



**PUBLIC WORKS DEPARTMENT**

CITY HALL

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**CITY COUNCIL STAFF REPORT**

Meeting: November 29, 2010

Subject

Stevens Creek Corridor Park, Phase II, Progress Update.

Recommended Action

Review alternatives relative to potential grant funding.

Description

A summary of the impacts of accepting known and expected grants on the currently approved project scope, schedule and budget.

Discussion

The Phase I portion of the Stevens Creek Corridor Park was completed on July 4, 2009 with a dedication celebration attended by Council members and many Cupertino residents. Shortly after that dedication, Council encouraged staff to begin preliminary efforts to proceed with Phase II.

In November of 2008, with Council's approval, staff researched and applied for grant money that could be used to design and construct the remainder of the trail to Stevens Creek Blvd. The grants that were available at that time were for creek restoration as well as trail construction. One specific grant, California River Parkways, was applied for with an anticipated response of July 2009. It was not until September of 2010 however, that the City was notified of an award of a \$1.2M grant by the agency.

The \$1.2M grant administrator recently contacted staff requesting a project schedule, scope and budget to enable them to issue an agreement. Staff learned from the administrator that the grant has a project completion requirement of September, 2013. This completion deadline is thought to be fairly inflexible since the grant funding program expires in May of 2014.

With a completion date of September 2013, as a condition of receiving the \$1.2M grant funding, staff felt it was important to inform Council in a timely manner of the other project conditions that need to be agreed to, if the grant is to be accepted and used effectively. The agreement to accept the grant could be signed as late as June of 2011; however, the City needs to begin design no later than January 2011 to ensure completion by the deadline. Staff believes that Council can consider funding this project during the mid-year budget deliberations in January, but authorization to proceed will be essential at that time to maintain the design and construction schedule.

Before discussing the merits of the new grant that the City has been awarded, a summary of the project in its current state is provided to assist in evaluating the degree to which this new grant and other potential grants can be of assistance.

### Review of Current Phase II Project Description and Status

In June of 2009, Council approved a Phase II CIP project with a budget of \$1.4M and authorized the expenditure of up to \$200,000 to initiate the design effort. An RFP process was used to select the Landscape Architecture firm of Steve Sutherland & Associates, (SSA) of Santa Cruz. They were directed to begin preliminary design of the following project elements:

- Multi-use trail from Blackberry Farm to Stevens Creek Blvd, crossing the creek into the Stockmeir property, over a new bridge, opposite Hole No. 8 at the Golf Course.
- Upgrades to the Blue Pheasant parking lot
- Cross walk at Stevens Creek Blvd at the Phar Lap intersection

In January of 2010, a progress report was made to Council. During the discussion, Council became more familiar with the details of the parking lot deficiencies and instructed staff to study the safety issues associated with bus drop off locations while proceeding with trail and bridge design. Staff planned to continue with the parking lot design effort and return to Council with design alternatives for review during the fall of 2010.

During budget deliberations in June of 2010, Council was informed that there was some possibility that \$1.1M of project funds for this project, and \$1.4M total, expected from Park Dedication fees from the Rose Bowl project, might not be available for some time due to the downward trend of the economy.

In hopes that the park dedication fees would still come through, Council approved the entire \$1.4M project budget and authorized staff to proceed as a part of the FY 10.11 CIP.

Unfortunately, the developer informed staff in August that it would be no less than two years before the park dedication fees could be paid to the City. With knowledge of this funding loss, staff stopped all design work and instructed the design team to package the completed work in such a way as to make it useful and easy to access in the future.

Only \$50,000 of the original budget has been spent to date and the design work is still relevant and usable. The project is on hold until the necessary funding is made available.

### Alternatives Analysis

There are several funding alternatives available to the City for Phase II of the Stevens Creek Corridor Park project. Four are described below for consideration. While other alternatives might exist and combinations of these alternatives might also be possible, these four are considered to be clear, concise, uncomplicated, and representative of the range of possibilities.

#### Alternative 1 – No Action

Maintain the status quo. In this alternative, the City would continue to keep the original scope on hold until park dedication fees or other money became available, sometime in the future. This alternative has a minor risk that some of the design may become obsolete over time and require upgrading to new code requirements. It also has the minor risk that a future Council may not complete the project even if funding is available. Finally, material and labor costs could rise over time causing the current budget to need upward adjustment.

#### Alternative 2 – Fund a Reduced Scope – Trail

Budget:	\$750,000
Shortfall:	\$600,000

In this alternative the scope of work could be reduced to designing and building only the trail section on the Stocklmair (west) side of the creek, leaving the bridge and parking lot improvements for a later time or a Phase II B.

#### Alternative 3 – Fund the Current Scope – Trail, Bridge, Parking Lot

Budget:	\$1.4M
Shortfall:	\$1.15M

In this alternative, Council would fund the park dedication fee short fall of \$1.1M from savings of other projects and other sources such as the CIP reserve and restore the budget to \$1.4M. The project would proceed as currently scoped.

#### Alternative 4A – Fund the Expanded Scope – Trail, Bridge, Parking Lot, & Creek Restoration – Golf Course

Budget:	\$3.5M
Shortfall:	\$0.8M

In this alternative, Council would accept grant funds from as many sources as possible with the understanding that a portion of those grants must be spent on creek restoration. This alternative will also require Council to restore the creek in its current channel and impact the golf course by widening the creek along the east bank. The risk of this alternative includes the possibility that, while accepting one grant early enough in the process to ensure timely completion, the other grants do not materialize and the City would have to expend additional city funds to complete the project. The exposure of additional city funds to complete the work are estimated to be an additional \$0.4M, for a potential city total of \$1.2M.

If the City decided to end the project due to lack of additional funds, the sunk costs at that point are estimated to be less than \$200,000.

Alternative 4A will require a CEQA update, possibly in the form of an Addendum.

Alternative 4B – Fund the Expanded Scope – Trail, Bridge, Parking Lot, & Creek Restoration and Relocation – Stocklmeir Orchard

Budget: \$6.0M

Shortfall: \$3.3M

In this alternative, Council would accept grant funds from as many sources as possible with the understanding that a portion of those grants must be spent on creek restoration. This alternative will require Council to relocate the channel through the Stocklmeir orchard, as depicted in the adopted CEQA. The risk of this alternative also includes the possibility that, while accepting one grant early enough in the process to ensure timely completion, the other grants do not materialize and the City would have to expend additional city funds to complete the project. The exposure of additional city funds to complete the work are estimated to be an additional \$0.4M, for a potential city total of \$3.7M.

If the City decided to end the project due to lack of additional funds, the sunk costs at that point are estimated to be less than \$200,000.

Alternative 4B is fully covered by the current CEQA document and no changes would be needed.

Sustainability Impact

Implementation of the trail and creek restoration will support the City's sustainability goals.

Fiscal Impact

See Attachment A for Funding Summary for Alternatives 2 through 4B.

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Approved for Submission by: David W. Knapp, City Manager

Attachments: Attachment A – Funding Summary