

Kelly Farm Mitigation Bank Opportunities

City of Santa Rosa Board of Public Utilities Meeting

November 5, 2020



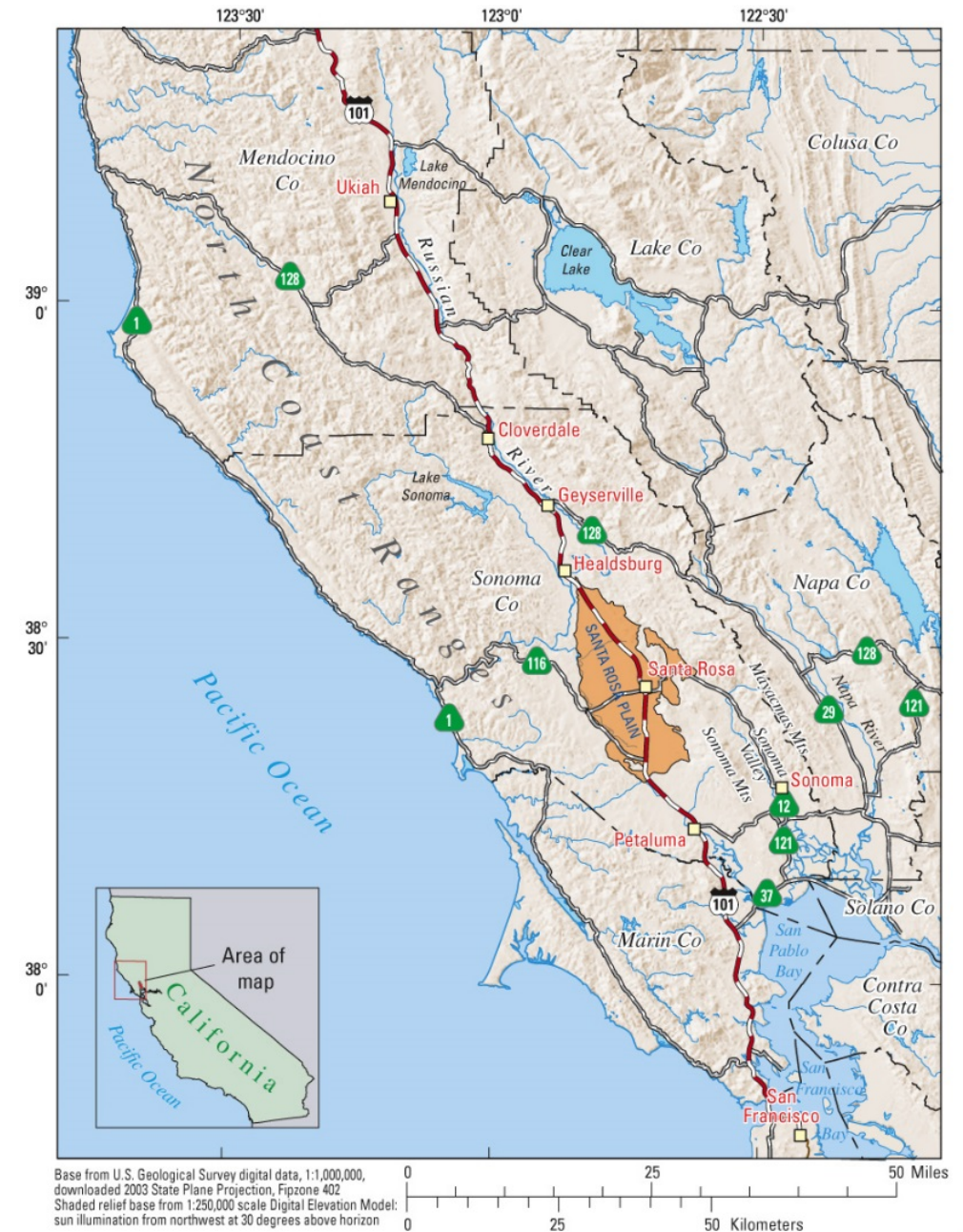
OUR FUTURE IN EVERY DRÖP

The Santa Rosa Plain

- Relatively flat ground marked with creeks and wetlands
- Healdsburg to Cotati and Sebastopol to Santa Rosa
- Home to many endangered species



OUR FUTURE IN EVERY DROP



Endangered Species Protections on Santa Rosa Plain

- Threatened plants- mostly occur in wetlands
- California tiger salamander (CTS)



Threatened plants

Wetlands in the Santa Rosa Plain are always considered habitat:

- Burke's goldfields
- Sebastopol meadowfoam
- Sonoma sunshine



Burke's goldfields



Sebastopol meadowfoam



Sonoma sunshine

CTS Upland Habitat

- Adults and Juveniles live in ground dwelling mammal burrows throughout most of their life
- In Sonoma County CTS are associated with gopher burrows in grassland areas



CTS Breeding Habitat

Adults migrate to breeding sites in the winter and larvae develop throughout spring

- Seasonal ponds
- Roadside ditches
- Slow moving creeks



Projects Needing CTS Credits

- Flood Wall may need up to 40 acres of credits
 - Actual amount will depend on exact location of project and mitigation ratios assigned by regulatory agencies
- Sewer lining projects in the area (less than 5 acres)
 - Need small amounts of credits but can take up to a year to complete purchase
 - Higher cost per acre
- Other projects at City Farms or LTP where CTS habitat exists (unknown credit needs)

Other Projects: Sonoma County Plan

- Sonoma County is developing a scope for a Habitat Conservation Plan (HCP)
- Initially driven by Developers to streamline compliance with endangered species protections
- Working with consultant to determine extent of HCP
- City will be involved in the public process likely starting in 2021
- Potential completion 2025 or later



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Other Projects: Private Mitigation Banks

- Not many credits available for large projects
- May compete with other development for these credits
- May extend project delivery time



Kelly Farm

- Currently leased for hay crops at \$85/acre/year
- Lease for proposed mitigation area expires in Fall 2021
- Recycled water use, no biosolids
- Only farm with documented CTS presence
- Identified one 100 acre section ideal for setting up a conservation bank



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RIPIARIAN AREA
100 YEAR FLOOD ZONE
PROPERTY LINE

CITY OF SANTA ROSA'S KELLY FARM

Scale: 1" = 200' 0"



Natural ponding on the farm



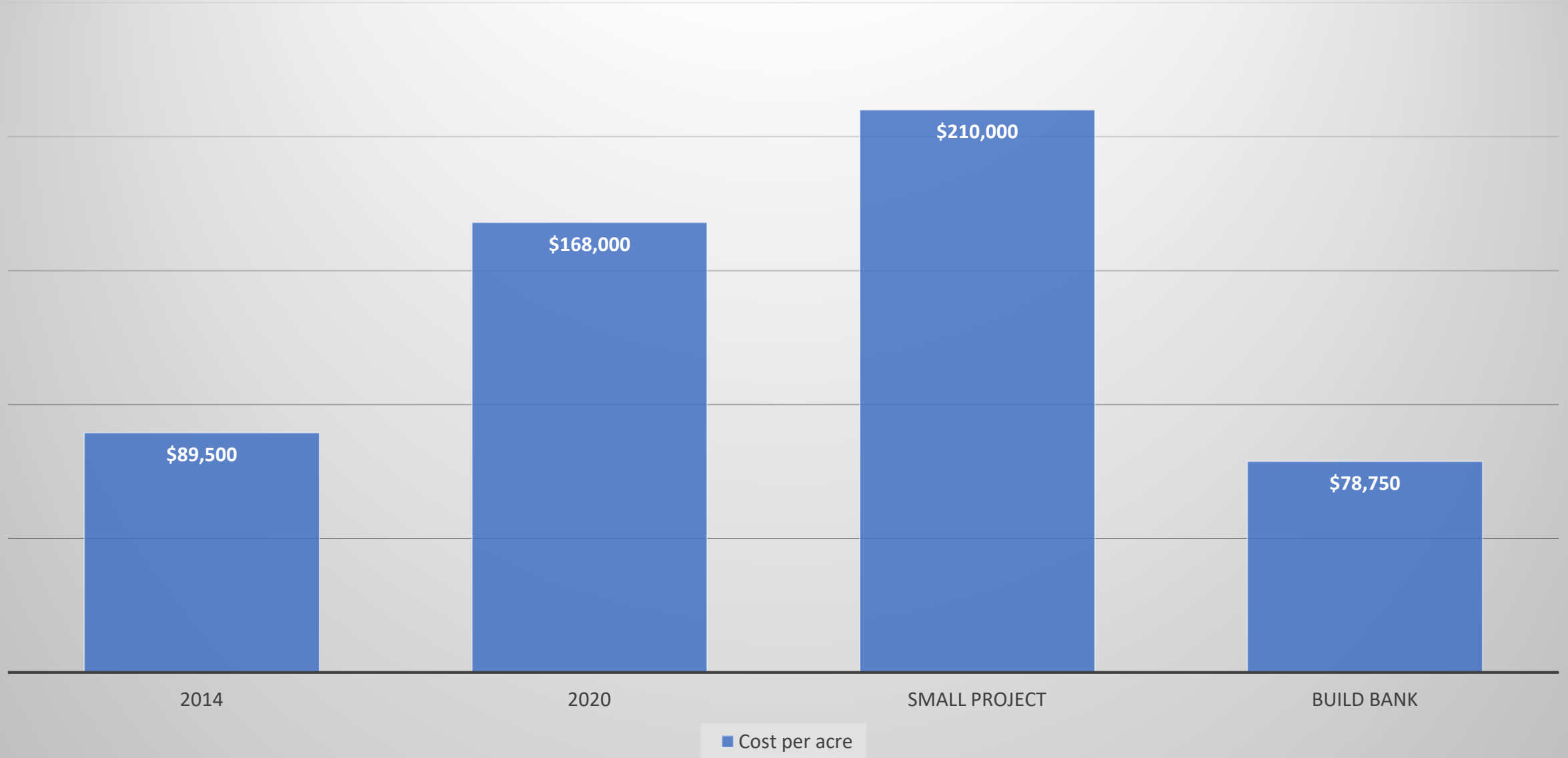
Existing wetland habitat includes vernal pools



Rare plants: Meadowfoam and hayfield tarweed



CTS Mitigation Credit Costs Over Time Compared to Developing Santa Rosa Water Mitigation Bank



■ Cost per acre

Mitigation Bank Options

- Continue purchasing credits per project
 - Costs are continuing to rise, greater competition with development, and other projects
- Build a 40 acre mitigation bank
 - Possible to expand to 100 acres
 - Project could meet mitigation requirements for flood wall only
- Build 100 acre mitigation bank
 - More cost effective option
 - Similar cost to 40 acre bank, but would provide a long-term CTS mitigation strategy for future Santa Rosa Water Projects



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Estimated Cost of Establishing 40 Acre Bank

• Studies, fees, permitting, and design	\$450,000
• Construction	\$1,000,000
• Interim monitoring and management	\$200,000
• Endowment	<u>\$1,500,000</u>
• Total	\$3,150,000
• Current Cost to buy 40 acres of CTS credit	\$6,720,000
• Potential Savings if bank developed (40 ac)	\$3,570,000



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Potential Next Steps to Develop a Mitigation Bank 40-100 acres

- 2021 - Hire a consultant to develop restoration plan
- 2021-2022 - Work with regulatory agencies to develop and approve maintenance plan
- 2022 - Construct wetlands, install fencing, remove irrigation
- 2023 - Complete application materials to mitigation banks
- 2023 - Begin using credits



Where are we now?

- We have projects that may need CTS and wetland credits
- The City evaluated CTS presence in 2003
 - 36 CTS found on Kelly Farm
 - None on all other City farms
- Conservation easement will not allow City to sell credits to private developers
- City developed a draft prospectus for creating a mitigation bank on Kelly Farm
- Met with Mitigation Banking Interagency Review Team- supportive of the application
- Requesting direction from BPU



KELLY FARM MITIGATION BANK

City of Santa Rosa
Sonoma County, California

DRAFT PROSPECTUS

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August 2020
J-344

Staff Recommendation

- Begin process to design mitigation bank up to 100 acres
 - Estimated Cost - \$150,000
- Once design is complete bring design and estimated bank development costs to BPU for direction



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100 YEAR FLOOD ZONE
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Questions

