

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: DAN HENNESSEY, DIRECTOR OF TRANSPORTATION AND
PUBLIC WORKS DEPARTMENT
SUBJECT: AUTHORIZING THE PURCHASE OF MITIGATION CREDITS FOR
THE LOWER COLGAN CREEK RESTORATION – PHASE 3 AND
NEIGHBORHOOD PARK PROJECTS

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Transportation and Public Works, Water, and Recreation and Parks Departments that the Council, by resolution: 1) authorize the purchase of mitigation credits for the Lower Colgan Creek Restoration – Phase 3 and Neighborhood Park Projects; 2) approve a Purchase Agreement to buy required mitigation credits for California tiger salamander (CTS) from TRI Development Services, LLC of Greenbrae, California in an amount not to exceed \$2,490,200; 3) approve a Purchase Agreement to buy required mitigation credits for seasonal wetland habitat from TRI Development Services, LLC, of Greenbrae, California in an amount not to exceed \$60,000; and 4) 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.

EXECUTIVE SUMMARY

The approved resolution will authorize the Director of the Transportation and Public Works Department to execute two purchase agreements for mitigation credits related to the Lower Colgan Creek Restoration - Phase 3 and Neighborhood Park Projects 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 to obtain environmental permits prior to project construction.

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

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BACKGROUND

The Lower Colgan Creek Restoration - Phase 3 and Neighborhood Park Projects include 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 new neighborhood park along the banks of the restored creek.

The projects are located within the Santa Rosa Plain Conservation Strategy area that covers the endangered California tiger salamander (CTS), and the projects 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 any project activity. All credits compensate for the loss of habitat related to both the creek restoration and park projects 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 restoration project is required to obtain up to 0.05 acres of seasonal wetland credits.

PRIOR CITY COUNCIL REVIEW

On November 19, 2002, the City Council, by Resolution No. 25475, approved the Lower Colgan Creek Restoration Plan. The Restoration Plan includes a plan for restoration and enhancement of a portion of Colgan Creek in southwest Santa Rosa as well as the creation of a neighborhood park and pathway.

On August 19, 2003, the City Council, by Resolution No. 25745, authorized an application for a Sonoma County Agricultural and Open Space District (District) Matching Grant for the acquisition of park/creek restoration land in southwest Santa Rosa. In 2008, the District awarded \$336,940 for Phase I, acquisition of a 1.61-acre parcel. The acquisition occurred on June 27, 2007.

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 mitigative negative declaration for the 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 21, 2022, the City Council, by Resolution No. RES-2022-127, authorized submittal of a grant application to the Sonoma County Agricultural Preservation and Open Space District in the amount of \$1,500,000 for acquisition of land which allows for both construction of the Lower Colgan Creek Restoration Project, and improvements at Lower Colgan Creek Neighborhood Park.

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.

On June 18, 2024, the Council by Resolution No. RES-2024-086: authorized the filing of a grant application for the design and construction of a portion of Lower Colgan Creek Neighborhood Park with Sonoma County Agricultural Preservation and Open Space District's Matching Grant Program for \$1,550,000, authorized execution of a Standard Agreement, and authorized the City Manager to administer the grant.

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

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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 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 (Exhibit A).

Approval of this resolution will authorize the total 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

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FISCAL IMPACT

Funds for Santa Rosa Water's portion of the purchase of CTS and wetland mitigation credits for the project are available from the Storm Water Enterprise Fund, JL Key 54030. Funds for the Recreation and Parks Department portion of the purchase are available and appropriated from Park Development Impact Funds, Zone 2, Lower Colgan Creek Park, JL Key 09605. Approval of this action does not have a fiscal impact on the General Fund. Approval of this action also does not have additional fiscal impacts to the Storm Water Enterprise Fund.

ENVIRONMENTAL IMPACT

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

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.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

This is planned to be on the agenda for the April 3, 2025 regular meeting of the Board of Public Utilities.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 – Mitigated Negative Declaration
- Resolution
 - Exhibit A – Purchase Agreement for CTS Credits
 - Exhibit B – Purchase Agreement for Wetland Credits

PRESENTER

Dan Hennessey, Director of Transportation and Public Works Department