



CITY COUNCIL AGENDA REPORT

MEETING DATE: Tuesday, April 29, 2025
TO: CITY COUNCIL
WRITTEN BY: MURRAY FONTES, ASSISTANT DIRECTOR OF PUBLIC WORKS & UTILITIES
RECOMMENDED BY: PUBLIC WORKS & UTILITIES DIRECTOR LINDBERG
APPROVED BY: TAMARA VIDES, CITY MANAGER

SUBJECT: RESOLUTION ACCEPTING A \$1.0 MILLION DOLLAR GRANT AWARD FOR CONSTRUCTION OF THE LEE ROAD TRAIL PHASE 1 PROJECT, FEDERAL NO. 5031 (040); AND APPROPRIATING SUCH FUNDS TO THE SPECIAL GRANTS FUND (0260)

RECOMMENDATION:

It is recommended that the City Council adopt a resolution accepting grant funding of \$1.0 million from the Department of Transportation (DOT) for the Lee Road Trail Phase 1 project, Federal No. 5031(040), and appropriate such funds to the Special Grants Fund (0260).

BACKGROUND:

The Lee Road Trail project is part of the City of Watsonville Trails and Bicycle Master Plan for the Watsonville Scenic Trails Network. The proposed trail segment will allow pedestrians and bicyclists to travel from the Pajaro Valley High School driveway on Harkins Slough Road 500 feet west to Lee Road, then 2,000 feet south on Lee Road to the Land Trust of Santa Cruz County's Watsonville Slough Farm property (refer to Phase 1 map).

The city began working on the trail in 2018 and has collaborated with several partners. These include the Land Trust of Santa Cruz County, Watsonville Wetlands Watch, the Pajaro Valley Unified School District, the Santa Cruz County Parks Department, the Santa Cruz County Community Development and Infrastructure Department and the California Department of Fish and Wildlife.

The Land Trust is especially invested. They are developing a five-mile network of public trails on their Watsonville Slough Farms property and the Lee Road Trail Phase 1 project will create pedestrian and bicycle facilities to access the site. A primary source of Land Trust funding is a multi-million-dollar

Proposition 68 Green Infrastructure grant that includes \$700,000 for the construction of the Lee Road Trail Phase 1 project. As a result, the city trail project is an integral part of the Land Trust project as its completion is written in their Proposition 68 grant, and it will be the only means of access for Watsonville residents that choose to walk or bike to the Watsonville Slough Farms parcel.

Future phases of the Lee Road Trail Project will construct a bridge across Struve Slough and connect to the future Monterey Bay Sanctuary Scenic (Rail) Trail.

DISCUSSION:

Funding provided by DOT is from the Highway Infrastructure Program's Community Project Funding/Congressionally Directed Spending (CPFCDs). This grant was appropriated to the City of Watsonville on June 28, 2022, with the support of Congressman Jimmy Panetta. And now that the City completed the required Federal environmental requirements and achieved site control, the funding has been obligated to the City.

On March 24, 2025, the city received the Authorization/Agreement Summary - (E-76) document (copy attached) from Caltrans which is federal authorization to obligate the \$1.0 Million dollar grant. The grant will go towards the construction and construction engineering costs of subject project. Proceeds from the grant are to be appropriated to the Special Grant Fund (0260), Project 14860.

The project is estimated to cost \$1.7 Million. The construction phase shall be funded with Land Trusts' \$700,000 Proposition 68 grant, which was accepted by Council Resolution No. 210-24 at the October 8, 2024, meeting, and \$1.0 million from this grant.

Project is estimated to go out to bid this Fall 2025, with construction in early Spring 2026.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) DETERMINATION:

On March 12, 2021, the County adopted a mitigated negative declaration for the Lee Road Trail project. Acceptance of the subject grant funding would result in no changes to the project that would require additional environmental analysis, and none of the conditions described in CEQA Guidelines Section 15162 for the preparation of a subsequent EIR have been met.

No substantial changes involving new significant environmental effects or a substantial increase in the severity of previously identified significant effects are proposed, and there has been no change in circumstances. There is no new information about the project that could not have been known at the time of the original project approval that indicates any new significant environmental effects or effects that will be substantially more severe, nor are there new mitigation measures that would substantially reduce one or more significant effects on the environment, or mitigation measures previously found to be infeasible that would, in fact, be feasible and would substantially reduce one or more significant effects of the project. Therefore, nothing further is required under CEQA.

The City hired Harris and Associates to perform the California Environmental Quality Act (CEQA) process under this contract. The CEQA lead Agency is County of Santa Cruz. An Initial Study/Mitigated Negative

Declaration was prepared, and the declaration findings were that there is no substantial evidence that the project will have a significant effect on the environment. The expected environmental impacts are documented in the Initial Study and listed in the Mitigation Monitoring and Report Program.

A National Environmental Policy Act (NEPA) document was prepared to ensure compliance with all Federal environmental regulations, per the Grantor's requirement. Caltrans approved NEPA document on May 8, 2024, and determined that the project is a Categorical Exclusion under 23 CFR 771.117(c); activity (c) (3).

STRATEGIC PLAN:

The project addresses the following Strategic Plan:

Infrastructure & Environment

Public Safety

FINANCIAL IMPACT:

Proceeds from the grant are to be appropriated to the Special Grant Fund (0260), Project 14860. Accepting the \$1.0 million will assist the city with securing the \$1.7 million needed for the construction and construction engineering costs of the subject project.

ALTERNATIVE ACTION:

No reasonable alternatives are known at this time. These funds are specifically for this trail project and cannot be reallocated to another project.

ATTACHMENTS AND/OR REFERENCES (IF ANY):

1. Location Map
2. Authorization/Agreement Summary – (E-76)