

# Agenda Report

May 13, 2024

**TO:** Honorable Mayor and City Council

**THROUGH:** Finance Committee

**FROM:** Department of Public Works

**SUBJECT: AUTHORIZE THE CITY MANAGER TO ENTER INTO A REIMBURSEMENT AGREEMENT WITH ONE ARROYO FOUNDATION FOR THE IMPLEMENTATION OF THE ARROYO SECO TRAIL PROJECT**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the proposed action is not a project subject to the California Environmental Quality Act (CEQA) pursuant to Section 21065 of CEQA and Sections 15060(c)(2), 15060(c)(3), and 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required; and
2. Authorize City Manager to enter into a Reimbursement Agreement with One Arroyo Foundation for the implementation of the Arroyo Seco Trail Project and reimbursement from One Arroyo Foundation in an amount up to \$1,000,000 for project expenditures.

## **BACKGROUND:**

On June 10, 2019, City Council approved a Memorandum of Understanding (MOU) between One Arroyo Foundation and the City of Pasadena for cooperative work on the One Arroyo Demonstration Projects in support of variety of solutions to establish connections, enhance the trail user experience, and foster a deeper connection to the Arroyo Seco. The Demonstration Projects are located at key connection points into and out of the Central Arroyo.

## Arroyo Seco Trail Project

Following outreach efforts, which included a public online preliminary design survey in 2021 and presentations to both Recreation and Parks Commission and Hahamongna Watershed Park Advisory Committee, a cohesive vision for the Arroyo was developed. As a result, the Arroyo Seco Trail project was identified as an initial project under the *One Arroyo Project – Upper Arroyo Trail Loop and Lower Arroyo Trail Loop – Environmental and Design Phase* project (CIP #77382). The design phase for this project was privately funded and managed by the One Arroyo Foundation and the City funded and completed the environmental phase of the project utilizing Los Angeles County Proposition A grant funds.

The project involves various trail improvements along two critical linkages, referred to as the Upper Arroyo Trail Loop and Lower Arroyo Trail Loop located within the Arroyo Seco. The purpose of the project is to provide safer, more accessible, and more contiguous routes throughout the Arroyo Seco by rehabilitating existing trails through stabilization of deteriorated trail segments and improvements to trail features. In addition, the project will connect segments of existing trail alignments. The Upper Arroyo Trail Loop includes approximately 2.2 miles of existing and proposed trails situated within the northern portion of the Central Arroyo Seco. The Lower Arroyo Trail Loop includes approximately 1.6 miles of existing and proposed trails situated primarily in the Lower Arroyo Seco and within the southern portion of the Central Arroyo Seco. Attachment A maps the locations of each trail loop.

The One Arroyo Foundation has completed the construction plans and specifications of the project with concurrence from various City departments, including Public Works, Planning and Community Development, and Parks, Recreation, and Community Services. The One Arroyo Foundation presented project updates and conceptual drawings throughout the planning and design development phases of the project to the Recreation and Parks Commission in March 2022 and February 2023. These presentations allowed the commission and the community to provide feedback on design elements, which were utilized to develop the final construction documents.

## Construction Grant and Project Implementation

On January 24, 2022, the Santa Monica Mountains Conservancy (Grantor) awarded the One Arroyo Foundation \$1 million of Proposition 68 Grant funds for the implementation of the Arroyo Seco Trail project under State of California Agreement Number 3810-P68-2206 (Grant). To utilize the awarded grant funds, One Arroyo Foundation has requested the City competitively bid and implement the project since the City has construction expertise and resources and owns the property to be improved.

As such, the City proposes entering a Reimbursement Agreement with One Arroyo Foundation, who shall reimburse the City in the amount of \$1 million for expenditures incurred by the City for implementation of the project in accordance with the construction plans developed by One Arroyo.

### Terms of Reimbursement Agreement

The Reimbursement Agreement (Attachment B) includes the following major terms:

- One Arroyo Foundation warrants and represents that the Grantor permits the City to procure and complete construction of the Project under the Grant.
- City shall procure labor and materials for the Project in accordance with the City's ordinances and in compliance with applicable Grant terms.
- One Arroyo Foundation shall reimburse the City in the amount of \$1 million for expenditures incurred by the City exclusively for the construction of the project.
- City shall invoice the Foundation for expenditures incurred; the Foundation shall promptly submit the invoices for reimbursement to the Grantor; the Foundation shall reimburse the City promptly (within 7 days) upon receipt of Grant funds.
- If for any reason certain Grant funds are not disbursed to the City, One Arroyo Foundation shall pay the City an equivalent amount to ensure the City is fully compensated (up to a total of \$1 million) to offset project costs.
- Agreement will remain in place until all construction expenses are reimbursed to the City or it is terminated by the City.

### ENVIRONMENTAL ANALYSIS:


This step in the process is not subject to the California Environmental Quality Act (CEQA) in accordance with Section 21065 of CEQA and State CEQA Guidelines Sections 15060 (c)(2), 15060 (c)(3), and 15378. The construction of the Arroyo Seco Trail project is to be subject to appropriate project-level environmental review and will be brought forward at time of construction contract award.

**FISCAL IMPACT:**

The recommended Agreement will require the One Arroyo Foundation to fund \$1,000,000 in construction costs for the project. As a result of One Arroyo Foundation's obligation, the City will benefit in reduced net costs that otherwise would have been borne entirely by the City.

Funding for the construction phase of the project will be addressed with the utilization of the \$1,000,000 Proposition 68 grant funds awarded by Santa Monica Mountains Conservancy to One Arroyo Foundation and existing budgeted appropriations in the *One Arroyo Project – Upper Arroyo Trail Loop and Lower Arroyo Trail Loop – Construction Phase* project (CIP #77382). There will be no impact to the General Fund.


Respectfully submitted,

  
for TONY OLMOS, P.E.  
Director of Public Works

Prepared by:

  
for Kris Markarian, P.E.  
Deputy Director/City Engineer

Approved by:

  
MIGUEL MARQUEZ  
City Manager

Attachment A – Area Map: Upper Arroyo Trail Loop and Lower Arroyo Trail Loop  
Attachment B – Reimbursement Agreement between the City of Pasadena and One Arroyo Foundation