



Memorandum

TO: NEIGHBORHOOD SERVICES
AND EDUCATION COMMITTEE

FROM: Jon Cicirelli

SUBJECT: SEE BELOW

DATE: October 18, 2021

Approved

Date

10/27/21

**SUBJECT: PARKS AND COMMUNITY FACILITIES DEVELOPMENT CAPITAL
IMPROVEMENT PROGRAM ANNUAL REPORTS**

RECOMMENDATION

- (a) Accept the Annual Report on Park Impact Ordinance and Parkland Dedication Ordinance Fees for 2020-2021.
- (b) Accept the Annual Status Report on Parks, Recreation and Neighborhood Services Department's Capital Improvement Program.

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 its 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 2022-2026 capital projects work plan related to all of San José's parks, trails and community centers. The Department oversees \$355.3 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 2020-2021, as well as those moving forward in 2021-2022.

The Annual Status Report on the Capital Improvement Program provides an overview and status of 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 3,537 acres of land, which includes 2,115 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
199 neighborhood parks	52.64 miles paved (urban)	12 regional centers	1 amusement park & zoo
			6 swimming pools
10 regional parks	8.87 miles gravel (urban)	36 neighborhood serving centers	3 golf courses
			2 BMX bike parks
			7 skate parks
209 parks	61.51 miles of trail	48 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 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 2020-2021, 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 2020-2021:
 - (a) Park Impact Ordinance and Parkland Dedication Ordinance Fees
 - (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) 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 2020 - 2021

(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 new residents. The population of a new development is estimated using US Census Bureau data, which 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) from 2018-2019 through 2020-2021. 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)

	2018-2019	2019-2020	2020-2021
PDO/PIO Fee Collection	\$16.6	\$5.6	\$12.0
Interest / Other Revenues*	\$5.8	\$3.1	\$3.8
Total Revenues	\$22.4	\$8.7	\$15.8
Expenditures**	\$11.3	\$10.9	\$14.3

*Includes grant reimbursement revenue

**Excludes encumbrances of \$4 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 regional-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 \$12.0 million of in-lieu fees collected in 2020-2021 were in Council District 3 (\$8.2 million), although other council districts did receive revenue as well.

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

- Agnews Property Demolition (CD 4)

- Emma Prusch Park - All Inclusive Playground (CD 5)
- Payne Avenue Park Phase I (CD 1)
- Pellier Park (CD 3)
- Rincon South Park Development (CD 3)
- River Glen Park Improvements (CD 6)
- Southside Community Center Renovations (CD 2)

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 - \$6,201,000
- Del Monte Park Phase III Development Reserve- \$6,001,000
- Spartan Keyes Area Park Development Reserve - \$6,526,000
- Santana Park Development Reserve - \$4,038,000
- Coyote Creek Trail (Mabury to Empire Street) Reserve - \$ 3,549,000

The majority of 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, 2021 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/general-information/policies-reports/policy-reports-for-developers> (Attachment A). This report is being presented to Neighborhood Services and Education Committee in advance of the six months 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 is 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 2020-2021, the Department received \$34.6 million in actual C&C revenues versus the Modified Budget assumption of \$26.1 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. Council district needs are determined based on parks condition assessments and the growing infrastructure backlog in each district.

Table 3 – Summary of C&C Allocations (2020-2021)

Allocation of C&C Funding (includes Central, Citywide and Council District C&C funds)	2020-2021 Funding Allocation (millions)
Project-Specific Capital Appropriations	\$49.1
Major Ongoing Allocations (see Table 4)	\$6.8
Staffing	\$10.1
Park Yards	\$0.8
Infrastructure Backlog Reserves	\$1.8
TOTAL ²	\$68.6

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 (2020-2021)

Project Categories	2020-2021 (millions)
Strategic Capital Replacement & Maintenance Needs	\$1.7
Minor Park and Minor Building Renovations	\$1.7
Minor Infrastructure Contract Services	\$0.3
Pool Repairs/Fountains	\$0.3
Preliminary Studies/Engineering	\$0.7
Agromomic and Tree Services/Weed Abatement/Ball Field Renovations	\$0.6
Major and Minor Park Equipment/Hardware	\$0.5
Miscellaneous Needs	\$1.0

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 2020-2021 and rebudgeted project expenditures from 2019-2020.

Project Categories	2020-2021 (millions)
TOTAL	\$6.8

Strategic Capital Replacement and Maintenance Needs – These allocations are distributed among the 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 arise and 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, 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 that 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 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.

The project has 90% plans prepared and was near a “shovel ready” state to support early progress in use of Measure B Funds. 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

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.
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.
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 (.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

Project	Limits	Phase(s) Requested	Measure B Request	Application Status
				agreement executed (\$610,000).

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.

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 awarded the City \$140,000. In 2021, the City and the State Coastal Conservancy executed a grant award agreement 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.

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 project. The project is now under construction, with the in-channel fish barrier removed and a new bridge structure installed to support restored trail access and improve the creek environment. Staff expects re-opening of the Coyote Creek Trail in November 2021.

County of Santa Clara All-Inclusive Playground Grant Program

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 on Coleman Avenue. The grant agreements were executed and the Lincoln Glen Playground is completed, and the Prusch and Rotary Playgarden projects are planned for construction starting in early 2022. The Almaden Lake Playground project design is on hold while the community completes fundraising efforts to support the construction of an expanded play space.

(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).

Arcadia Ballpark

The Arcadia Ballpark is built on approximately 14.49 acres of land in Council District 8, and it is the first Ballpark facility for the City initiated under the voter-approved 2000 Measure P Bond. The project consisted of a new ballpark with four (4) ballfields on 14.49 acres of land in Council District 8, with fields providing shaded seating, bleachers, dugouts, and pitchers' cages. The facility has a large concession building with a multi-use restroom and an administration office area. There is also a Park Yard maintenance building, a large playground area with shaded picnic tables, and a child-size fenced ballfield park.

The construction of Arcadia Ballpark was completed in November 2019. A grand opening was anticipated to occur on March 28, 2020; however, due to the health and safety restrictions related to the COVID-19 pandemic, the opening ceremony was delayed. A community walk-through event took place on July 17, 2021, in lieu of a larger grand opening event and the facility is open for public use.

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 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 program.

Coleman Property Sale

On March 26, 2019, the City Council approved the “Actions Related to the Use of Funds from Sale of the Coleman Avenue Property” memorandum. As part of these actions, \$24.8 million was recognized from the sale of the Coleman Property, with \$4.7 million transferred to the Parks and Recreation Bond Projects Fund. This represents the amount of sale proceeds required to be spent on bond-eligible projects based on an analysis from the City’s Bond Counsel. Measure P General Obligation bond funds were expended at the Coleman Avenue property, a portion of the proceeds from the sale of this property must be used in accordance with IRS regulations and expended on other park-related capital projects within two years of receipt of the sale proceeds.

Projects funded with the \$4.722 million allocation to the 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.

(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 the 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 (CalOES).

As of June 2021, the City has received \$5.4 million from its insurance provider and \$2.9 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 insurance recovery negotiations with the City’s insurance carrier, AIG, in FY 2021-2022; and continuing efforts to maximize FEMA/Cal-OES reimbursements.

Table 7 summarizes the latest total flood-related capital project expenses and reimbursements.

Table 7 – Overall Cost Summary
as of June 30, 2021

Total Costs	Amount
Total Costs (Incurred and Projected) for the Project and Non-Project Expenses	\$29,930,933
Total Insurance Proceeds	<\$6,559,555>
Total FEMA/CalOES Obligation	<\$7,543,039>
Cost to the City ¹	\$15,828,339
Interest and Fees and with interest and fees	\$18,363,960

Does not reflect interest and expenses associated with Commercial Paper. Commercial paper expenses as of June 30, 2021 are \$2,535,621, for total City cost of \$18,363,960.

Table 8 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/payments.

Table 8 - Summary of Capital Project Expenses

Summary Data	2018 Projections (1)	Total as of 6/30/2021	Future Projected	Current Total	Delta 2018 vs Present
Total Projected Expenses ⁽¹⁾	\$27,859,709	\$15,635,175	\$12,157,808	\$27,792,983	(\$66,726)
Total Projected Insurance Proceeds ⁽⁴⁾	\$9,210,000	\$5,374,344	\$629,213	\$6,003,557	(\$3,206,443)
FEMA/CalOES Obligation	\$10,083,709	\$1,803,218	\$4,328,775	\$6,131,993	(\$3,951,716)
Potential City Share ⁽²⁾⁽³⁾	\$8,566,000	NA	NA	\$15,657,433	\$7,091,443

(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 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 9 summarizes the largest projects currently in development. Major projects delivered or underway during 2020-2021 include:

- 2.0 acres of new parks:
 - Tamien Phase II – 2 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 9 – Top Ten Funded Projects for the Department

Project Name	Total Funding FY20-21 (millions)	Scope	Estimated Completion Date
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 - Summer 2023 Phase 2 - Camden - Fall 2023 Phase 3 - Almaden, Berryessa, and Evergreen - Winter 2023
Coyote Creek Trail (Story Road to Tully Road)	\$7.5	Construct 2.25 miles of trail.	December 2024
Payne Avenue Park Phase I	\$5.3	Design and construct the first phase	August 2022
Police Athletic League Stadium Turf Replacement	\$3.8	Construct artificial turf field.	November 2023 (per current scope)
All Inclusive Playground – Emma Prusch	\$3.2	Construct an all-inclusive playground and restroom	March 2023
Columbus Park Soccer Facility	\$2.0	Design work and construction documents for a soccer facility	April 2023
Newbury Park Development	\$1.6	Develop a new 0.98 acre neighborhood park	July 2022
All Inclusive Playground – Almaden Lake Park	\$1.2	Construct an all-inclusive playground	Pending Fund-Raising Plan
Agnews Property Development	\$1.4	Demolition costs and site preparation	Pending EPA-approved work plan
Bellevue Park Playground	\$1.1	Improvements at Bellevue Park	August 2022

(b) Trails Program Overview

The Department is developing one of the nation’s largest urban trail networks, with over 61 miles open to the public with plans to expand the network by an additional 39 miles per the City’s General Plan and other guiding documents.

Trail projects support recreational and active transportation users. Trails like the Guadalupe River are used 35% - 55% for bicycle commuting to and from work, school and errands. With the current shift to “work from home” to limit spread of COVID-19, the Department has seen a reduction in the number of users attributed to active transportation, and trails that tend to be predominantly for recreation are seeing higher usage.

Currently underway, two projects along Coyote Creek between William Street and Story Road, and Story Road to Phelan Avenue are nearing completion.

Staff is leading a multi-department, multi-organization initiative to enhance safety on the trails via a Trail Safety Program that will be pilot-tested along Coyote Creek.

During the Shelter In Place orders, staff received 305 responses to a Trail Count survey conducted in May 2020. Findings indicate that 43% of 305 respondents increased their use of San José’s Trail Network during the Shelter In Place orders.

Staff worked with nearly 50 volunteers to conduct the 14th annual Trail Count on September 9, 2020. Four count stations were added, including:

- Coyote Creek Trail (Selma Olinder Park);
- Coyote Creek Trail (Stonegate Park);
- Five Wounds Trail (near Highway 280); and
- Thompson Creek Trail (near Tully Road).

In total, 11 count stations recorded over 4,500 individuals using the Coyote Creek, Guadalupe River, Los Gatos Creek, Los Alamitos Creek, Thompson Creek and Three Creeks trails during the 12-hour count period. The early September count was notable due to unusual weather conditions that darkened the skies (as a result of wildfires) and may have discouraged outside activities. Even with this adverse weather condition, the many trail users show the value and daily need of our San José Trail Network to provide opportunities for active transportation and recreation. The associated survey was conducted over a one-week period, to gather user opinions to improve trail planning and operations. The Trail Count Fact Sheet is presented as Attachment C.

Staff efforts to increase public awareness and engagement regarding the Trail Network occurred via social media, with a 5.5% increase in Twitter@SanJoseTrails followers and a 4.9% increase in 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 10.

Table 10 – Community Center Projects in Progress

Location	Project Description	% Complete
Community Centers (10)	Planning, design and construction to improve readiness for Emergency Shelters	5%
Berryessa Community Center	HVAC replacement and other minor repairs.	50%
Camden Community Center	Roof replacement, refurbish 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.	10%
Southside Community Center	New roof, HVAC replacement, electrical upgrades, window replacement and other minor repairs.	80%
Willow Glen Community Center	HVAC replacement, Sewer line replacement, window replacement and other minor repairs.	70%
Evergreen Community Center	Marque replacement, HVAC replacement, renovation of the center and other minor improvements.	25%
Cypress Community Center	Restroom renovation and other minor improvements.	10%

EVALUATION AND FOLLOW-UP

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

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.

PUBLIC OUTREACH

No specific outreach has occurred regarding the Department’s CIP status report; however, individual CIP projects have their own public outreach process.

October 18, 2021

Subject: Parks and Community Facilities Development Capital Improvement Program Annual Reports

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COORDINATION

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

COMMISSION RECOMMENDATION/INPUT

This item will be presented to the Parks and Recreation Commission on December 1, 2021.

FISCAL/POLICY ALIGNMENT

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

COST SUMMARY/IMPLICATIONS

The projected costs of maintaining and operating new and expanded parks and recreation facilities are noted in the 2021-2025 Adopted Capital Improvement Program.

CEQA

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

/s/

JON CICIRELLI
Director of Parks, Recreation and
Neighborhood Services

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

Attachments:

- A. Report on Park Impact Ordinance and Parkland Dedication Ordinance Fees
- B. Project Costs and Schedule for Flood Projects
- C. Trail Count 2021 Fact Sheet