



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Loesch
Jon Cicirelli
Jim Shannon

SUBJECT: Actions Related to the
8721 – FEMA San José
Family Camp Project

DATE: March 30, 2026

Approved  Date: 4/9/2026

COUNCIL DISTRICT: Citywide

RECOMMENDATION

- (a) Approve an increase to the construction contingency for the 8721 – FEMA San José Family Camp Project from 10% to 41%, in the amount of \$733,508, resulting in a new contingency amount of \$970,124.
- (b) Adopt a resolution authorizing the City Manager, or her designee, to negotiate and execute a fourth amendment to the standard consultant agreement with Haley & Aldrich, Inc., increasing the amount of compensation by \$451,722, for a total not to exceed \$1,451,722.
- (c) Adopt the following 2025-2026 Appropriation Ordinance amendments in the Construction Tax and Property Conveyance Tax Fund: City-wide Parks Purposes:
 - (1) Increase the 2017 Flood – Family Camp Playground Shade Structure and Retaining Wall appropriation to the Parks, Recreation and Neighborhood Services Department by \$1,322,000; and
 - (2) Decrease the Unrestricted Ending Fund Balance by \$1,322,000.

SUMMARY AND OUTCOME

Approval of a contingency increase of \$733,508 will provide the necessary funding for unanticipated work encountered during the construction of the 8721 – FEMA San José Family Camp Project (Project). The original awarded contingency amount of \$236,616

has been fully allocated to address additional unforeseen work. This amount has been exceeded to cover costs associated with the Project delays due to the discovery of the endangered foothill yellow-legged frog and permitting coordination, including extended equipment rentals and the extension of daily water and biological monitoring by qualified specialists as required by the permits.

Additional funding allows staff to continue managing the Project through fall 2026 and the amendment to the standard consultant agreement allows Haley & Aldrich, Inc., (Consultant) to continue providing construction management support, regulatory agency coordination, and fulfillment of permitting requirements.

BACKGROUND

The San José Family Camp is located on federally owned United States Forest Service land in the Sierra Nevada Mountains, between the town of Groveland and Yosemite National Park in Tuolumne County (Attachment – Location Map – 8721 FEMA–San José Family Camp). The facility is operated and publicly advertised by the City of San José.

In February 2017, severe winter storm events caused significant flooding of the Tuolumne River, resulting in substantial damage to the camp's infrastructure. In response, the City applied for Federal Emergency Management Agency reimbursement and was awarded a total of up to \$20,896 for damages and Americans with Disabilities Act compliance work throughout the site. To date, \$8,735 has been received and a remaining amount of \$12,161 is anticipated to be received as reimbursement upon completion of the Project.

The City also initiated a capital improvement project to repair flood-related damage and restore critical facilities. The approved scope of work included repairs to the north and south rock revetment walls in the beach and pool area, renovation of the playground, replacement of the retaining wall adjacent to the Tuolumne River, and improvements to the parking lot and adjacent pathways to meet current Americans with Disabilities Act accessibility requirements.

Regulatory permit conditions only allow in-water construction activities to occur within the designated "dry-season" work window between June and October. The Project was originally scheduled for completion in October 2025, in alignment with the permit constraints.

Construction began in late June 2025 in accordance with the permitted in-water work window. In August 2025, during demolition of the pool walls and initiation of dewatering activities, higher-than-anticipated river flows and heavy rainfall created significant challenges for river diversion and dewatering operations. These conditions affected productivity and the sequencing of work within the restricted seasonal window.

In addition, during initial dewatering activities, the Project's biologist identified the presence of the federally endangered foothill yellow-legged frog within the work area. In compliance with federal and state environmental regulations, all in-water work was immediately suspended. Construction remained suspended for a period of 35 working days while the City and the Consultant coordinated with regulatory agencies.

In order for work to resume, extensive coordination and approval from the California Department of Fish and Wildlife, the Regional Water Quality Control Board, and the U.S. Fish and Wildlife Service were needed. The Project was required to obtain authorization under the Habitat Restoration and Enhancement Act prior to proceeding with construction activities. These additional permitting requirements and associated coordination efforts were not anticipated at the time of bid.

Due to construction delays and prior challenges, the Consultant has performed services beyond the scope of the original agreement and has executed three previous amendments. On December 1, 2020, the City Council approved the first amendment, increasing the Consultant's compensation from \$545,222 to \$673,222 and extending the agreement term from December 31, 2020, to December 31, 2022. On June 14, 2022, the City Council approved the second amendment, increasing compensation from \$673,222 to \$693,222 and extending the term from December 31, 2022, to December 31, 2024.

The third amendment, approved by the City Council on March 26, 2024, increased the Consultant's compensation from \$693,222 to \$1.0 million, and extended the agreement term from December 31, 2024, to December 31, 2027. The memorandum also authorized the City Manager or her designee to negotiate and execute future amendments to the standard consultant agreement with the Consultant as needed, for a total compensation not to exceed \$1.25 million and for term extensions through December 31, 2029, subject to the appropriation of funds.

ANALYSIS

Increasing the contingency by \$733,508, from \$236,616 to \$970,124, is necessary to address the unanticipated conditions encountered during the 2025 construction season, as well as any other unexpected work needed to complete the project.

The discovery of the endangered foothill yellow-legged frog resulted in a delay of more than one month, requiring the immediate suspension of in-water work and coordination with multiple regulatory agencies. This circumstance was unforeseen and unavoidable and occurred during the limited seasonal work window, significantly increasing its impact on the construction schedule.

As a result, the Project incurred additional expenses related but not limited to, extended rental costs for the water pump and associated equipment, increased construction

management, consultant coordination, extended daily biological monitoring surveys and additional work necessary to resume construction activities. Increasing the contingency is necessary to address these unanticipated costs that have been incurred, as well as support the proper completion of the remaining work.

The Project is approximately 65% complete. The contractor will return in the spring 2026 to finish the parking lot and pathway work, and again in late summer to complete the north and south pool walls.

Anticipated additional contractor costs for this year include:

- Re-mobilization to resume work on the north and south pool walls;
- Rental of water pump equipment to de-water and divert the river for the remaining in-water work; and
- Continued stormwater management/quality monitoring.

The permitting agencies require biological measures to ensure the contractor complies with agency mandates, with the Consultant's continued support and involvement are critical to ensuring these are followed so the Project can proceed and be successfully completed. When work resumes in the spring of 2026, permitting coordination; required Worker Environmental Awareness Training to on-site staff for special-status amphibians and reptiles; biological and cultural resources monitoring during construction; and daily pre-activity surveys, monitoring, documenting, and reporting will need to be re-initiated by the Consultant.

This work will be included in the fourth amendment to the standard consultant agreement. The amendment will also reimburse the Consultant for efforts associated with obtaining the additional required Habitat Restoration and Enhancement Act permit, which was necessary for the contractor to proceed with construction in fall 2025 due to the presence of the federally endangered foothill yellow-legged frog.

The fourth amendment will increase the Consultant's compensation by \$451,722, from \$1.0 million to \$1.5 million, for continued project support services through 2026, as well as provide funding for services already rendered related to coordinating and securing the additional Habitat Restoration and Enhancement Act permits.

City staff costs have also exceeded initial projections due to the prolonged construction schedule. The extended timeline, now anticipated to conclude in fall 2026, has required significant additional staff time and effort totaling \$136,455.

EVALUATION AND FOLLOW-UP

No additional follow up action with the City Council is expected at this time.

FISCAL IMPACTS

The recommended action is to increase the Project budget by \$1.3 million, from \$4.1 million to \$5.5 million, to be funded by the Construction Tax and Property Conveyance Tax Fund: City-wide Parks Purpose Fund. This includes increasing the contingency by \$733,508 for unanticipated costs and \$588,177 for soft costs associated with project delivery. No additional ongoing costs are expected.

1. TOTAL COST OF PROJECT:

Project Delivery*	\$2,129,405
Construction	2,366,156
Contingency	236,616
Additional Contingency	733,508
Total Project Costs	\$5,465,685
Prior Year Expenditure and Encumbrances	\$3,787,685
TOTAL REMAINING PROJECT COSTS	\$1,678,000

*Project delivery includes \$1,440,000 for consultant design and support services, \$451,722 for additional consultant services and \$237,683 for construction management and inspection services.

BUDGET REFERENCE

The table below identifies the fund and appropriations to fund the contract amendment recommended as part of this memorandum and remaining Project costs, including project delivery, construction, and contingency costs.

Fund #	Appn. #	Appropriation Name	Total Appropriation	Recommended Budget Action	Amount for Contract	2025-2027 Adopted Biennial Capital Budget Page	Last Budget Action (Date, Ord. No.)
391	407E	2017 Flood – Family Camp Playground Shade Structure and Retaining Wall	\$356,000	\$1,322,000	N/A	549	10/21/2025 31252
391	8999	Unrestricted Ending Fund Balance	\$3,792,133	(\$1,322,000)	N/A	546	2/10/2026 31308

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March 30, 2026

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Page 6

COORDINATION

This memorandum has been coordinated with the City Attorney's Office and the Planning, Building, and Code Enforcement Department.

PUBLIC OUTREACH

This memorandum will be posted on the City Council Agenda website for the April 21, 2026 City Council meeting.

BOARD, COMMISSION, COMMITTEE RECOMMENDATION AND INPUT

No board, commission, or committee recommendation or input is associated with this action.

CEQA

Mitigated Negative Declaration for the San José Family Camp Storm Damage Repair Project (Resolution No. 2024-80), File No. PP19-050 and ER21-268.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/
MATT LOESCH
Director of Public Works

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

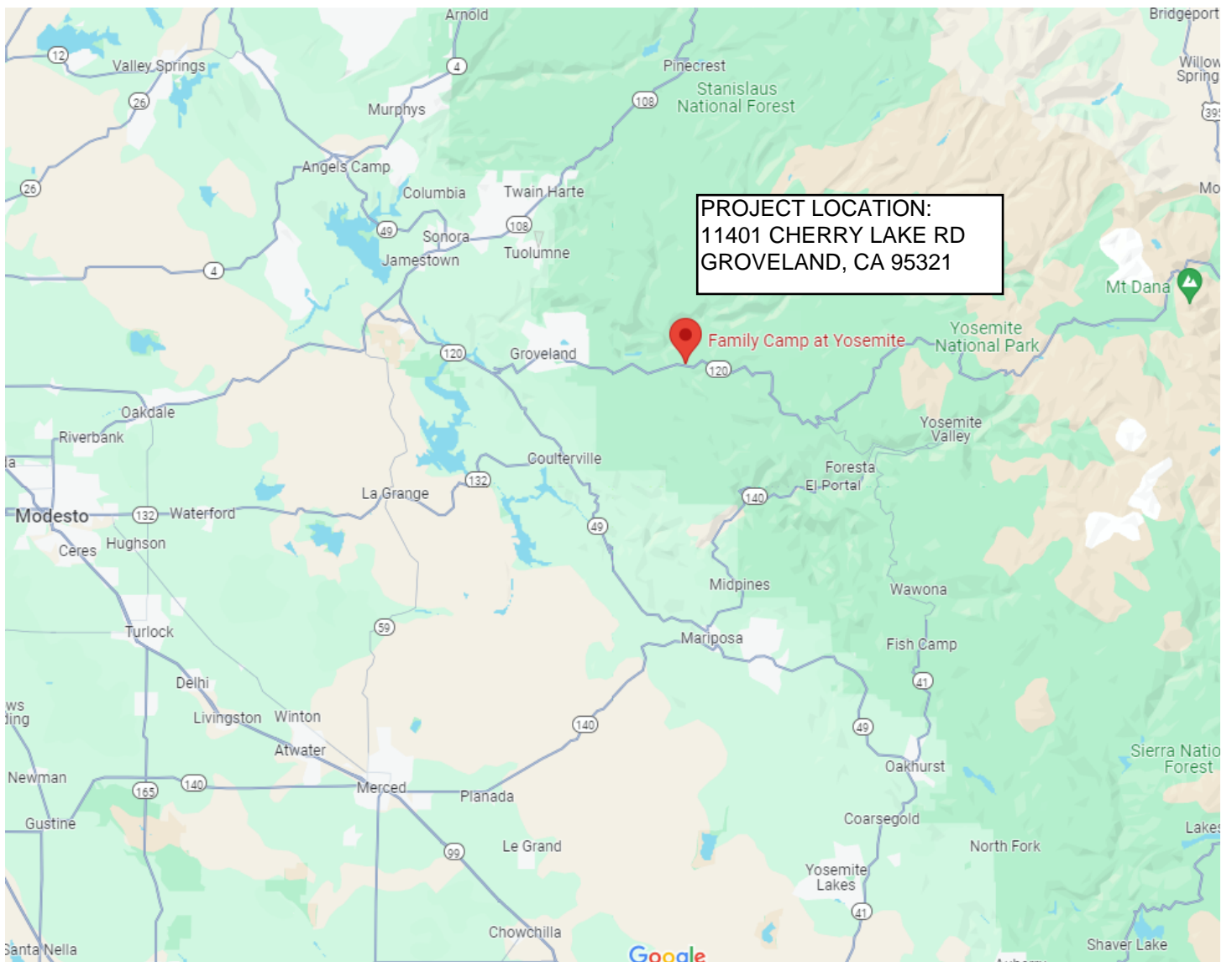

JIM SHANNON
Budget Director

For questions, please contact Sal Kumar, Deputy Director, Public Works Department, at Sal.Kumar@sanjoseca.gov.

ATTACHMENT: Location Map – 8721 – FEMA San José Family Camp

Attachment Location Map

8721- FEMA SAN JOSE FAMILY CAMP



SOURCE: 2024 GOOGLE MAPS