



**PUBLIC WORKS DEPARTMENT**

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**CITY COUNCIL STAFF REPORT**

Meeting: January 18, 2011

Subject

Stevens Creek Corridor Project, Phase II

Recommended Action

1. Authorize staff to initiate the design effort for Alternative 4A.
2. Authorize the City Manager to negotiate and execute an amendment with SSA Landscape Architects for design services not to exceed \$200,000.
3. Authorize the City Manager to issue Letters of Intent to various granting agencies clarifying the City's intent to proceed with Alternative 4A and creek restoration.
4. Authorize staff to initiate an environmental clearance process for the project.

Discussion

On November 29, 2010, Council received a status report of the Stevens Creek Corridor Project (SCCP) Phase II. That status report provided time sensitive information regarding the receipt by the City of a \$1.2M state grant that could be applied to the entire project if the project alternative was expanded to include creek restoration.

This same report was provided to the Parks and Recreation Commission on January 6, 2011 and included very recent information from the City's hydrologist and the City's golf course designer that likely will significantly reduce the potential physical impacts to the golf course if Alternative 4A is chosen. The Parks and Recreation Commission voted to recommend approval of Alternative 4A.

This report describes the most recent information along with a staff recommendation to proceed with Alternative 4A.

The timing of \$1.2M state grant is such that if Council desires to pursue the grant and an alternative that includes creek restoration, staff needs that direction at this time to begin design and meet the grant construction deadlines. Only Alternatives 4A and 4B are discussed in this report since they are the only alternatives presented in November with a creek restoration component. Alternative 4A is discussed at length since it is considered financially feasible while

Alternative 4B may be considered “out of reach” financially due to the current economic climate. Alternative 3, which only includes the trail connection from the Blackberry Farm parking lot to Stevens Creek Boulevard, is still feasible but the timeline is not as critical since this specific grant would not be applicable.

### Creek Restoration

Creek restoration, if undertaken, would be similar to the work done in Phase I, consisting of the removal of broken concrete rip rap, building riffles and pools for the federally-threatened Steelhead, and widening the channel for high water events and improved habitat value.

Capturing and relocating the fish, dewatering the creek, removing non-native vegetation, and planting native vegetation and trees would be involved in the creek channel work.

It should be noted that the state granting agency is in favor of Alternative 4A, but the grant is expected to be eligible for use to accomplish Alternative 4B if Council determines that to be the better solution. The grant cannot be used for any other alternative that does not include creek restoration.

The grant administrator has informed staff that the project must be complete by September of 2013 to remain eligible for the full \$1.2M reimbursement. To complete the full scope of the work and meet that September 2013 deadline, staff has determined that design must begin in January of 2011. This timeline allows for an appropriate public input period for the new design and an updated Mitigated Negative Declaration, along with the time necessary to obtain permits from the regulatory agencies.

The grant agreement does not need to be executed until early June of 2011, allowing Council and staff time to secure additional grant funding. If additional grant funding turns out to be insufficient by June of 2011, Council can direct staff not to execute the grant and to stop the project. The sunk costs at that point are estimated to be approximately \$200,000, including the \$50,000 expended to date.

### Golf Course Impacts

Staff considered impacts to the golf course to be a potentially fatal flaw of Alternative 4A more than a year ago when this alternative was first contemplated. In March of 2010, staff engaged Landmark Golf of Indian Wells, California to study Alternative 4A for golf course impacts. Landmark has been involved in design and construction of major golf courses around the United States, especially on the west coast, since 1972. At that time it was assumed, using existing aerial survey data, that creek encroachment into the golf course might be as much as 35 feet from the existing top of bank, nearly bisecting the 9<sup>th</sup> fairway.

While further design and analysis are required, preliminary studies by the City’s creek hydrologist consultant and Landmark Golf indicate those impacts will likely be minimal and manageable. As recently as January 6<sup>th</sup>, staff learned that some flexibility for the design of the top of bank does exist and that the encroachment into the golf course can vary but will be much

less than the 35 feet that was thought to be required earlier. In some areas, there can likely even be no channel encroachment at all.

The creek, in Alternative 4A, must be widened slightly into the golf course, along the ninth fairway. Additionally, a sanitary sewer line under a portion of the ninth fairway may need to be relocated to protect the line from potential erosion if it is too close to the new creek bank. If these construction activities in fact do significantly encroach on the course, Landmark Golf has indicated that there are several temporary ways to maintain a nine hole course through the four or five month period of construction. They also believe that the final configuration of the ninth hole can be provided in a manner consistent with US Golf Association criteria. Staff will continue to work to minimize construction impacts, ensure continuity of golf play, and provide for the best operational configuration upon completion.

The east bank of the creek along the golf course has been covered with large boulders and slabs of concrete over the years to prevent erosion. Much of this work was performed by the private owner before the City purchased the property in 1991. The narrow channel was further damaged by the failure of the concrete, when large chunks slipped into the stream bed or when high flows eroded the soil behind the slabs. The result is that the safe passage of spawning steelhead trout has been disrupted. These impediments to fish passage are very similar to those that were removed from the upstream channel during the Phase 1 project. All of this work would be required along the golf course in either Alternative 4A or 4B.

The main difference in Alternative 4A is that the creek channel would remain in its current location and be widened to the east creating a new top of bank in what is now the rough or the fairway of the ninth hole of the golf course. Additionally, the new top of bank will require an adjacent vegetation buffer about 10 feet wide that will further encroach into the golf course. It is thought that suitable native vegetation can be identified that serves habitat goals while also being compatible with the adjacent golf activity. The viability of this idea would have to be vetted in the design phase, but the total encroachment is now thought to be about 20 to 25 feet.

The design and construction costs necessary to address the golf course impacts in Alternative 4A have been included in the project budget estimate of \$3.5M.

Alternative 4B would instead involve trenching a new 800 foot long by 65 foot wide creek channel through the Stocklmeir orchard, causing a number of orchard trees to be removed. The existing creek channel would be back-filled with some of the excavated soil from the new channel and converted into an environmental willow swale.

#### Funding Sources and Shortfall

Staff believes that funding for the shortfall of Alternative 4A might be partially obtained from CIP savings or project deferrals. Staff also believes that additional grant monies may be available through typical grant application processes and is actively pursuing those. In any case, Alternative 4A appears to accomplish many goals and therefore is staff's recommended

alternative. The creek and associated habitat can benefit from improvements similar to the successful Phase I project, at this stage it appears that impacts to the operation of the golf course can be minimized to continue operating successfully without a revenue disruption, both during construction and post construction, and most of the Stocklmeir Orchard can remain and be an enhancement to the new trail. Additionally, the significant cost associated with relocation of the creek included in Alternative 4B can be avoided; making the project budget achievable with any of a variety of options that can be proposed during the annual budget process.

Existing and potential grant funding sources for Alternative 4A are provided the following table:

Source	Funding	Status	Conditions for Use
SCVWD Grant	\$100,000	Have	must build entire trail
Park Dedication Fees	\$150,000	Remaining	can use for creek or trail
Ca River Parkways Grant	1,200,000	Awarded	can use 50/50 creek & trail
SCVWD/FAHCE Cost Share	800,000	Likely, June	creek restoration only
SCVWD – Safe Creeks Grant	200,000	Maybe, June	maybe 75/25 creek & trail
State EEMP Grant	250,000	Maybe, March ‘12	can use 20/80 creek & trail

**Total Potential Funding            2,700,000**

**Project Budget                            3,500,000**

**Short fall                                    \$800,000**

It should be noted that the Alternative 4A financial shortfall, presented in November of 2010, did not take into account any loss of golf course revenue or a potential long-term loss of players caused by construction.

#### CEQA

In April of 2006, Council adopted the Initial Study/ Mitigated Negative Declaration (MND) CEQA documents for the Stevens Creek Corridor Park Master Plan and Restoration Plan. Those documents fully cover the work contemplated in Phase II, recently presented to Council as Alternative 4B. Staff has previously been advised that Alternative 4A could potentially be addressed by a brief Addendum. An Addendum technically does not require a public comment period and can be processed in a much shorter period of time.

Staff is recommending that Council instead approve preparation of a document that allows for public review, which is expected to be a new or Subsequent Mitigated Negative Declaration. If Alternative 4A is selected, this approach will allow for a public input process to occur prior to adoption of the updated documents, and would be a more robust means of providing environmental clearance.

This choice would require that the pending \$250,000 state Environmental Enhancement and Mitigation Program (EEMP) grant application be withdrawn from the current grant cycle,

because it is dependent upon an approved environmental document being in place by the end of February. The deadline does not allow enough time to execute a new or Subsequent Negative Declaration. However the EEMP grant program is an annual funding cycle, typically involving distribution of \$10 million statewide. Our grant application can be re-submitted in fall of this year. Funding decisions normally occur the following spring. If the re-submitted application is successful, the timing would easily allow the funds to be used for implementing the project.

Given the technical change in how to restore the creek with encroachment onto the golf course, staff believes that the community needs the opportunity to have their input considered and addressed via an environmental process.

Should Council select Alternative 4A and direct this approach, staff will oversee preparation of an appropriate environmental clearance document and conduct an associated public review process.

#### Recent Alternative Variations

At the November 29<sup>th</sup> meeting, Council asked staff to investigate the feasibility of constructing the trail along the entire east side of the creek to the parking lot, eliminating the need for a bridge over the creek and use of the Stocklmeir property. In this case, the trail would be so close to the golf course fairways that a ball protection fence would be required for its entire length.

It should be noted that a section of ball protection fence is already included in the scope of work for the upper portion of the trail that is planned along the east bank of the creek as it departs the Blackberry Farm parking lot. To continue the protection fence to the parking lot would cause the entire trail experience of more than 1,000 feet to be covered by a protective fence. This east-side trail would also encroach onto the golf course to a much larger extent than is currently envisioned by 4A or 4B.

#### Letters of Intent

Some of the prospective granting agencies might be more inclined to agree to offer grants for this project if a letter of intent were provided from the City. Staff proposes that Council authorize the City Manager to submit letters of intent to the Water District, and to other potential funders as appropriate, outlining the project scope and the dependence on grant funding. The letters would be prepared to clearly state that the City is formally requesting funds but would make no promises to proceed with the project if sufficient funding is not obtained.

#### Design Team

In fiscal year 09/10 Council authorized staff to proceed with the design of Phase II as described as Alternative 3 in November. It consisted of the trail, bridge, parking lot modifications, and safety improvements to the intersection at Phar Lap Drive and Stevens Creek Blvd. Staff requested qualifications from selected landscape design firms in the bay area with expertise in trail design through environmentally sensitive areas. Following a standard RFQ interview process, the firm of SSA Landscape Architects of Santa Cruz was selected as prime consultant.

SSA began work and to date has provided preliminary designs for the Blue Pheasant parking lot modifications.

Should Council decide to proceed with one of the creek restoration alternatives, staff proposes to continue with SSA and expand the subconsultant team by adding several of those subconsultants originally involved in the Phase I work.

#### Schedule

While a detailed design and construction schedule needs to be developed, design for either restoration alternative can be accomplished in 2011, permits reviewed and issued in 2012, and construction executed and completed by the fall of 2013. Potential impacts to the golf course would not occur until construction began and staff believes there is sufficient time to develop the necessary alternatives to minimize those impacts.

Sustainability Impact: Alternative 4A of SCCP, Phase II, fully supports the City's sustainability goals.

#### Fiscal Impact

It is assumed that the City will need to front the money for the project and reimburse the general fund when grant money is received. The project currently has \$1.4M in approved funds for the FY 10/11 CIP, however \$1.1M of this amount expected as Park Dedication Fees expected from the Rose Bowl project have not been received to date and should not be anticipated in the near term. There are no new General Fund monies available for capital project financing this year. In order to backfill this gap, savings from completed CIP projects in the current year could be applied to SCCP Phase II, and other CIP projects could be deferred as necessary. These recommendations will be proposed as more information is known during the annual budget process.

It is expected that about \$1.5M of the total \$3.5M project budget would be sufficient throughout all of 2011 and 2012 for design and permitting. The balance of \$2.0M would be necessary possibly in late 2012 but certainly in 2013 for construction and construction phase services.

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Prepared by: Terry W. Greene, City Architect

Reviewed by: Timm Borden, Director of Public Works

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

Attachments: