Atascadero City Council
Staff Report – Public Works Department

Atascadero Trail Project

RECOMMENDATION:

Council provide staff direction on the acceptance of the Atascadero Trail Project Grant.

REPORT-IN-BRIEF:

The Upper Salinas-Las Tables Resource Conservation District (RCD) was awarded an $833,868.00 grant from the Resource Agency of the State of California for the design and construction of the Atascadero Creek Trail and Restoration. The RCD has requested the City take over the Grant due to financial issues. This report will analyze factors to be considered in accepting the grant.

DISCUSSION:

Background: The Upper Salinas-Las Tables Resource Conservation District (RCD) was awarded an $833,868.00 grant from the Resource Agency of the State of California in 2003 for the design and construction of the Atascadero Creek Trail and Restoration Project (Project) (See Exhibit A for Grant Agreement and Budget). The Project is funded through Proposition 40 - River Parkways Grant Projects.

The City has received a request from the RCD to take over the Grant and complete the Project. The reason the RCD gave for this request is “serious financial issues with the way that the Resources Agency administered the grant” (See Exhibit B for letter). City Staff have been in discussion with RCD Staff to find out all the details about the Project and their “financial issues.” They said their issues are two fold:

1. The grant will only pay direct costs. These costs include staff salaries, health benefits, medicare, etc. The grant will not pay indirect costs like office space, utilities, printers, etc. The RCD Board had a problem with this because it did not have a funding source for indirect costs.
2. Reimbursement of expenses. This grant is designed to be a reimbursement of project expenditures. The expenses are supposed to be incurred by the RCD, the RCD pays the bills and a payment request is submitted to the Resources Agency. This creates a situation where the RCD is funding the project short term, until they are reimbursed. The RCD Board had a problem with this due to limited funds available to carry the debt.

The Project is broken into two reaches as follows:

**Reach B-1.** Reach B-1 is along or near Atascadero Creek from El Camino Real to the Juan Bautista de Anza National Historic Trail at the Salinas River. This Reach has side spurs that go to Stadium Park and Colony Park Community Center.
Reach B-2. Reach B-2 is from Atascadero Lake Park, along Atascadero Creek, to the Three Bridges on Morro Road.
The RCD decided to build Reach B-2 first. The route of Reach B-2 was changed to end at San Gabriel Road instead of continuing to the Three Bridges due to neighborhood opposition. This Reach is now 75% constructed. Portions of the Reach, inside the Caltrans right-of-way, were not completed due to issues Caltrans had with the design. The RCD and Caltrans say these issues have been resolved. Construction documents now have to be revised and resubmitted to Caltrans for encroachment permit issuance to complete the work.

The grant time line was extended in the last State Budget and all construction must be finalized and invoices submitted by May 2011.

Analysis: Should the City take over the grant from the RCD? There are some issues to consider before this decision can be made. Below is a summary of these issues.

- **Trail Route Reach B-1**

  The current route for Reach B-1 is along or near Atascadero Creek from El Camino Real to the Juan Bautista de Anza National Historic Trail at the Salinas River. There are design constraints with this route as follows:
  - Right-of-way. Right-of-way along the route is not all publicly owned. Easements will need to be acquired to construct and use the trail.
  - Parking. The trail may displace vehicles from parking along certain roads.
  - Creek bank stability. In some areas Atascadero Creek bank is steep and unstable. The creek bank may need substantial repair in order to install the trail.

  Staff will have to deal with these and other issues with the acceptance of the grant.

  The City can revise the route with the approval of the Resource Agency. If the City Council wants to accept the grant, it is recommended that staff study potential routes and report back to the City Council on options, impacts and costs.

- **Work to be completed**

  Reach B-2
  - Construction Documents must be amended per the agreement the RCD had with Caltrans
  - Plans submitted to Caltrans for approval
  - The trail must be completed between Portola Road and San Gabriel Roads

  Reach B-1
  - City Council to give staff direction on the new route for this reach
  - Complete topographic survey
  - Environmental documents completed for the route
✓ Permit applied for from Federal and State Agencies
✓ Right-of-way, if any, must be acquired
✓ Construction documents completed
✓ Construct

➢ Staffing

City staff has a very large Capital Project Program planned in the current budget. There is no staff capacity to add additional projects; therefore current projects would need to be eliminated to provide the staff time necessary. If Council directs staff to assume this project, we anticipate much of the design work will be completed in house to keep costs down. Engineering services like geotechnical engineering, structural engineering and right-of-way services would be contracted out.

➢ Funding

The total spent to date is:

✓ Design $148,200.00
✓ Construction $199,204.00
✓ Contingencies $98.00

The remaining funding is a total of $486,366.00, broken out as follows:

✓ Design and right-of-way $35,600.00
✓ Construction $442,566.00
✓ Contingencies $8,200.00

Until a final route of Reach B-1 is determined staff is unable to estimate the design and construction costs. The remaining design budget is very small and will likely not be enough to complete the design work based on past experience. It is estimated the public process, design, right-of-way and construction could need an additional $200,000.00 to complete. Depending on the scope of the construction work, more funds could be needed.

➢ Controversy

The planning and building of this trail will cause some public controversy. The RCD had neighborhood controversy in the planning of Reach B-2 west of San Gabriel Road. There have been discussions relating to the potential creek setback ordinance concerning trails.

Staff recommends that if the City assumes the project and grant, that a public process to select the route and examine the impacts is initiated.
Conclusion: Staff would like direction on the following questions:

Is the City Council interested in taking the Project over from the RCD?

Where will the funding come from to complete the design, right-of-way, City indirect costs and others?

What route should the trails take?

FISCAL IMPACT:

The public process, design, right-of-way and construction of this project could cost the City an estimated additional $200,000.00. The City does not have any funding for this project. If the City Council wants to assume this project, other projects must be eliminated or funds taken from the General Fund Reserve. The sources of funding we have that could be used are:

- **Paloma Park Playground** ($225,000.00 General Fund) This project will replace the existing playground that is in disrepair. This project has started with public input on the Paloma Park Master Plan and the playground equipment has been bid out.

The following projects are funded by the Redevelopment Agency. The Redevelopment Agency may fund projects in the RDA Area. If Council chooses to move forward with this grant, RDA funds may only be used on the portion of the trail from El Camino Real to the railroad tracks. The following is a list of potential projects that can be eliminated in order to free up funds for the trail project.

- **Lake Park Sign and Frontage Renovation** ($270,000.00 RDA) This Project will provide frontage improvements and signage for the Lake Park from Portola Road to the Zoo. The improvements would include landscaping and pedestrian access.

- **Shoreline Wall and Walkway Project** ($355,000.00 RDA) This project will replace the collapsed retaining wall at Atascadero Lake edge between the Pavilion and the bandstand. It will provide better pedestrian access and complete a portion of the Atascadero Lake Master Plan.

- **Zoo Restroom Project** ($263,000.00 RDA) This project will replace a small single, non ADA compliant bathroom at the Zoo with men’s and woman’s ADA compliant bathrooms. This is important for the continuing of the ZOO’s accreditation.
• **Zoo Entrance Improvement Project** ($500,000.00 RDA) This project will replace an old leaky portable building that is used for the entrance booth and gift shop. This is important for the continuing of the ZOO’s accreditation.

• **Zoo Wall and Signage Project** ($270,000.00 RDA) This project will build an attractive 8-foot tall wall between the Zoo and Morro Road. The wall will include signage about the Zoo. This is important for the continuing of the Zoo’s accreditation.

**ATTACHMENTS:**

- Exhibit A – Original “Atascadero Creek Trail and Restoration Project” Grant Agreement and Budget
- Exhibit B – Letter from Upper Salinas-Las Tables Resource Conservation District