned Alum Rock BART Station and developed Berryessa BART Station are along the alignment and would support active transportation along the corridor. "Active transportation" is defined as modes of travel other than automobile (walking, biking, use of scooters, etc.). See Attachment A for a map of the proposed Five Wounds Trail.

The trail alignment was added to the City's Trail Program Database in August 2002 with Council approval of the Five Wounds Brookwood Terrace Neighborhood Improvement Plan. In September 2010, the Brookwood Terrace/Five Wounds Neighborhood worked with CommUniverCity to prepare a community plan for the future trail. The City has not prepared a formal master plan for the corridor because several parcels are not yet owned by the City or otherwise available for recreational development.

The City acquired parcels from Story Road to Highway 280, including a wooden trestle structure that spans Coyote Creek in January 2012. The linear parcels are framed on both sides by the Story Road Landfill (Coyote Meadows site), which has yet to be remediated.

Additional properties have been identified for acquisition but are not yet owned by the City. Table 1 defines these areas.

Table 1: Status of Property Acquisition for Five Wounds Trail (refer to attached map)		
Property	Owner	Approach
Site 1: Beneath Highway 280	Caltrans - State of California	Pursue a recreational easement (common to trail development).
Site 2: 200-foot sidewalk gap along South 22 nd Street	Franklin McKinley School District	Negotiation of terms and conditions underway. Staff expects Council action by January 2019.
Site 3: William Street to Whitton Avenue	Santa Clara Valley Transportation Authority (VTA)	Negotiation of terms and conditions underway. Staff expects Council action by January 2019.
Site 4: Whitton Avenue to Mabury Road	Santa Clara Valley Transportation Authority (VTA)	Not available for acquisition at this time and is pending future BART development.

In spring 2018, the State of California released the 2019 ATP grant application guidelines. At that time, staff investigated the program for alignment with trail projects in various stages of development. The Five Wounds Trail alignment was considered but the pending land ownership status and federal funding conditions prevented staff from moving forward with a recommendation at the time. City staff's practice has been to pursue grant funding per project phase in sequential steps, from project feasibility, environmental review, property acquisition, master planning, design and construction. Recommending phased development incrementally offers greater certainty of project scope, schedule and budget.

State Senator Beall's Office coordinated meetings in June and July with City staff and California Transportation Commission (CTC) representatives to explore pursuit of a grant application. Development of a recreational trail is consistent with ATP goals and preparation of a companion Bike Plan for parcels from Whitton Avenue to Mabury Road would be consistent with the program's planning scope.

Discussions with State Senator Beall's Office on June 29, 2018 and coordination with California Transportation Commission (CTC) staff on July 18, 2018 suggested that the project could be competitive if the grant application included the studies, environmental analysis and design needed to support this significant construction effort. With insights gained from these meetings, staff moved quickly to develop a 33-page application and 12 attachments by the July deadline during the Council's summer recess.

On July 31, 2018, staff submitted an ATP grant application for the Five Wounds Trail in the amount of \$33,610,000 for 1) studies, planning, environmental analysis, design and other services necessary for full development of the trail between Story Road to Whitton Avenue; and, 2) preparation of a Bike Plan Addendum to guide possible and future development from Whitton Avenue to Mabury Road. Engaging the Council prior to grant submission was not possible because the feasibility of pursuing this grant was not determined until mid-July 2018 and the deadline for submission was set at July 31, 2018, both of which took place while the City Council was in recess.

ANALYSIS

The proposed Five Wounds Trail project would develop a 1.4-mile bikeway (trail) from Story Road to Whitton Avenue, and include a Community Bike Plan Addendum defining a future 1.4-mile trail serving two BART stations in San José. With development of the project near Story Road, the project will serve as an active transportation route with direct connection to the regional (18-mile) Coyote Creek Trail system.

Project Scope

The following scope was submitted in the ATP grant application:

Story Road to Whitton Avenue

- 1) Prepare technical studies to define a development approach for conversion of the entire alignment to an active transportation trail;
- 2) Augment and build upon previously completed public input processes and gain community support;
- 3) Prepare California and federal environmental documentation;
- 4) Remediate contaminated site conditions resulting from former railway operations;
- 5) Evaluate an in-channel trestle structure with related engineering studies to support community buy-in;

- 6) Design and construct an active transportation route from Story Road up to Whitton Avenue, which may include replacement or reconstruction of the trestle structure over Coyote Creek, or alternate routing around the trestle;

Whitton Avenue to Mabury Road

- 7) Develop a community-based Bike Plan Addendum; and
- 8) Create development guidelines for BART Station integration and other land uses as part of future development of trail improvements from Whitton Avenue to Mabury Road.

Estimated Cost

The grant application cost estimate of \$33,610,000 is high. The cost supports delivery of 1.4 miles of trail from Story Road to Whitton Avenue. The application scope includes delivery of a Bike Plan addendum for 1.4 miles from Whitton Avenue to Mabury Road. This planning work will occur via the Citywide Bike Plan project, funded and managed by the City's Department of Transportation. The trail planning work was represented in the grant application to reinforce the future vision for the trail system, particularly its potential for linking to the Alum Rock and Berryessa BART Stations.

The cost estimate accounts for all phases of trail development from Story Road to Whitton Avenue; including feasibility studies, master planning, design, construction and close out from Story Road to Whitton Avenue. The high cost of project delivery reflects uncertainty about site conditions that have not been previously studied or planned. The development of trail projects tends to follow an incremental approach, often with phases funded as independent efforts via the City's annual budget process. This approach has supported well-defined scopes and related cost estimates to guide annual budgeting. In this instance, the cost is impacted primarily for the following reasons:

1. Site conditions are not documented and the design approach is not defined. The presence of a railway trestle; its condition, its potential for re-use, its historic status and community input contribute to an estimate that must anticipate a variety of scenarios;
2. Partial soil testing along the corridor suggests that remediation may be required, and potential leaching from an adjacent landfill may broaden the scope of mitigation methods for limiting further contamination;
3. Vehicular site access for monitoring and surveillance at the Story Road entry has yet to be resolved. Providing access may be a substantial, costly project feature, and needs to be resolved in the context of community advocacy for projects such as the Coyote Meadows concept (Story Road Landfill);
4. The precise terms and conditions of a funding agreement are not yet available for review. A deadline for having the project under construction by July 2023 will require strategies to accelerate studies, planning and design which may require additional staffing and/or consultant teams. The uncertainty about allowable approaches and special conditions per a funding agreement require that the estimate incorporate costs for additional staff and consultants to avoid future delay;

5. The project requires oversight and conformance with federal funding guidelines administered by Caltrans Local Assistance Office (State Department of Transportation). The preparation of the federal NEPA (National Environmental Policy Act) documents, pre-approval to proceed with phases of project development and pre-scheduling of expenses per the regional Transportation Improvement Plan require careful and continuous staff oversight;
6. The cost incurred prior to construction can be substantial. In this instance, about half of the project budget supports environmental studies and permits, preparation of plans, specifications, cost estimate and procurement of a contractor. Further softs costs include construction administration and inspection. The 46% of the general construction costs aligns with the California Benchmarking Study completed on an annual basis; and
7. The current engineer's estimate for general construction costs of the project are based on the average City Public Works project costs as of 2018. Construction of this project is assumed to start in 2023, with completion by 2025. Per projected inflation, costs have been escalated from 3.5% to 4.0% during this period.

Staffing

PRNS developed a [Trail Program Strategic Plan](#) in May 2016, which was coordinated with the Neighborhood Services and Education Committee. That plan calls for a nine-person interdepartmental team in PRNS and the Department of Public Works (DPW) to manage on-going and anticipated Trail Program workload as the City seeks to complete a 100-mile Trail Network. An awarded grant for the Five Wounds Trail project may place further staffing demands on the team to meet the grant schedule. Should the City be awarded, staff will reference the Trail Program Strategic Plan and consider the ATP grant's required milestones and deadlines when bringing a future funding proposal to Council.

Delay

Staff intended to secure a retroactive authorization from Council in August to submit the grant. Staff has been delayed in seeking this retroactive authorization. A detailed memorandum was drafted in early August, which aimed to outline the terms and conditions for a future grant. Working with Caltrans, City staff was unable to obtain exemplar documentation about a future agreement or guidance regarding the full context for a Council resolution. In the meantime, staff worked with DPW to consider the scope, schedule and cash flow should the project be funded.

Should the City be awarded, staff intends to return to Council with an update on budget, scope and the terms of the agreement. Acknowledging that grant agreement details are not available at this time, and that they will likely impact the approach to the project, staff is now seeking to narrow the Council's action per this memorandum. Securing a resolution from Council retroactively authorizes the City Manager to submit the grant application, with the intention to negotiate and execute a grant agreement should the City be awarded. Agreement negotiations would proceed only upon notice of a grant award and the securing of future Council authorization for commitment of resources and staffing.

EVALUATION AND FOLLOW-UP

Staff reports on project development efforts as part of its annual update to the Parks and Recreation Commission and the Neighborhood Services and Education Committee, as well as with publication of the Annual Trail Program Report. Staff will post updates via Twitter (@SanJoseTrails) to keep the community informed about this and other active projects.

POLICY ALTERNATIVES

Alternative #1: Develop the project in a phase-by-phase approach

Pros: The San José Trail Program has developed 60 miles of trails in an incremental manner, with projects reviewed and budgeted by Council as studies, plans, environmental documents, design documents and construction work is proposed.

Cons: This approach misses an opportunity to fully fund a portion of the Five Wounds Trail.

Reason for not recommending: This alternative is inconsistent with advocating full project development of the Five Wounds Trail.

Alternative #2: Do not receive approval for grant application.

Pros: Staff resources will still be available to focus on other priority projects.

Cons: This approach misses an opportunity to secure grant funds, which can support development and enhancement of this trail system.

Reason for not recommending: This approach is inconsistent with current City Council policy to promote development of the trail network. Pursuit of this grant would support delivery of the Five Wounds Trail project, which will serve an active transportation route with direct connection to the regional (18-mile) Coyote Creek Trail system.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for December 11, 2018.

COORDINATION

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

COMMISSION RECOMMENDATION/INPUT

The Trail Program provides an annual report to the Parks and Recreation Commission regarding milestones, grant funding and major projects. Staff will continue to update the Commission on this project's status.

FISCAL/POLICY ALIGNMENT

The City's General Plan (Envision 2040) guides development of an interconnected trail network per *Chapter 4 – Quality of Life* and *Chapter 6 – Land Use and Transportation*. Trail development aligns with the Climate Smart San José plan, including policies TN-1, TN-2 and TN-3.

COST SUMMARY/IMPLICATIONS

The Council action retroactively authorizes the City Manager to sign and submit the grant application. Should notice of an award be received, staff will return to Council to share the terms and conditions of the grant agreement to be executed and negotiated by the City Manager or designee. In addition, a future Council memorandum will summarize project costs and other implications prior to developing and submitting budget proposals that would support project delivery.

The level of funding required to front project expenses prior to reimbursement and meet the local match requirement will likely exceed typical funding resources such as Park Trust Funds and Construction & Conveyance Tax Funds. Should notification of a pending award be received, staff will present funding options to the City Council which may include the use of commercial paper proceeds and be subject to City Council authorization.

CEQA

Not a Project, File No. PP17-006, Grant Application with no commitment or obligation to enter into an agreement at the time of application.

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

For questions, please contact Nicolle Burnham, Deputy Director, at (408) 793-5514.

Attachment A: Proposed Five Wounds Trail Alignment

