

## Meeting #31 Summary

Butte Regional Conservation Plan (BRCP)

Stakeholder Committee Meeting

September 8, 2010, 11:00 a.m. to 3:00 p.m.

BCAG Conference Room

### Stakeholder Committee Attendees

Colleen Cecil (Butte Co. Farm Bureau)	Bill Kellogg (Butte Co. Resource Cons. Dist.)
Woody Elliott (CNPS)	Scott McNall (CSU Chico)
Virginia Getz (Ducks Unlimited)	Richard Price (Butte Co. Ag. Comm.)
Robin Huffman (Butte Environmental Council)	Pia Sevelius (Butte Co. Resource Cons. Dist.)
Phil Johnson (Altacal Audubon Society)	Jeff Swindle (Caltrans District 3)

### Resource Agencies Attendees

Nina Bicknese (USFWS)	Jenny Marr (DFG)
Eric Tattersall (USFWS)	

### Steering Committee and Staff Attendees

Chris Devine (BCAG)	Juan Pablo Galván (SAIC)
Jon Clark (BCAG)	Monica Hood (SAIC)
Jane Dolan (BCAG/ Supervisor)	Pete Rawlings (SAIC)
	Teifion Rice-Evans (EPS Inc.)

### Interested Public Attendees

Rob Capriola (Westervelt Ecological)	Desiree Hatton (Butte Environmental Council)
Marvin Grace (Sierra Club – Yahí Group)	Jim McKay (Gallaway Consulting)
Allen Harthorn (Friends of Butte Creek)	Gregg McKenzie (Restoration Resources)

### Associated Documents/Handouts

Agenda packet including:

1. Implementing Entity Structure – Other Plans (Handout #1)
2. Meeting Summary of August 2010 Stakeholder Meeting (Handout #2)

## Meeting Agenda

1. Introductions and Agenda Review
2. Implementation Cost (EPS/SAIC)
3. Local Grebe and Tricolored blackbird Colonies – photo update
4. Implementing Entity follow-up (Handout #1)
5. Meeting Notes from August 2010 Stakeholder Meeting (Handout #2)
6. USFWS/DFG/NMFS Items for Discussion
7. Action Items and Next Meeting Agenda

## Introductions and Agenda Review

The agenda was distributed and the names of attendees were introduced.

## Implementation Cost

A powerpoint was presented by EPS Inc. on the development of implementation costs for regional HCP/NCCPs. It was explained that permits for take cannot be issued to a plan without clear funding sources being identified in the plan. Financial plans need to be updated over time as circumstances change. Identification of realistic funding sources, a comprehensive and reasonable assessment of costs, and ensuring that there are willing sellers to achieve land preservation are all funding plan challenges.

One-time costs for an HCP/NCCP include land protection, restoration and enhancement. Ongoing costs include monitoring and adaptive management, land management activities, and plan administration. Endowments are often established to ensure funding for ongoing activities.

A question was raised as to whether an Implementing Entity has ever gone bankrupt or lacked the necessary funds to implement a plan. It was explained that one IE in southern California underestimated monitoring costs and drew from their endowment fund during bad economic times, was subsequently unable to implement the plan, and therefore responsibility for the plan had to be transferred to another entity. This was an early HCP and later plans have since included provisions to reduce the likelihood for such occurrences.

An HCP/NCCP financial plan is dependent on many factors, such as magnitude of plan actions, implementation flexibility, implementing tools, structure of the IE, use of conservation partnerships, and expertise, outreach, acceptance, and jurisdictional goals.

Typically, 50-75 percent of financial costs are for land acquisition. Cost estimates for land acquisition are usually developed by planning-level estimates of land value, developing a per acre value by land types to be acquired, recognizing key value drivers and distinctions, accounting for zoning, size, and use differences, and examining fee-title and easement values.

## Handout #2

A question was raised if mitigation and impacts to species would be sufficiently coupled and if this would be reflected in costs. It was explained that the BRCP CAZs and UPAs ensured that impacts would be coupled to mitigation. Mitigation and conservation must meet the needs of the species impacted. Mitigation will consist of the same habitat types that are impacted. Each CAZ will have a specified acreage for habitat protection and restoration.

It was commented that the current updating of general plans may make estimating land use values difficult. It was explained that this is why assumptions would have to be made and adaptive financing and flexibility be put in place. There was discussion on the role of CAZs and UPAs. It was explained that these geographic designations were a way of defining where the majority of development projects would be occurring vs. transportation projects that could occur in other places. Conservation and mitigation can occur anywhere within the Plan Area. An example was given that due to differences in soil type, vernal pools in one area would preferentially be mitigated in the same area with the same soil type. A question was asked about the relationship between conservation provided under the BRCP and mitigation. Habitat compensation requirements represent a subset of the total conservation that will be provided for each species.

The concepts of willingness to pay and changing land values were discussed. It was noted that land prices will change and negotiation will be a key element of land acquisition. The timeframe over which land acquisition occurs will also play a role in stabilizing prices. Safeguards set up in the implementation of a plan can stop all plan implementation if there are no willing sellers to fulfill a plan requirement. Developers/permittees may have to pay the difference between fair market and inflated prices if no fair price sellers are available or development may cease. This prevents price inflation. There is also an element of self-regulation of land prices when landowners know there are others willing to sell. Another mechanism used in some plans to stabilize land costs is requiring developers to identify willing sellers and ensure that they exist before implementing a project. It was explained that there is no exact science or formula to set land prices, and negotiation, circumstances, and judgment will play an important role in the costs for plan implementation. Time and changing prices means it can be more costly or cheaper to acquire land over the term of plan implementation. Information sources for land costs include active acquirers of habitat, review of appraisals, and review of countywide data.

Restoration and enhancement costs are typically based on costs associated with previous habitat restoration and enhancement projects and are costed on a per acre basis. Preserve management and monitoring cost estimates depend on the number of properties and size, types of habitat and ongoing work required, type of ownership (easement vs. fee title), and the approach to management (IE vs. outsourcing), and other site specific considerations.

Project administration costs include overall management of the plan, reports, outreach, property identification, financial accounting, monitoring progress, grant applications, and other activities. Costs depend on staff levels and the skill/level of effort required. Project administration cost estimates include consideration for the structure of the IE (new organization vs. use of existing

infrastructure), actual administrative costs incurred by approved HCP/NCCPs, local land trust experience, and local cost inputs (e.g., costs of office space).

Plan endowments address ongoing implementation costs. Endowment calculations are typically based on an assumed initial endowment and interest rate, which is very challenging to establish. For example, if 10,000 acres are being monitored at \$25 per acre, then an endowment between \$6.25-12.5 million depending on the assumed interest rate. Because interest rates will vary over the term of plan implementation, adaptive financing is a way to deal with the uncertainty. Adaptive financing requires updating cost estimates (and perhaps the funding strategy) every 3-5 years, and applying an appropriate inflator in interim years.

It was explained that an endowment fund must exist in perpetuity because the conservation under the plan continues in perpetuity. An IE may exist in perpetuity in order to implement monitoring and conservation, but if the IE at the time for some reason ceases to exist, then responsibilities for monitoring and conservation, and therefore access to the endowment fund, would transfer to another entity.

EPS will provide a paper on plan financing to BCAG for distribution to the Stakeholder Committee.

Ways to raise funds could range from “tip fees” at recycling and waste centers to increased sales tax to mitigation fees. There was discussion on what would occur if funds were simply not available, and it was explained that this would be addressed iteratively as the plan moves forward.

### **Local Grebe and Tricolored Blackbird Colonies Photo Update**

Phil Johnson of Audubon presented an update on studies of western and Clark’s grebes use at Thermalito Afterbay, the sixth largest breeding colony in California. Research to identify this and other colonies is the result of fine money paid by an oil company responsible for a spill. Pictures of the grebe colony and information on their ecology were presented. There is some concern that use of a water ski course near one of the colonies may affect nesting success, but the degree of any such effects are not known.

### **Implementing Entity Follow-up (Handout #1)**

Information on eight other HCP/NCCPs was provided in a table, including their status, their IE, why that type of IE was chosen, their board composition, number of administrative staff, annual administrative budget, and size of the Plan Area.

Most plans decided not to form a new IE and many have existing JPAs serving or expected to serve as IEs. It was commented that since the IE has to be able to set fees, the IE has to involve government or a JPA of governments. For the purposes of the BRCP, the best choice for an IE

seems to be BCAG since it already has all the infrastructure of an IE and the relationships with all parties to carry out the plan.

Discussion on why BCAG was likely the best choice to serve as the IE and why other alternatives may need to be examined occurred. The BRCP will already have a specific description of what the IE must be and what it must do, so the IE does not decide whether to implement the plan or not or how, the IE must simply do what the plan dictates. DFG and FWS expressed confidence in the ability of BCAG to administer the plan and that no other organization appears to have the institutional functionality to carry out the BRCP, and that for the agencies, BCAG is the natural choice to serve as the IE. The Butte County Resource Conservation District, Altacal Audubon Society, Butte County Farm Bureau, Butte County Agricultural Commission, and a representative from CSU Chico also voiced their support for BCAG to become the IE of the BRCP.

It was explained that various panels and committees would remain and function with the IE to implement the plan to ensure stakeholder participation. It was commented that if BCAG serves as the IE there could be some sort of competition between it and the local land trust. It was explained that based on conversations with the land trust, the relationship would be more like a positive partnership. A concern was raised that BCAG was not established for the purpose of implementing the HCP/NCCP. It was explained that, like many other organizations, the role of BCAG has evolved over time and it has taken on new roles and responsibilities. BCAG anticipates that any initial gaps in BCAG's experience can be filled by partnering with local agencies and organizations that have the relevant expertise. The board of the IE would have a different board structure than BCAG because the town of Paradise is not included in the BRCP, but currently has a member on the BCAG board.

It was commented that the Natomas HCP formed a new non-profit conservancy due to multiple lawsuits and the fact that no other existing organization could do it. DFG indicated that establishing the new conservancy was very expensive. The current Natomas Plan staff do not recommend creating an entirely new organization if at all possible. Aside from the cost of forming a new organization, the vast amount of time required to get agreement on a plan to form a new JPA and the time required to actually form one could affect the schedule for completing the BRCP. Checks and balances will be written into the plan implementation chapter to ensure stakeholder participation, which could preferentially be a continuation of the Stakeholder Committee serving in a review and advisory capacity during plan implementation.

### **Meeting Notes from August 2010 Stakeholder Meeting (Handout #2)**

The meeting notes from August 2010 were approved.

### **USFWS/DFG/NMFS Items for Discussion**

None.

### **Action Items and Next Meeting Agenda**

The next Stakeholder meeting will be held on October 6, 2010 from 11:00 to 3:00 pm at BCAG.

The primary October agenda item will be a discussion of the BRCP Conservation Strategy, which will then be reviewed by the Science Panel, which will give feedback several months later.

It was announced that ICF International will serve as the consultant team on the EIS/EIR for the BRCP.

It was announced that Bill Kellogg will be taking over for Pia Sevelius at the Butte County Resource Conservation District and will replace her as a Stakeholder Committee member.