

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: CHAIR AND BOARD MEMBERS
FROM: GREG DWYER, ASSOCIATE CIVIL ENGINEER
TRANSPORTATION AND PUBLIC WORKS DEPARTMENT
SUBJECT: LOWER COLGAN CREEK RESTORATION PROJECT – PHASE 3
MITIGATION CREDIT PURCHASE AUTHORIZATION

AGENDA ACTION: MOTION

RECOMMENDATION

It is recommended by the Transportation and Public Works Department and Santa Rosa Water that the Board of Public Utilities, by motion:

- 1) recommend that City Council authorize the purchase of mitigation credits for the Lower Colgan Creek Restoration Project - Phase 3;
 - 2) recommend that City Council approve a Purchase Agreement to buy required mitigation credits for California tiger salamander (CTS) from TRI Development Services, LLC, in an amount not to exceed \$2,490,200;
 - 3) recommend that City Council approve a Purchase Agreement to buy required mitigation credits for seasonal wetland habitat from TRI Development Services, LLC, in an amount not to exceed \$60,000; and
 - 4) recommend that City Council authorize the Director of Transportation and Public Works to execute the agreements and any related documents or applications, subject to approval as to form by the City Attorney.
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EXECUTIVE SUMMARY

This motion will recommend that City Council delegate authority to the Director of the Transportation and Public Works Department to execute mitigation credits purchase agreements related to the Lower Colgan Creek Restoration Phase 3 Project on behalf of Santa Rosa Water and the Recreation and Parks Department, who are the project proponents. The purchase of mitigation credits is a requirement set by regulatory agencies in order to obtain environmental permits and begin project construction. The Project has completed a final design and is scheduled for construction in the summer of 2025.

This project supports City Council Goal #4 by investing in the development and maintenance of the City's infrastructure. The restoration of Lower Colgan Creek will

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increase flood capacity of the creek, reduce erosion, create an ADA accessible Class 1 pedestrian and bike pathway, and allow creation of a new park in the future.

BACKGROUND

The Lower Colgan Creek Restoration Project - Phase 3 & Neighborhood Park includes re-creating natural channel dimensions and patterns, installing habitat features for fish and wildlife, and re-establishing a native riparian forest. Other benefits include the creation of a bicycle/pedestrian path and pedestrian bridge, increased flood conveyance in the creek, as well as future development of a neighborhood park with the restored creek flowing through the center.

The project limits are located within the Santa Rosa Plain Conservation Strategy area that covers the endangered California tiger salamander (CTS), and the project may impact upland CTS habitat. A California Department of Fish and Wildlife (CDFW) Incidental Take Permit (ITP) is being obtained, and consultation with United States Fish and Wildlife Service (USFWS) is occurring through Section 7 of the Endangered Species Act.

As part of the ITP permit, regulatory agencies require the City to purchase CTS mitigation credits prior to commencement of the Project. All credits compensate for the loss of habitat as a result of the Project through the establishment and representation of mitigation banks monitored by the regulatory agencies in perpetuity.

Additionally, to comply with the Clean Water Act Section 401 Permit, the Lower Colgan Creek project is required to obtain up to 0.05 acres of seasonal wetland credits.

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

On March 7, 2024, the Board of Public Utilities, by motion, approved a Professional Services Agreement with Evans & De Shazo, Inc. of Sebastopol California to complete a Cultural Resources Study and provide Archaeological Monitoring for the Lower Colgan Creek Restoration – Phase 3 in the amount of \$160,550.40.

In addition, City Council has reviewed items relating to the Lower Colgan Creek Restoration Project many times:

On November 19, 2002, the City Council, by Resolution No. 25474 and 25475 adopted a Mitigated Negative Declaration under CEQA and adopted the Lower Colgan Creek Restoration Project, and authorized staff to pursue acquisition of land needed to implement the entire project.

On December 2, 2008, the City Council, by Resolution No. 27267, amended the Lower Colgan Creek Restoration Project.

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On September 21, 2010, the City Council, by Resolution No. 27736, adopted an updated Mitigated Negative Declaration under CEQA and authorized final design of the Lower Colgan Creek Restoration and Neighborhood Park Project.

On May 6, 2014, the City Council, by Resolution No. 28745, authorized submittal of a grant application and partial funding of the Lower Colgan Creek Project – Phase 1 to the Sonoma County Agricultural Preservation and Open Space District for \$995,360.

On February 24, 2015, the City Council, by Resolution No. 28606, authorized submittal of a grant application for partial funding of the Project to the California Department of Water Resources Urban Streams Restoration Program for \$941,224.

On September 22, 2015, the City Council, by Resolution No. 28693, authorized submittal of a grant application for partial funding of the Project to the California Resources Agency's River Parkways Program for \$494,903.

On April 19, 2016, the City Council, by Resolution No. 28769, authorized submittal of a grant application for partial funding of the Project to the Sonoma County Agricultural Preservation and Open Space District for \$617,710.

On June 23, 2022, the City Council, by Resolution No. RES-2022-127, authorized submittal of a grant application for land acquisition required for the Project to the Sonoma County Agricultural Preservation and Open Space District for \$1,500,000.

On August 23, 2022, the City Council, by Resolution 2022-186, authorized submittal of a grant application for partial funding of the Project to the California Department of Water Resources Urban Streams Restoration Program for \$4,368,066.

On March 5, 2024, the City Council by Resolution 2024-031, authorized submittal of a grant application for partial funding of the Project to the Wildlife Conservation Board for \$2,010,000.

ANALYSIS

Proposals were solicited on January 9, 2025, from two different representatives of mitigation bank brokers identified by CDFW and U.S. Army Corps of Engineers as providing Sonoma County-approved mitigation credits.

On January 27, 2025, one proposal was received from TRI Development Services, for the sale of CTS mitigation credits and seasonal wetland credits. The proposal offered CTS credits at \$290,000 per acre and a cost of \$60,000 for 0.05 acres of seasonal wetland credits.

A portion of the CTS habitat in the project area will be utilized first for staging and

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stockpiling of materials during the creek restoration project, and then later will also be developed into a neighborhood park. To improve administrative efficiency and mitigation cost effectiveness, the creek restoration and the park are being permitted together. This will significantly reduce costs in the long term.

Regulatory agencies require the City to purchase up to 8.38 acres of CTS credits for the combined creek and park projects. An additional 0.05 acres of seasonal wetland credits will be required just for the creek restoration portion of the work. Santa Rosa Water and the Recreation and Parks Department will be splitting the cost of the CTS mitigation credits as follows: Santa Rosa Water purchasing up to 4.02 CTS credits, not to exceed \$1,165,800; and the Recreation and Parks Department purchasing up to 4.36 CTS credits, not to exceed \$1,264,400. Santa Rosa Water will additionally be purchasing 0.05 acres of wetland mitigation credits, not to exceed \$60,000. The table below summarizes the credits needed and associated costs. While the CTS credits will be purchased by two collaborating departments, one shared purchase agreement will be used (Attachment 2).

Approval of this resolution will result in a recommendation that City Council authorize the purchase of mitigation credits not to exceed \$2,490,200 for CTS and wetlands.

Table 1. Summary of Mitigation Credits and Costs

DEPARTMENT	IMPACT SPECIES/ HABITAT	MITIGATION CREDIT NEEDS (ACRES)	COST (\$) PER ACRE	TOTAL COST (\$)
Water	California Tiger Salamander (CTS)	4.02	\$290,000	\$1,165,800
Water	Seasonal Wetlands	0.05	\$1,200,000	\$60,000
WATER DEPARTMENT TOTAL =		4.06	-	\$1,225,800
Parks	California Tiger Salamander (CTS)	4.36	\$290,000	\$1,264,400
GRAND TOTAL =		8.43	-	\$2,490,200

FISCAL IMPACT

Funds for Santa Rosa Water’s portion of the purchase of CTS and wetland mitigation credits for the project will come from JL key 54030. Funds for the Recreation and Parks Department portion of the purchase will come from Park Development Impact Fee funds. These funds have been appropriated from the previous Capital Improvement Program budget specifically for the Project and will be a one-time expenditure. Approval of this action does not have a fiscal impact on the General Fund. Approval of this action

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also does not have additional fiscal impacts to the Storm Water Enterprise Fund. A significant portion of the credits are grant funded.

ENVIRONMENTAL IMPACT

On September 21, 2010, the City Council certified the Mitigated Negative Declaration (MND) for the Colgan Creek Restoration and Park Project. Please see Attachment 1 for the Mitigated Negative Declaration.

This action is within the scope of the project description analyzed in the Mitigated Negative Declaration and does not require further environmental review or analysis under CEQA. Section 15162 of the CEQA Guidelines states that no subsequent environmental review is required unless proposed project changes result in: new significant environmental effects or a substantial increase in previously identified effects, or a substantial change to project circumstances resulting in new environmental effects or a substantial increase in previously identified effect, or new information of substantial importance shows that the project would result in substantial impacts not previously analyzed, or a substantial increase in previously identified effect, or that necessitates reevaluation of mitigation measures. There are no changes to the project or to the circumstances surrounding the project site or new information demonstrating new or unanalyzed impacts. For these reasons no additional CEQA review is required.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 – Mitigated Negative Declaration
- Attachment 2 – California Tiger Salamander Mitigation Credits Purchase Agreement
- Attachment 3 – Wetland Mitigation Credits Purchase Agreement

PRESENTERS

Greg Dwyer, Associate Civil Engineer