REPORT TO COUNCIL
City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

Consent
August 12, 2008

Honorable Mayor and
Members of the City Council

Title: Agreements: Basin 31 Detention Basin Project (W14000900)

Location/Council District: Near the intersection of 65th Street and Broadway, adjacent to Redding Avenue / Council District 6

Recommendation: Adopt a **Resolution** authorizing the City Manager to sign an agreement with Conservation Resources LLC, in a total amount of $202,500, to purchase vernal pool mitigation creation units for this project.

Contact: Marty Hanneman, acting Director of Utilities (916) 808-1433; David L. Brent, Engineering Manager (916) 808-1420; Rick Batha, Supervising Engineer (916) 808-1448.

Presenters: Not Applicable

Department: Utilities

Division: Engineering

Organization No: 3332

Description/Analysis

Issue: The Basin 31 Detention Basin Project is a planned joint use park-drainage facility that will be constructed on two vacant parcels east of the 65th Street and Broadway intersection. There are vernal pool wetlands in the middle of these two parcels that will be disturbed by construction, which requires mitigation under the permit issued for the Project by the Corps of Engineers.

On March 25, 2008, City Council authorized the City Manager to sign agreements for the purchase of vernal pool creation credits for the Project, including an agreement with the Elsie Gridley Conservation Bank (operated by Wetland Resources, LLC). Subsequent to the Council action, Utilities Department staff was informed by the U.S. Army Corps of Engineers (Corps) that the purchase of vernal pool creation credits at this Conservation Bank was not acceptable under the Corps permit, because it is outside the Sacramento service area. The Elsie Gridley Conservation Bank agreement specifies that it becomes null and void if the City does not submit payment for the mitigation credits, and the

City will not submit such payment due to the Corps refusal to accept mitigation credits in this Conservation Bank. As a consequence, staff has negotiated a new agreement for the purchase of vernal pool creation credits at Gill Ranch in Sacramento County, operated by Conservation Resources. The Corps has verbally indicated that creation credits purchased at Gill Ranch will be acceptable under the Corps permit for the Project, and the purchase agreement is contingent upon Gill Ranch obtaining written approval from the Corps.

Policy Considerations: This Project is consistent with the 65th Street Redevelopment Plan to improve the storm drainage infrastructure, and the goals and objectives outlined in the 65th Street Implementation Plan (2004 – 08) to remediate inadequate facilities. It is also consistent with the South 65th Street Area Plan; the 65th Street/University Transit Village Plan; the City Parks and Recreation Programming Guide; and the City's Strategic Plan goals of improving and expanding public safety.

Environmental Considerations:

California Environmental Quality Act (CEQA): City Council adopted the Mitigated Negative Declaration and Mitigation Reporting Plan for the Project on December 13, 2005, by Resolution No. 2005-915. The Project site contains 0.904 acres of seasonal wetlands, and the impact of constructing the Project in this area will be mitigated through the purchase of mitigation credits in approved mitigation banks.

Sustainability Considerations: The projects is consistent with the City's Sustainability Master Plan goals in that it will reduce flooding as well as increase access to and expand the number of City Parks.

Other: Not applicable

Rationale for Recommendation: The project will provide public health and safety benefits to the area by reducing street and structure flooding.

Financial Considerations: The estimated project costs for property, environmental mitigation, and basin construction is approximately $4.2 million. Sufficient funds remain in the authorized budget to fund purchase of these vernal pool creation credits.

Emerging Small Business Development (ESBD): ESBD requirements will be included in the project construction contract.

Respectfully Submitted by: _____ for
David L. Brent
Engineering Manager

Approved by: _____
Marty Hanneman
Acting Director of Utilities

Recommendation Approved:

_____
for Ray Kerridge
City Manager

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Attachment 1

BACKGROUND INFORMATION:

The Clean Water Act Section 404 Army Corps of Engineers permit issued for the Project requires the purchase of both preservation and creation credits, because construction of the subject detention basin will result in the loss of 0.904 acres of existing vernal pool wetlands on the property.

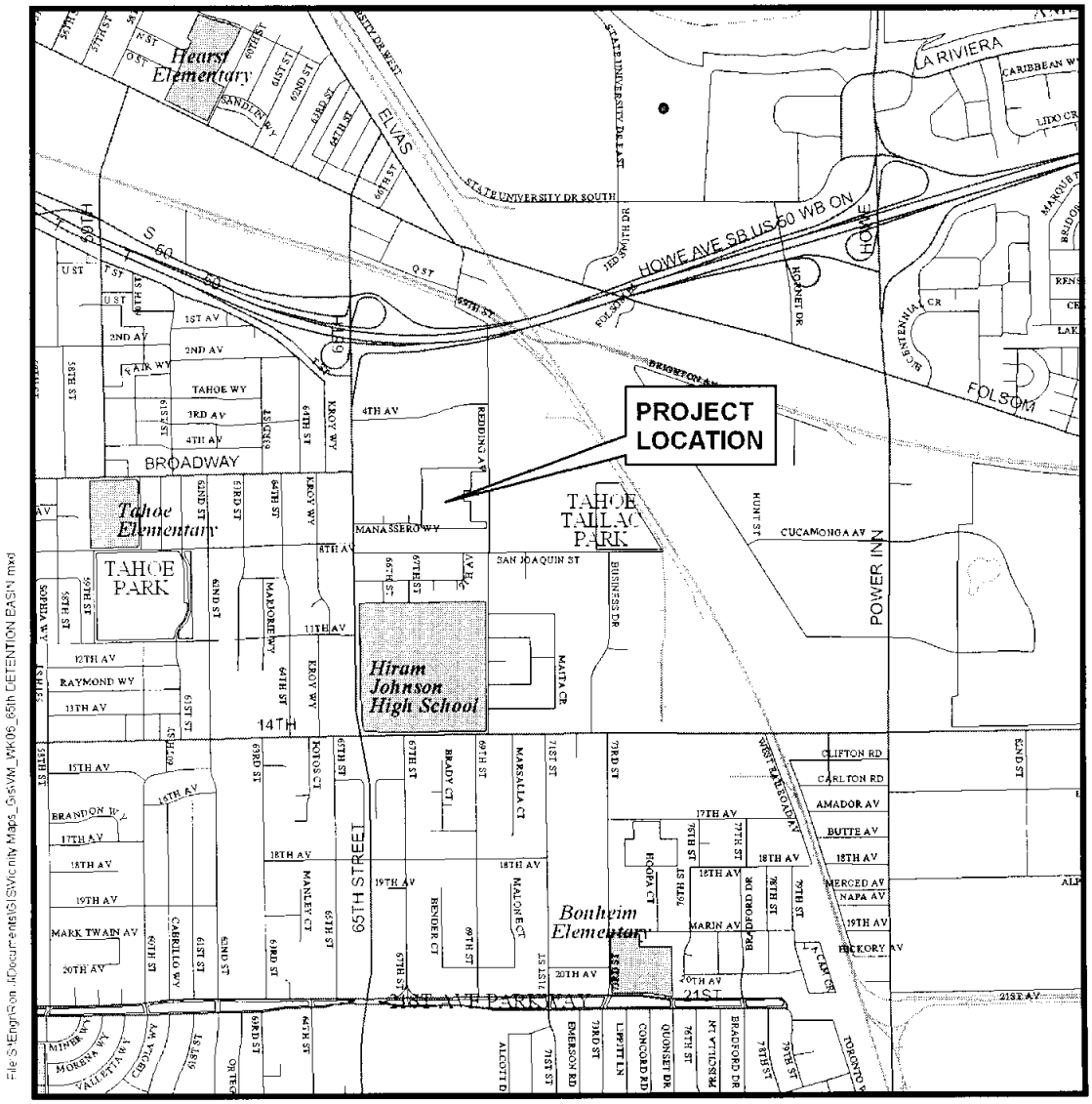
On March 25, 2008, the City Council adopted Resolution 2008-185, that, among other things, authorized the City Manager to sign agreements with (1) Wetland Resources LLC in the amount of $112,500 for the purchase of vernal pool creation credits required for the Project at the Elsie Gridley Conservation Bank, (2) Conservation Resources LLC in the amount of $157,500 to purchase vernal pool preservation credits required for the Project at the Gill Ranch facility in Sacramento County, and (3) Bryte Ranch Conservation Bank in the amount of $300,810 to purchase vernal pool preservation credits required for the Project at the Bryte Ranch facility in Sacramento County. The agreement with Wetland Resources LLC is no longer valid because the Corps of Engineers won't accept creation credits at the Elsie Gridley Conservation Bank.

It is anticipated that creation credits likely can be purchased in the Sacramento service area at either the Gill Ranch (Conservation Resources, LLC), or the Twin Cities (Wildlands, Inc.) facilities. Both have created wetlands available that have not been sold, with monitoring and reporting protocols in-place. Verbally, the Corps of Engineers indicated to Gill Ranch that if an agreement with the City for purchase is put before them, they will approve it. A purchase price verbally offered by Wildlands was nearly $100,000 more per acre than the cost at Gill Ranch. Staff therefore negotiated another agreement with Conservation Resources LLC to purchase the necessary creation credits for $202,500 at the Gill Ranch facility. The creation credit purchase agreement is separate from, and in addition to the agreement to purchase preservation credits from Conservation Resources LLC. Actual execution of this new agreement to purchase creation credits at Gill Ranch is dependent upon obtaining written approval that the mitigation will be acceptable to the Corps of Engineers.

Approval of the new agreement brings the total Project cost for wetland mitigation agreements to $660,810. Because the Corps of Engineers would not accept creation credits at the Elsie Gridley Conservation Bank, this represents an increase of $90,000 over the wetland mitigation costs anticipated when City Council approved the prior mitigation agreements on March 28, 2008. Sufficient funds remain in the authorized budget to fund purchase of these vernal pool creation credits.

ATTACHMENT 2

BASIN 31 DETENTION
AT 65th AND BROADWAY
(PN:WK06)



Map Prepared By
City of Sacramento
Department of Utilities

Attachment 3

RESOLUTION NO.

Adopted by the Sacramento City Council

APPROVING MITIGATION BANK AGREEMENT FOR THE BASIN 31 DETENTION BASIN PROJECT (W14000900)

BACKGROUND:

A. The Basin 31 Detention Basin Project (the "Project") is proposed to be constructed on 2 adjacent parcels located east of the intersection of 65th Street and Broadway.

B. The Project site contains seasonal wetlands, and in order to meet requirements established in the Project's Clean Water Act Section 404 permit for mitigation of the impact of constructing the Project in this area, it is necessary to purchase mitigation credits in mitigation banks approved by the U.S. Army Corps of Engineers (Corps) and the U.S. Fish and Wildlife Service.

C. On March 25, 2008, the City Council adopted Resolution 2008-185, that among other things authorized the City Manager to sign an agreement for the purchase of vernal pool creation credits for the Project at the Elsie Gridley Conservation Bank, in the amount of $112,500. Subsequent to the Council action, Utilities Department staff was informed by the Corps that the purchase of vernal pool creation credits at this Conservation Bank was not acceptable under the Corps permit.

D. City staff has negotiated a new agreement to purchase vernal pool creation credits for the Project at Gill Ranch, operated by Conservation Resources LLC in Sacramento County, at a total cost of $202,500. Corps staff has indicated that this will be acceptable mitigation.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The City Manager is authorized to execute the agreement with Conservation Resources LLC in the amount of $202,500, to purchase wetland mitigation creation units as required for construction of the Project.