

BRCP

Administrative Draft

Overview of Chapter 8, Implementation Costs and Funding Sources

Presentation to:

BRCP Stakeholder Committee

March 7, 2012

▶ **Chapter 8. Implementation Costs and Funding Sources**

- ▶ ESA requires that HCPs specify “the funding that will be available to implement”
- ▶ The NCCPA requires that NCCPs contain “provisions that ensure adequate funding to carry out the conservation actions indentified in the plan

▶ Chapter 8. Funding Sources

- ▶ **LOCAL SHARE:** implementation costs and funding sources relates to components of the BRCP that are focused on the mitigation of impacts
 - funding will be derived from mitigation fees assessed as individual projects are implemented
- ▶ **PUBLIC SHARE:** implementation costs and funding sources relate to components of the BRCP that contribute to the recovery of covered species and the conservation of natural communities
 - funding will be derived from various federal, state, and private sources

▶ Chapter 8. Local Share Mitigation Fee Structure

- ▶ 2 tiers based on acreage of impact and type of natural community impacted
- ▶ Base fee—applies to impacts on all natural community types supporting covered species habitat
- ▶ Restoration Fees—additive to base fee and apply to removal of land cover types that require habitat restoration for mitigation
 - Riparian
 - Emergent Wetland
 - Vernal pool
- ▶ Fees are based on the extent of mitigation required for per acre impacts on each type of natural community removed (see Chapter 5, Table 5-4)

▶ Chapter 8. Mitigation Fees

Mitigation Fee	Mitigation Cost ¹	Impacts (Acres)	Fee per Impact Acre
Base Fee	\$107,184,209	24,420	\$4,389
Riparian Fee	\$20,085,091	233	\$86,202
Vernal Pool Fee	\$12,728,845	224	\$56,825
Emergent Wetland Fee	\$3,246,264	35	\$92,750
TOTAL	\$143,244,409		

Only required if impacts result from covered activities. Full cost would only result if full build-out of all general plans and infrastructure projects.

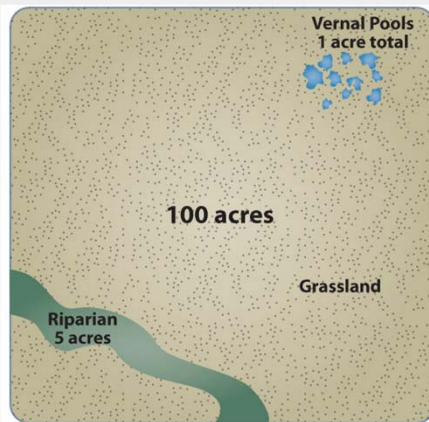
▶ Chapter 8. Mitigation Fee Context

- ▶ Proposed fees are at the low end of fees charged under other Plans
 - Other Plans fee base range \$5,000 to \$38,000
 - BRCP base fee of \$4,389 per acre
- ▶ Restoration fees—generally comparable to other Plans

Chapter 8. Example Mitigation Fee Calculations

HYPOTHETICAL PROPOSED DEVELOPMENT

EXAMPLE A: 100% Built

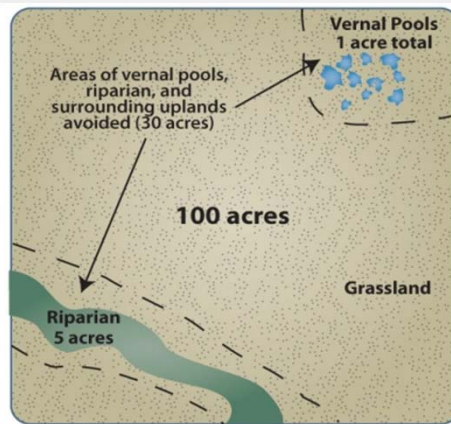


Fee Calculation

Base Fee:
 100 acres x \$4,389/per acre = \$438,900
 +
Vernal Pool Fee:
 1 acre x \$56,825/per acre = \$56,825
 +
Riparian Fee:
 5 acres x \$86,202/per acre = \$431,010

Total Fee: = \$926,735

EXAMPLE B: Avoid Sensitive Habitats - 70% Built

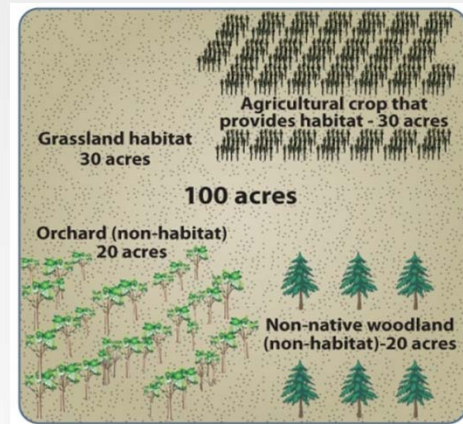


Fee Calculation

Base Fee:
 (100 acres - 30 acres = 70 acres)
 70 acres x \$4,389/acre = \$307,230
 +
Vernal Pool Fee:
 none, no impacts = \$0
 +
Riparian Fee:
 none, no impacts = \$0

Total Fee: = \$307,230

EXAMPLE C: 100% Built - 40% Non-habitat



Fee Calculation

Base Fee:
 60 acres of habitat x \$4,389/per acre = \$263,340
 +
Vernal Pool Fee:
 none, no impacts = \$0
 +
Riparian Fee:
 none, no impacts = \$0

Total Fee: = \$263,340

▶ Chapter 8. Mitigation Fee Adjustments

- ▶ Mitigation fee adjustments may be required over the term of the BRCP as costs change due to:
 - Inflation/deflation
 - Changes in land values
 - Changes in other implementation costs (restoration, monitoring, etc.)
- ▶ Annual automatic fee adjustments based on CPI (western US) for previous year
 - Provides for adjustments to address inflation/deflation of costs
 - Requires approval of Permittees
- ▶ Periodic detailed cost/fee review - specified intervals
 - Provides adjustments for real changes in mitigation costs
 - Based on actual implementation costs

▶ Chapter 8. Public Share Funding Sources

▶ Federal grants

- ESA section 6
- Other grant sources
- Congressional funding

▶ State grants

- Proposition funding (e.g., Props 12, 13, 40, 50, 84)
- State legislation

▶ Regional and Local funding

▶ Chapter 8. Funding Assurances

- ▶ Local share mitigation funding assured through mitigation fee collection and adjustment processes
- ▶ Public share is assured through commitment of IE and Permittees to secure funding for conservation actions commensurate with the implementation schedule (see Chapter 6)

▶ Chapter 8. Implementation Cost Categories

▶ Conservation measures

- Generally only include costs associated with physical implementation of each measure
- Related costs (e.g., planning, permitting) are generally costed under other categories

▶ Environmental compliance

- Only applies to implementation of BRCP conservation measures (compliance costs for other covered activities are borne by project proponents)
- CEQA/NEPA, CWA, NHPA, streambed alteration permits, etc.

▶ Monitoring and other surveys

- Implementation of the monitoring plan (Section 5.8)
- Other surveys (e.g., pre-land acquisition, surveys related conservation land management)

▶ Chapter 8. Implementation Cost Categories (cont.)

▶ Administration and management

- IE staffing costs
- Contracted services
- Operational costs

▶ CEQA/NEPA mitigation

- Cost of mitigation for impacts of habitat restoration measures on non-biological resources (e.g., air quality, noise, traffic)
- Non-biological resource mitigation for other covered activities are borne by project proponents
- Costs to be estimated in the BRCP EIR/EIS and incorporated into Chapter 8

▶ Chapter 8. Implementation Cost Categories (cont.)

▶ Changed circumstances

- Assumed to be 10 percent of implementation costs for applicable conservation measures

▶ Post-BRCP Permits

- Costs associated with raising endowment funding over the 40-year permit period to fund ongoing management of conservation lands following expiration of permits

▶ Chapter 8. Cost Estimating Methods

- ▶ Costs are presented in 2011 dollars
- ▶ Underlying costing considerations and assumptions:
 - Land protection and restoration goals
 - Land acquisition approach and size
 - Implementation schedule (Chapter 6)
 - Public share costs are estimated for each of the four 10-year implementation periods
 - Unit cost research
 - Existing conservation plans (actual and estimated costs)
 - Butte County/ BRCP specific data/ information

▶ Chapter 8. Conservation Measures 1, 14-18: Land Acquisition

▶ Cost estimates are driven by:

- Natural community and habitat restoration targets (Chapter 5, Tables 5-1 and 5-12)
 - Local share land acquisition requirements based on mitigation requirements (Chapter 5, Table 5-5)
- Assumptions regarding percentage of land acquired through conservation easements and fee title (primarily conservation easements)
- Parcel size – assumed to be 160 acres or more

▶ Chapter 8. Conservation Measures 1, 14-18: Land Acquisition (cont.)

▶ Land valuation approach:

- Planning level estimates of average per acre land values
- Based on proximity to urban areas and transportation corridors, agricultural use, topography, accessibility, and environmental constraints
- Distinct land value categories
 - Agricultural land – rice land and irrigated cropland
 - Raw land/moderate access
 - Rangeland/ remote
 - Riparian
 - Grassland with vernal pool swale complex
 - Chico BCM Preserve costed separately (but not shown separately in Chapter 8)

▶ Chapter 8. Conservation Measures 1, 14-18: Land Acquisition (cont.)

- Sources of information:
 - Appraisals and interviews with appraisers and brokers
 - Analysis of County Assessor records on land transactions over last five years
 - American Society of Farm Managers and Rural Appraisers reports on value of agricultural land
 - Sales of encumbered land and data on agricultural land lease rates

▶ Chapter 8. Conservation Measures 2-13,19

- ▶ Cost estimates for CMs 3-13, and 19 based on:
 - Actual costs of implementing similar projects (e.g., habitat restoration projects), revised to reflect BRCP-specific circumstances
 - Estimated costs developed for other Plans for similar actions, revised to reflect BRCP-specific circumstances
 - Conservation measure-specific assumptions
- ▶ CM3, *Improve Stormwater Quality*, is subsumed under Administrative and Management costs and does not incur CM implementation costs

▶ Chapter 8. Other Cost Category Estimates

▶ Environmental Compliance Costs

- Applies to habitat restoration projects
 - Assumes mean 90 acres per restoration project
 - Mean estimate of \$115K per project based on recent similar projects

▶ Monitoring and Survey Costs

- Estimates based on BRCP monitoring and survey requires and BRCP-specific assumptions:
 - Hours required to survey per unit area of land
 - Per hour labor cost

▶ Chapter 8. Other Cost Category Estimates (cont.)

▶ Administration and Management Costs

- Based on estimated number of FTEs by labor category for IE personnel
- Labor costs based on BCAG rates
- Contracted services (e.g., legal, public outreach) rates based on other Plan costs
- GIS, office space/supplies, equipment and other similar costs are supported under current BCAG operations

▶ CEQA/NEPA Mitigation Costs

- To be developed in the BRCP EIR/EIS

▶ Chapter 8. Other Cost Category Estimates (cont.)

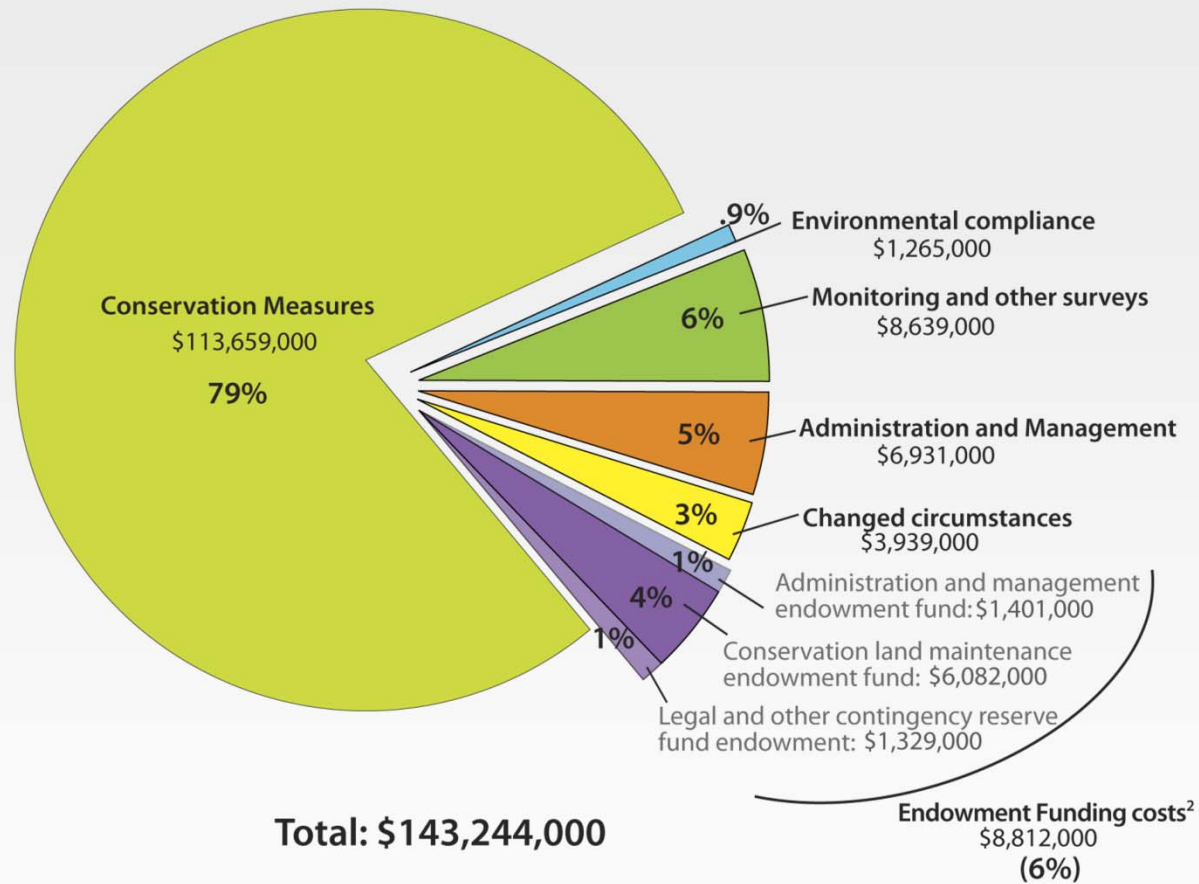
▶ Changed Circumstances Costs

- Apply to CMs 2 and 4-7
- Estimated to be 10 percent of CM implementation costs
- Local share costs are proportionate to total category cost based on acreage

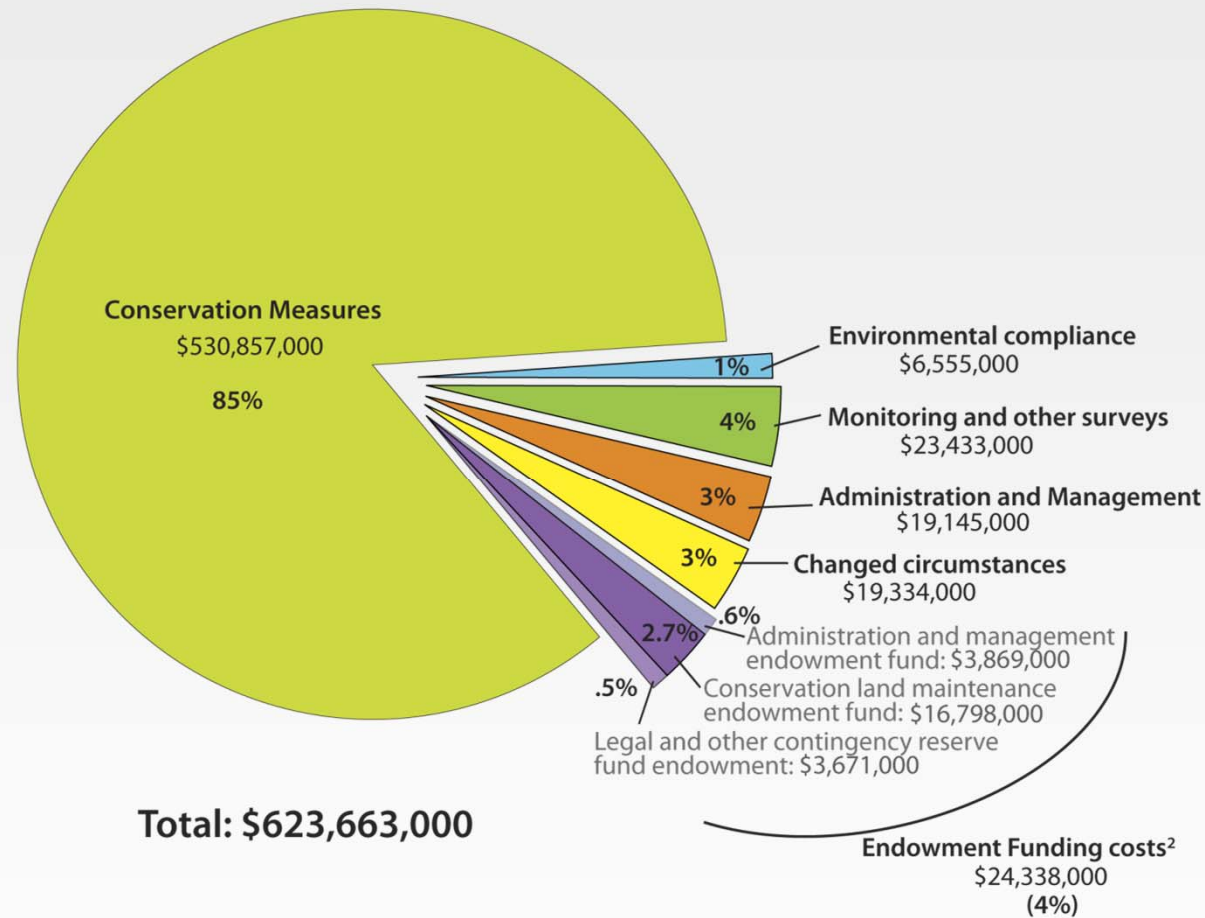
▶ Post-BRCP Permit Endowment Costs

- Three endowment categories
 - Administration and management (reduced IE staffing)
 - Conservation land maintenance (reduced land enhancement/maintenance costs)
 - Legal and other contingency (e.g., ongoing oversight of conservation easements)
- Endowment costs based on funding needed for post-permit operations assuming 2 percent interest rate

► Total Local Share Implementation Cost Estimates



► Total Public Share Implementation Cost Estimates



Questions & Discussion