



3.1

PLANNING AND BUILDING  
DEPARTMENT

**CITY OF SACRAMENTO**  
CALIFORNIA

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NATOMAS MANAGER

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CONTINUED  
FROM 05-14-02  
TO 05-21-02

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: NATOMAS BASIN HABITAT CONSERVATION PLAN FEE INCREASE**

**LOCATION/ COUNCIL DISTRICT:** North and South Natomas  
District 1

**RECOMMENDATION:** Staff recommends the City Council authorize increasing the amount of the Natomas Basin Habitat Conservation Plan (HCP) fee by adopting the attached resolution.

**CONTACT PERSON:** Carol Shearly, Natomas Manager, 808-5893

**FOR COUNCIL MEETING OF:** May 14, 2002 (afternoon)

**SUMMARY:** A fee increase, from \$10,021 to \$11,962 per gross acre of development, is proposed to cover the increase in costs associated with successfully implementing the Natomas Basin HCP and the HCP Settlement Agreement. City Council approval is required before the fee increase will take effect. The fee increase is proposed to take effect immediately. On May 1, 2002, the fee increase was approved by The Natomas Basin Conservancy Board of Directors.

**COMMISSION ACTION:** No action was taken by the Planning Commission on this item.

**BACKGROUND INFORMATION:**

**History of the HCP Fee:** On August 7, 1997, the City Council added Chapter 84.10 to Title 84 (currently Chapter 18.40 of Title 18) of the City Code which created and established the authority for the Habitat Conservation Fee (HCP Fee), which is used to fund the costs of implementing the Natomas Basin Habitat Conservation Plan (HCP) (Ord. No. 97-046). Chapter 18.40 directs the City Council, by resolution, to set the amount of the fee. Also, the chapter contemplates the periodic revision of the fee by resolution of the Council. On September 2, 1997, the City Council established the specific amount of the HCP Fee as \$2,656 per gross acre (Reso. No. 97-508), on August 17, 1999, the Council increased the fee to \$3,292 per gross acre (Reso. No. 99-473), and on September 12, 2000, the Council increased the fee to \$3,941 per gross acre (Reso. No. 2000-538).

Last year, on June 12, 2001, the Council adopted a fee increase to \$10,021 per gross acre to implement the HCP and the Settlement Agreement. The fee included a base fee of \$5,993 per gross acre and a premium fee of \$4,028 per gross acre. The premium fee was to be used to acquire reserve lands in prioritized areas of the Basin in order to comply with the Settlement Agreement.

The Natomas Basin Conservancy (Conservancy) is the plan operator of the Natomas Basin Habitat Conservation Plan (HCP). The Conservancy acquires mitigation land necessary to meet the mitigation requirements of the HCP and, also, the HCP Settlement Agreement. With best available information, The Conservancy staff worked with Economic and Planning Systems (EPS) to update the HCP finance model. A determination was made that a fee increase was necessary to continue to successfully implement the HCP Settlement Agreement.

### **Fee Increase**

In order to continue to implement the HCP and comply with the conditions of the Settlement Agreement, The Conservancy Board is requesting Council to approve a fee increase. The current fee is \$10,021 per gross acre of development. The proposed fee would include a base fee of \$7,934 per gross acre and continue the same premium fee of \$4,028 per gross acre for a total fee of \$11,962 per gross acre of development (see Exhibit 1 for the HCP Finance Model).

The HCP **Base Fee** consists of five major parts: 1) land acquisition, 2) restoration and enhancement, 3) administration and operation and maintenance (O+M), 4) O+M endowment, and 5) Supplemental Endowment. The Supplemental Endowment fund was added in June 2001 to address the Judge's concern about how the last acre of required mitigation land will be purchased after the fee revenue has been collected. Unlike the Supplemental Endowment part of the fee, the O+M Endowment Fund is used to maintain the preserve lands in perpetuity after build-out of the plan area and all development fee revenue has been collected. A smaller sixth fund is allocated to the City for fee collection (2% of the fee). The primary reasons for the increase in the Base Fee are: 1) to reflect current land acquisition costs, 2) to reflect more informed restoration and enhancement costs due to the completion of the Betts, Kismat, Silva tract restoration project, and 3) to reflect current property tax rates and reduced hunting revenues in the administration/ operations and maintenance (O&M) fund.

The **Premium Fee**, adopted by Council in June 2001, will remain at \$4,028 per gross acre. The premium fee is used to implement the requirements of the HCP Settlement Agreement, specifically to acquire lands in prioritized locations within the Sacramento County portion of Natomas Basin. The premium fee includes land acquisition costs, contingencies, transaction costs, and City fee administration. Once the Revised HCP is adopted and a new ITP issued, the Premium Fee may be eliminated and the Base Fee will likely be adjusted to comply with the requirements of the Revised HCP.

### **Rationale for Making Fee Increase Effective Immediately**

Pursuant to Government Code Section 60017(b), development fee increases become effective 60 days following their adoption, unless the resolution includes findings that immediate effectiveness is necessary to serve the public health, safety, or welfare. As of May 15, 2001, by Judge's order, the ITP is reinstated for the limited development allowed in the Settlement Agreement. To collect fees at the current rate, without the proposed fee increase, does not enable the City to implement the Natomas Basin HCP and to comply with the requirements of the Settlement Agreement. Therefore, the fee increase should be made effective immediately. A four-fifths majority vote is required to adopt an urgency resolution.

Also, the government code provides that where the fee increase is made effective immediately by resolution, the resolution can remain in effect for a maximum of 30 days unless extended again for a maximum period of additional 30 days. Staff intends to undertake that procedure so that the increased fee will be applicable during the entire 60 day period following adoption of the resolution. An extension of the fee increase, if approved, will be scheduled for the appropriate Council meeting(s), tentatively scheduled for June 4, 2002.

**FINANCIAL CONSIDERATIONS:** Developers of land in North and South Natomas currently pay a Habitat Conservation Plan fee of \$10,021 per gross acre (\$5,993 for Base Fee and \$4,028 for Premium Fee). EPS completed an update of the HCP Finance Model based on estimated land acquisition costs that indicates a need to increase fees to successfully implement the HCP Settlement Agreement. The Council is being requested to increase the fee to \$11,962 per gross acre based on the finance model update to cover the increasing costs of land acquisition, restoration of habitat, and administration/ O+M costs. The proposed fee includes two parts - a base fee of \$7,934 per gross acre of development and a premium fee of \$4,028 per gross acre. There is no obligation of the General Fund associated with this fee.

**ENVIRONMENTAL CONSIDERATIONS:** No environmental review has been completed for this action. Previous environmental review has been conducted related to the North Natomas Community Plan, the Natomas Basin Habitat Conservation Plan, and the Comprehensive Drainage Plan, among others.

**POLICY CONSIDERATIONS:** The 1994 North Natomas Community Plan required approval of a Habitat Conservation Plan and the Corps 404 permit for the Sacramento Local Area Project had a condition that required the establishment of an HCP prior to completion of the flood protection improvements. The Natomas Basin HCP was adopted in August 1997 and the Incidental Take Permit (ITP) granted on December 31, 1997, to comply with these two requirements. On August 15, 2000, the Judge's Order invalidated the ITP upon which development in South and North Natomas relied. On May 15, 2001, the Judge approved a Modified Order reinstating the ITP for the limited development allowed by the Settlement Agreement hammered out by all parties to the litigation. A fee increase to provide adequate funding to continue to implement the HCP Settlement Agreement is necessary to allow limited development during the 2001 and 2002 construction seasons.

**ESBD:** None at this time.

Respectfully submitted,



CAROL A. SHEARLEY  
Natomas Manager

APPROVED:



ROBERT P. THOMAS  
City Manager

Attachments:

- Resolution related to HCP Fee Increase
- Exhibit 1 - The Natomas Basin Conservancy Resolution
- Exhibit 2 - Briefing Paper on the NBHCP Fee

# RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

## A RESOLUTION INCREASING THE AMOUNT OF THE HABITAT CONSERVATION FEE ESTABLISHED PURSUANT TO CHAPTER 18.40 OF TITLE 18 OF THE CITY CODE, TO TAKE EFFECT IMMEDIATELY

### WHEREAS:

A. On August 7, 1997, the City Council of the City of Sacramento adopted Ordinance No. 97-046, which added Chapter 84.10 to Title 84 (now Title 18, Chapter 18.40) of the City Code, which created and established the authority for the Habitat Conservation Fee, which is used to fund the costs of implementation of the Natomas Basin Habitat Conservation Plan. Chapter 18.40 of Title 18 directs the City Council, by resolution, to set the specific amounts of the fee and the manner in which the fee is to be paid.

B. On September 2, 1997, the City Council adopted Resolution No. 97-508, pursuant to which it established the specific amounts of the Habitat Conservation Fee and the manner in which the fee is to be paid.

C. Section 18.40.080 of Title 18 of the City Code contemplates periodic revision of the Habitat Conservation Fee by resolution of the City Council.

D. The Natomas Basin Conservancy, a non-profit public benefit corporation, is the entity responsible for administration of the Natomas Basin Habitat Conservation Plan, which is funded by the Habitat Conservation Fee.

E. On May 1, 2002, the Board of Directors of The Natomas Basin Conservancy adopted Resolution No. 05.02.02, pursuant to which it recommended that the City of Sacramento increase the Natomas Basin Habitat Conservation Fee from the current rate of a total fee of Ten Thousand and Twenty-one Dollars (\$10,021.00) per gross acre, consisting of a Base Fee of Five Thousand, Nine Hundred, and Ninety-three Dollars (\$5,993.00) per gross acre and a Premium Fee of Four Thousand, and Twenty-eight Dollars (\$4,028.00) per gross acre to a total fee of Eleven Thousand, Nine Hundred and Sixty-two Dollars (\$11,962.00), consisting of a Base Fee of Seven Thousand, Nine Hundred, and Thirty-four Dollars (\$7,934.00) per gross acre and a Premium Fee of Four Thousand, and Twenty-

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RESOLUTION NO. \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_ 4

eight Dollars (\$4,028.00) per gross acre. The resolution indicates that the request is based upon a Habitat Conservation Plan Finance Model dated April 25, 2002, which established the need for an increase in the Habitat Conservation Fee to fund actual costs of implementing the Habitat Conservation Plan.

F. A public hearing on adoption of this Resolution to increase the Habitat Conservation Fee was heretofore noticed and set as part of a regularly scheduled hearing for May 14, 2002, at 2 PM in the City Council Chamber located at City Hall, 915 I Street, Second Floor, Sacramento, California, 95814.

G. Pursuant to Government Code Section 60017(b), development fee increases become effective sixty (60) days following their adoption, unless the resolution includes findings that immediate effectiveness is necessary to preserve the public health, safety, or welfare. In this case it is necessary that the fees become immediately effective rather than waiting for the sixty (60) day period to expire, because collection of an adequate fee is necessary to successfully acquire mitigation lands required by the Habitat Conservation Plan Settlement Agreement and implementation of the HCP Settlement Agreement allows private development and necessary public infrastructure, including flood protection, storm drainage, circulation, and provision of community services, vital to public health, safety, and welfare, to be built.

H. Government Code Section 60017(b) also provides that where the fee increase is made immediately effective by resolution, that resolution can remain in effect for only thirty (30) days unless extended again for a maximum period of an additional thirty (30) day period. Staff intends to undertake that procedure, so that the increased fee will be applicable during the entire sixty (60) day period following adoption of this resolution.

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO AS FOLLOWS:**

**SECTION 1. Findings**

The City Council hereby finds as follows:

- (a) All provisions set forth above are true and correct and are hereby incorporated herein by reference as findings for purposes of this resolution. In addition, those findings and other provisions specified in the Ordinance (Ordinance No. 97-046) are incorporated herein by reference as findings for purposes of this resolution. Further, the definitions of that Ordinance, set forth in Chapter 18.40 of Title 18, including the definitions of "Mitigation Monitoring Plans", "Permit Area", "SAFCA Permit", and "Urban Development Area" are incorporated herein by reference.
- (b) The Habitat Conservation Fee is one of several alternatives specified in the Natomas Habitat Conservation Plan which a landowner may select in the landowner's sole discretion to satisfy obligations imposed by the federal and state Endangered Species Acts, the Mitigation

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RESOLUTION NO. \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_ 5

Monitoring Plans, and the SAFCA Permit. The Plan itself is designed to serve a number of purposes, including but not limited to the satisfaction of the Mitigation Monitoring Plan requirements specified in the North Natomas Community Plan and requirements of the SAFCA Permit, relating to direct, indirect, and cumulative biological impacts associated with Urban Development in the Permit Area.

- (c) Because the Habitat Conservation Fee is only one of the available options for a landowner seeking to satisfy its obligations relating to direct, indirect, and cumulative biological impacts of urban development in the North Natomas area, the fee is voluntary in nature and is not a mandatory imposition. It is therefore not legally required to demonstrate the satisfaction of the various nexus tests set forth in Government Code Sections 66000 et. seq. Nevertheless, the Council finds as to the increased Habitat Conservation Fee: (i) the amount of increased fee has been set based upon the HCP Finance Model, dated April 25, 2002, which has been reviewed and considered by the Board of Directors of The Natomas Basin Conservancy, and which has been reviewed and considered by the Council; (ii) the HCP Finance Model represents a rational, fair and equitable method of allocating the costs of implementation of the Habitat Conservation Plan and related Settlement Agreement, and allocates the burden among development projects in a manner which is approximately proportionate to the impacts which may be reasonably anticipated from such development activity; and (iii) the relationship between the increased Habitat Conservation Fee and the adverse environmental impacts it is designed to mitigate are clearly established in numerous environmental impact reports, including but not limited to those relating to the North Natomas Community Plan and the Comprehensive Drainage Plan for North Natomas, all of which are incorporated by reference as part of the findings supporting this resolution.
- (d) The amount of the Habitat Conservation Fee, as increased by this resolution, is consistent with the City's General Plan, the North Natomas and South Natomas Community Plans, the North Natomas Financing Plan 1999 Update, the Mitigation Monitoring Plans and the SAFCA Permit.

**SECTION 2. Amount of Fee**

The amount of the Fee, which a landowner may voluntarily select as the landowner's preferred alternative for satisfaction of its legal obligations to mitigate for the adverse impacts of Urban Development on biological resources, for property located within the Permit Area is hereby set at the rate of Eleven Thousand, Nine Hundred and Sixty-two Dollars (\$11,962.00), consisting of a Base Fee of Seven Thousand, Nine Hundred, and Thirty-four Dollars (\$7,934.00) per gross acre and a Premium Fee of Four Thousand Twenty-eight Dollars (\$4,028.00) per gross acre for the limited development allowed by the HCP Settlement Agreement.

**SECTION 3. Construction of Resolution**

The provisions of the resolution are subject and subordinate to the provisions of Chapter 18.40 of Title 18 of the City Code, as enacted by Ordinance No. 97-046, and shall at all times be construed and applied consistent therewith as the same presently exist or may from time to time be amended.

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RESOLUTION NO. \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_ 6

**SECTION 4. Judicial Action to Challenge this Resolution**

Any judicial action or proceeding to attack, review, set aside or annul this resolution shall be brought within 120 days of its adoption.

**SECTION 5. Effective Date**

This resolution shall take effect immediately upon its adoption, pursuant to Government Code Section 60017(b). The current and immediate threat to the public health, safety and welfare necessitating the immediate effectiveness of this resolution is as follows: without collection of an adequate fee and implementation of the Habitat Conservation Plan, including the Settlement Agreement, necessary public infrastructure, including flood protection, storm drainage, emergency evacuation, circulation access, and provision of community services, vital to public health, safety, and welfare, cannot be built.

Staff is directed to return to the City Council prior to thirty (30) days following adoption of this resolution with all necessary staff reports, resolutions or other documents required in order to ensure the immediate effectiveness of this resolution during the sixty (60) day period following adoption of this resolution.

**SECTION 6. Severability**

If any section, phrase, sentence or other portion of this resolution for any reason is held or found to be invalid, void, unenforceable or unconstitutional by a court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions of this resolution.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

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RESOLUTION NO. \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_ 7

*Exhibit 1*

## RESOLUTION NO. 05.02.02

ADOPTED BY THE BOARD OF DIRECTORS OF  
THE NATOMAS BASIN CONSERVANCY  
A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION,  
ON MAY 1, 2002

A RESOLUTION RECOMMENDING AN INCREASE IN THE HABITAT  
CONSERVATION PLAN FEE TO THE CITY OF SACRAMENTO

WHEREAS, the Conservancy is charged with implementing the Natomas Basin Habitat Conservancy Plan (NBHCP), and

WHEREAS, in order to accomplish its mission the Conservancy receives fees paid to the City of Sacramento, and these fees are in turn conveyed to the Conservancy, and

WHEREAS, each year the Conservancy evaluates the costs associated with its implementation of the NBHCP and determines if the fees are adequate, and

WHEREAS, when the fee is deemed insufficient, the Conservancy has requested that the City of Sacramento approve a fee level that is adequate, and

WHEREAS, the Conservancy acknowledges that on August 15, 2000, the United States District Court for the Eastern District of California ruled in a *Memorandum of Opinion and Order* that while many aspects of the NBHCP were valid, the process used to secure the incidental take permit it supported was deficient in certain respects, and was therefore invalid, and

WHEREAS, certain of these identified deficiencies require an increase in the level of funds available to the Conservancy in order to cure, and

WHEREAS, the Conservancy has re-run the finance model that has been used to evaluate the adequacy of funds to implement the NBHCP and what it believes to be all of the requirements of the federal court, and

WHEREAS, in order to address the Court's issues and implement the NBHCP given current levels of income and expense, the Conservancy believes that a fee of \$7,908.00 per acre ("base fee") is necessary, and

WHEREAS, the Conservancy also acknowledges that due to an "Agreement to Settle Litigation" by and between the National Wildlife Federation, Environmental Council of Sacramento, Friends of the Swainson Hawk, Mountain Lion Foundation, Planning and Conservation League, Sierra Club and the City of Sacramento, Natomas Estates, LLC, Kern Schumacher dated May 15, 2001, the City of Sacramento wishes to supplement the base fee with an additional \$4,028.00 per acre fee (Settlement Premium") which would result in a total fee of \$11,962.00.

The Natomas Basin Conservancy  
Resolution

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**NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE NATOMAS BASIN CONSERVANCY THAT,**

1. The Conservancy believes a fee of \$7,908.00 per acre is necessary to carry out the implementation obligations of the NBHCP and that an additional \$4,028.00 per acre of Settlement Premium will also be assessed, bringing the total fee to \$11,962.00 per acre.
2. The Conservancy requests that the City of Sacramento institute this new level of fees at its earliest convenience.

**PASSED AND ADOPTED** as of this 1st day of May 2002.

Signed: B. H. [Signature]



Economic &  
Planning Systems

*Public Finance*  
*Real Estate Economics*  
*Regional Economics*  
*Land Use Policy*

## MEMORANDUM

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To: John Roberts, *Natomas Basin Conservancy*

From: Georgette Lorenzen and Allison Shaffer

Subject: NBHCP Fee Update -- 2002; EPS #12461

Date: April 25, 2002

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EPS has updated the cash flow model used to estimate the Natomas Basin Habitat Conservation Plan (NBHCP) mitigation fee (the "fee") based on a number of factors that are detailed in this correspondence. The fee is composed of two components—the Base Fee and the Settlement Land Acquisition Premium (the "Settlement Premium"). The proposed 2002 fee maintains the Settlement Premium adopted in 2001, which is due to stay in effect until October of 2002. This memorandum details the updated assumptions used to derive Base Fee amount.

Figure 1 summarizes the cost per acre of habitat and the mitigation fee for both the Base Fee and the Settlement Premium. The proposed fee level continues to assume the current HCP mitigation requirement of one half acre of mitigation land for each gross acre of developed land. Therefore, the fee shown reflects 50 percent of the cost per acre of habitat mitigation as shown in Figure 1.

The Base Fee is comprised of fee components for five funds as follows:

- Land Acquisition (LA)
- Restoration & Enhancement (RE)
- Administration/Operation & Maintenance (Admin/O&M)
- O&M Endowment
- Supplemental Endowment (for Land Acquisition)

The updated Base Fee amount was estimated based on a revised cash flow analysis prepared by EPS for each of the funds listed below. The updated assumptions are as follows:

#### SACRAMENTO

1750 Creekside Oaks Drive, Suite 290  
Sacramento, CA 95833-3647  
www.cpsys.com

phone: 916-649-8010  
fax: 916-649-2070



#### BERKELEY

phone: 510-841-9190  
fax: 510-841-9208

#### DENVER

phone: 303-623-3557  
fax: 303-623-9049

1. **Fund Balance Adjustments:** The cash flows for each fund were updated such that the beginning balances in 2002 match actual fund balances of the NBHCP as of December 31, 2001.
2. **Land Acquisition Costs:** Land costs were increased from \$4,750 per acre to \$6,000 per acre (or \$11,000 per acre to \$12,250 per acre including the Settlement Premium). The increase in costs reflects increasing price pressure in the Natomas Basin for habitat preservation as witnessed by the Natomas Basin Conservancy (NBC).
3. **Restoration & Enhancement Costs:** In 2001 the NBC completed the first conversion of acquired acres into managed marsh (Betts/Kismat/Silva property totaling 192.5 acres). The cost to convert the acres was approximately \$1,000,000, or \$5,200 per acre. The estimated cost assumed in the 2001 update was \$2,482 per acre. Therefore, actual costs were nearly double estimated costs.

According to the NBC, estimated future costs of restoration and enhancement will be reduced somewhat from the Betts/Kismat/Silva property conversion costs. The 2002 cash flow analysis assumes a cost per acre of approximately \$5,000 per acre. In addition a contingency amount of 12% or \$164 per acre was added to the cost to cover the shortfall in revenues due to the difference in actual costs vs. budgeted costs and provide some cushion against future cost increases. As a result the total cost per acre for Restoration & Enhancement increased from \$736 per acre to \$1,565 per acre (actual cost weighted by 25% allocation of managed marsh to total acres).

In addition, the cost estimate (on a per acre basis) for completing site specific management plans for acquired mitigation land was increased from \$116 per acre to \$127 per acre. The cost increase reflects the most current cost estimate for the next site specific management plan to be completed by the NBC.

4. **Revised Administrative/O&M Cost Estimates:** Administrative costs were revised based on the current budget estimates of the NBC. Projected expenditures for property taxes were also increased. Assessed values of acquired mitigation land have increased resulting in an average value of \$5,100 per acre as compared to \$2,400 per acre assumed in 2001. Therefore the cost per acre for property taxes increased from \$24 per acre to \$51 per acre in Sutter County and \$25.60 to \$54.42 in Sacramento County.
5. **Hunting Revenues:** Projected hunting revenues are based on two primary assumptions as follows:
  - Net income will be \$12 per hunting acre
  - The percentage of mitigation land used for hunting increases from 30% in 2003 to 50% in 2009, and is maintained at 50% thereafter.

The second assumption reflects a change from the prior analysis. In 2001 it was assumed that the percentage of mitigation land used for hunting would increase from 30% in 2002 to 60% in 2010, and was maintained at 60% thereafter. The reduction in

acres hunted in the 2002 Update results in less hunting revenue generated. As a result, the Admin/O&M fee component was increased.

### CASH FLOW ANALYSIS

The cash flows for each fund are summarized in **Figure 2**. The assumption tables for the cash flow analysis are presented in **Figure 3** through **Figure 5**

### SUPPLEMENTAL ENDOWMENT FUND

The Supplemental Endowment fund was created in 2001 to provide additional revenue to allow the NBC to either purchase mitigation land in advance of requirements (such as establishing a 200 reserve land surplus) or to provide a cushion for land acquisition in the case that land prices spike in any given year before the fee can be adjusted accordingly. The fee revenues generated from the supplemental endowment fund are approximately \$160,000 annually through 2015. To the extent the supplemental endowment is not drawn down, interest earnings will accrue. **Figure 2** shows what the ending balance would be in the case the Supplemental Endowment fund is never drawn down. Once all land acquisition is completed, if a positive fund balance remains in the Supplemental Endowment, these monies could be transferred to the Admin/O&M fund for operations or the O&M Endowment fund at the discretion of the NBC Board of Directors.

**Figure 1**  
**Natomas Basin HCP**  
**Estimation of Mitigation Fee**

**Assumes:**  
 17,500 acres of development  
 1/2 acre of mitigation land per gross acre of developed land  
 25% marsh

<i>Estimation of Mitigation Fee</i>					Notes:
<b>Mitigation Requirement</b>	<b>1/2 Acre of Mitigation Land for Each Gross Acre of Developed Land</b>				
<b>Habitat Mitigation Fee</b>	<u>Cost per Acre of Habitat</u>	<u>Mitigation Fee per Acre of Development</u>	<u>Percent of Base Fee</u>	<u>Percent of Total Fee</u>	
	<i>a</i>	<i>b=a x .5</i>	<i>(w/ Settlement Premium)</i>		
<b>BASE FEE</b>					
<b>Land Acquisition Cost (LA)</b>					
Land Cost	\$6,000 [1]	\$3,000			
Transaction Costs & Contingency	\$1,500 [1]	\$750			
<b>Total Land Acquisition Cost (LA)</b>	<b>\$7,500</b>	<b>\$3,750</b>	47%	31%	
<b>Restoration/Enhancement (RE)</b>					
RE Cost	\$1,401	\$700			
RE Contingency	\$164	\$82			
<b>Total Restoration/Enhancement (RE)</b>	<b>\$1,565</b>	<b>\$782</b>	10%	7%	
Administration/O & M	\$3,110 [2]	\$1,555	20%	13%	
O & M Endowment Fund	\$3,000 [2]	\$1,500	19%	13%	
Supplemental Endowment Fund	\$375	\$188	2%	2%	5% of land acquisition fee
<b>Subtotal Mitigation Fee</b>	<b>\$15,550</b>	<b>\$7,775</b>			
<b>Fee Collection Administration</b>		\$159	2%	1%	2% of fee for collection
<b>Total Base Fee</b>		<b>\$7,934</b>	<b>100%</b>	<b>66%</b>	
<hr/>					
<b>SETTLEMENT PREMIUM (based on 2001 assumptions)</b>					
<b>Land Acquisition Cost (LA)</b>					
Land Cost	\$6,250	\$3,125			
Transaction Costs & Contingency	1,645	\$822			
<b>Total Land Acquisition Cost (LA)</b>	<b>7,895</b>	<b>\$3,947</b>		33%	
Fee Collection Administration		\$81		1%	2% of fee for collection
<b>Total Settlement Premium</b>		<b>\$4,028</b>		<b>34%</b>	
<b>TOTAL FEE</b>		<b>\$11,962</b>		<b>100%</b>	

"assumptions3"

[1] Based on information provided by the Natomas Basin Conservancy

[2] Administration/O&M and Endowment Fund costs set based on cash flow analysis, ensuring that fund balances are positive in year 50 and that annual interest earnings in endowment fund exceed drawdown by Admin/O&M fund.

**Figure 2**  
**Natomas Basin HCP**  
**Cash Flow Summary- 2002\$**

<b>Assumes:</b>	0.0% Inflation
	3.0% Interest Rate

	Total 1996-2045	1 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003
<b>LAND ACQUISITION</b>		[1]	[1]	[1]	[2]				
<b>Beginning Balance</b>		\$0	\$55,641	\$248,442	\$2,777,379	\$587,176	\$563,113	\$2,225,278	\$3,998,244
Total Revenues	\$64,875,701	\$55,641	\$192,801	\$2,528,936	\$2,734,795	\$1,287,471	\$3,198,070	\$3,928,346	\$6,602,502
Total Expenditures	(\$54,888,436)	\$0	\$0	\$0	(\$4,924,998)	(\$1,642,100)	(\$1,535,905)	(\$3,491,041)	(\$6,596,587)
Transfers from Admin/O&M Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,335,661	(\$1,335,661)
Balance Adjustments	\$330,566	\$0	\$0	\$0	\$0	\$330,566	\$0	\$0	\$0
<b>Ending Balance</b>	<b>\$10,317,832</b>	<b>\$55,641</b>	<b>\$248,442</b>	<b>\$2,777,379</b>	<b>\$587,176</b>	<b>\$563,113</b>	<b>\$2,225,278</b>	<b>\$3,998,244</b>	<b>\$2,668,497</b>
<b>RESTORATION &amp; ENHANCEMENTS</b>									
<b>Beginning Balance</b>		\$0	\$4,257	\$19,032	\$292,743	\$589,200	\$582,058	\$268,280	\$330,451
Total Revenues	\$12,308,413	\$4,257	\$14,775	\$273,711	\$296,457	\$145,324	\$746,644	\$396,759	\$1,365,844
Total Expenditures	(\$12,144,663)	\$0	\$0	\$0	\$0	\$0	(\$1,060,422)	(\$334,587)	(\$517,586)
Balance Adjustments	(\$152,466)	\$0	\$0	\$0	\$0	(\$152,466)	\$0	\$0	\$0
<b>Ending Balance</b>	<b>\$11,284</b>	<b>\$4,257</b>	<b>\$19,032</b>	<b>\$292,743</b>	<b>\$589,200</b>	<b>\$582,058</b>	<b>\$268,280</b>	<b>\$330,451</b>	<b>\$1,178,709</b>
<b>ADMINISTRATION/O&amp;M</b>									
<b>Beginning Balance</b>		\$0	\$4,561	\$70,261	\$621,109	\$1,167,750	\$1,549,539	\$1,154,659	(\$111,024)
Total Revenues	\$57,086,691	\$4,561	\$65,700	\$657,778	\$878,604	\$686,626	\$816,275	\$956,100	\$2,951,730
Drawdown on Endowment Fund	\$16,318,765	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	(\$73,048,066)	\$0	\$0	(\$106,930)	(\$331,964)	(\$547,446)	(\$611,155)	(\$886,122)	(\$1,001,443)
Balance Adjustments (Inc. Transfers)	(\$357,391)	\$0	\$0	\$0	\$0	\$242,609	(\$600,000)	(\$1,335,661)	\$1,335,661
<b>Ending Balance</b>	<b>\$0</b>	<b>\$4,561</b>	<b>\$70,261</b>	<b>\$621,109</b>	<b>\$1,167,750</b>	<b>\$1,549,539</b>	<b>\$1,154,659</b>	<b>(\$111,024)</b>	<b>\$3,174,923</b>
<b>O&amp;M ENDOWMENT</b>									
<b>Beginning Balance</b>		\$0	\$3,041	\$13,622	\$152,066	\$323,846	\$463,981	\$1,003,066	\$1,788,158
Total Revenues	\$61,554,999	\$3,041	\$10,581	\$138,445	\$157,704	\$140,135	\$539,085	\$785,092	\$2,664,606
Drawdown on Endowment Fund	(\$16,318,765)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$14,076	\$0	\$0	\$0	\$14,076	\$0	\$0	\$0	\$0
<b>Ending Balance</b>	<b>\$45,250,310</b>	<b>\$3,041</b>	<b>\$13,622</b>	<b>\$152,066</b>	<b>\$323,846</b>	<b>\$463,981</b>	<b>\$1,003,066</b>	<b>\$1,788,158</b>	<b>\$4,452,764</b>
<b>SUPPLEMENTAL ENDOWMENT</b>									
<b>Beginning Balance</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$73,498	\$169,453
Total Revenues	\$7,888,598	\$0	\$0	\$0	\$0	\$0	\$73,498	\$95,955	\$330,804
Drawdown	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Balance</b>	<b>\$7,888,598</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$73,498</b>	<b>\$169,453</b>	<b>\$500,257</b>

**Figure 2**  
**Natomas Basin HCP**  
**Cash Flow Summary- 2002\$**

	9 2004	10 2005	11 2006	12 2007	13 2008	14 2009	15 2010	16 2011	17 2012
<b>LAND ACQUISITION</b>									
Beginning Balance	\$2,668,497	\$3,674,828	\$4,261,960	\$4,809,041	\$5,364,328	\$5,927,945	\$6,500,015	\$7,080,667	\$7,670,029
Total Revenues	\$6,652,147	\$3,410,040	\$3,369,989	\$3,378,195	\$3,386,525	\$3,394,979	\$3,403,560	\$3,412,270	\$3,421,110
Total Expenditures	(\$5,645,816)	(\$2,822,908)	(\$2,822,908)	(\$2,822,908)	(\$2,822,908)	(\$2,822,908)	(\$2,822,908)	(\$2,822,908)	(\$2,822,908)
Transfers from Admin/O&M Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Balance</b>	<b>\$3,674,828</b>	<b>\$4,261,960</b>	<b>\$4,809,041</b>	<b>\$5,364,328</b>	<b>\$5,927,945</b>	<b>\$6,500,015</b>	<b>\$7,080,667</b>	<b>\$7,670,029</b>	<b>\$8,268,231</b>
<b>RESTORATION &amp; ENHANCEMENTS</b>									
Beginning Balance	\$1,178,709	\$1,838,887	\$1,000,201	\$330,218	\$408,268	\$487,957	\$569,320	\$652,391	\$737,207
Total Revenues	\$1,383,657	\$718,069	\$700,456	\$686,387	\$688,026	\$689,699	\$691,408	\$693,152	\$694,934
Total Expenditures	(\$723,479)	(\$1,556,755)	(\$1,370,440)	(\$608,337)	(\$608,337)	(\$608,337)	(\$608,337)	(\$608,337)	(\$608,337)
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Balance</b>	<b>\$1,838,887</b>	<b>\$1,000,201</b>	<b>\$330,218</b>	<b>\$408,268</b>	<b>\$487,957</b>	<b>\$569,320</b>	<b>\$652,391</b>	<b>\$737,207</b>	<b>\$823,804</b>
<b>ADMINISTRATION/O&amp;M</b>									
Beginning Balance	\$3,174,923	\$5,258,877	\$5,971,849	\$6,622,939	\$7,272,693	\$7,924,093	\$8,578,761	\$9,234,419	\$9,883,703
Total Revenues	\$3,131,104	\$1,867,931	\$1,902,327	\$1,956,666	\$2,012,938	\$2,069,781	\$2,123,296	\$2,176,840	\$2,230,194
Drawdown on Endowment Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	(\$1,047,150)	(\$1,154,959)	(\$1,251,236)	(\$1,306,912)	(\$1,361,538)	(\$1,415,113)	(\$1,467,638)	(\$1,527,556)	(\$1,587,475)
Balance Adjustments (Inc. Transfers)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Balance</b>	<b>\$5,258,877</b>	<b>\$5,971,849</b>	<b>\$6,622,939</b>	<b>\$7,272,693</b>	<b>\$7,924,093</b>	<b>\$8,578,761</b>	<b>\$9,234,419</b>	<b>\$9,883,703</b>	<b>\$10,526,422</b>
<b>O&amp;M ENDOWMENT</b>									
Beginning Balance	\$4,452,764	\$7,197,516	\$8,721,947	\$10,292,335	\$11,910,069	\$13,576,578	\$15,293,336	\$17,061,859	\$18,883,712
Total Revenues	\$2,744,752	\$1,524,430	\$1,570,388	\$1,617,734	\$1,666,509	\$1,716,758	\$1,768,524	\$1,821,853	\$1,876,793
Drawdown on Endowment Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Balance</b>	<b>\$7,197,516</b>	<b>\$8,721,947</b>	<b>\$10,292,335</b>	<b>\$11,910,069</b>	<b>\$13,576,578</b>	<b>\$15,293,336</b>	<b>\$17,061,859</b>	<b>\$18,883,712</b>	<b>\$20,760,506</b>
<b>SUPPLEMENTAL ENDOWMENT</b>									
Beginning Balance	\$500,257	\$840,985	\$1,029,074	\$1,222,807	\$1,422,351	\$1,627,881	\$1,839,578	\$2,057,625	\$2,282,214
Total Revenues	\$340,728	\$188,090	\$193,732	\$199,544	\$205,531	\$211,697	\$218,047	\$224,589	\$231,327
Drawdown	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Balance</b>	<b>\$840,985</b>	<b>\$1,029,074</b>	<b>\$1,222,807</b>	<b>\$1,422,351</b>	<b>\$1,627,881</b>	<b>\$1,839,578</b>	<b>\$2,057,625</b>	<b>\$2,282,214</b>	<b>\$2,513,541</b>

**Figure 2**  
**Natomas Basin HCP**  
**Cash Flow Summary- 2002\$**

	18 2013	19 2014	20 2015	21 2016	22 2017	23 2018	24 2019	25 2020
<b>LAND ACQUISITION</b>								
<b>Beginning Balance</b>	\$8,268,231	\$8,875,406	\$9,491,688	\$10,117,215	\$10,317,832	\$10,317,832	\$10,317,832	\$10,317,832
Total Revenues	\$3,430,083	\$3,439,191	\$3,448,435	\$200,616	\$0	\$0	\$0	\$0
Total Expenditures	(\$2,822,908)	(\$2,822,908)	(\$2,822,908)	\$0	\$0	\$0	\$0	\$0
Transfers from Admin/O&M Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Balance</b>	<b>\$8,875,406</b>	<b>\$9,491,688</b>	<b>\$10,117,215</b>	<b>\$10,317,832</b>	<b>\$10,317,832</b>	<b>\$10,317,832</b>	<b>\$10,317,832</b>	<b>\$10,317,832</b>
<b>RESTORATION &amp; ENHANCEMENTS</b>								
<b>Beginning Balance</b>	\$823,804	\$912,219	\$1,002,491	\$1,094,659	\$564,466	\$11,284	\$11,284	\$11,284
Total Revenues	\$696,752	\$698,609	\$700,505	\$22,988	\$0	\$0	\$0	\$0
Total Expenditures	(\$608,337)	(\$608,337)	(\$608,337)	(\$553,181)	(\$553,181)	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Balance</b>	<b>\$912,219</b>	<b>\$1,002,491</b>	<b>\$1,094,659</b>	<b>\$564,466</b>	<b>\$11,284</b>	<b>\$11,284</b>	<b>\$11,284</b>	<b>\$11,284</b>
<b>ADMINISTRATION/O&amp;M</b>								
<b>Beginning Balance</b>	\$10,526,422	\$11,162,378	\$11,791,369	\$12,411,461	\$11,751,733	\$11,041,704	\$10,310,374	\$9,557,105
Total Revenues	\$2,283,350	\$2,336,304	\$2,386,894	\$1,054,844	\$1,035,052	\$1,013,751	\$991,811	\$969,213
Drawdown on Endowment Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	(\$1,647,394)	(\$1,707,313)	(\$1,766,802)	(\$1,714,572)	(\$1,745,081)	(\$1,745,081)	(\$1,745,081)	(\$1,745,081)
Balance Adjustments (Inc. Transfers)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Balance</b>	<b>\$11,162,378</b>	<b>\$11,791,369</b>	<b>\$12,411,461</b>	<b>\$11,751,733</b>	<b>\$11,041,704</b>	<b>\$10,310,374</b>	<b>\$9,557,105</b>	<b>\$8,781,237</b>
<b>O&amp;M ENDOWMENT</b>								
<b>Beginning Balance</b>	\$20,760,506	\$22,693,899	\$24,685,601	\$26,737,375	\$27,548,155	\$28,383,604	\$29,244,477	\$30,131,551
Total Revenues	\$1,933,393	\$1,991,703	\$2,051,774	\$810,780	\$835,449	\$860,873	\$887,074	\$914,076
Drawdown on Endowment Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Balance</b>	<b>\$22,693,899</b>	<b>\$24,685,601</b>	<b>\$26,737,375</b>	<b>\$27,548,155</b>	<b>\$28,383,604</b>	<b>\$29,244,477</b>	<b>\$30,131,551</b>	<b>\$31,045,627</b>
<b>SUPPLEMENTAL ENDOWMENT</b>								
<b>Beginning Balance</b>	\$2,513,541	\$2,751,807	\$2,997,221	\$3,249,998	\$3,347,498	\$3,447,923	\$3,551,361	\$3,657,901
Total Revenues	\$238,266	\$245,414	\$252,777	\$97,500	\$100,425	\$103,438	\$106,541	\$109,737
Drawdown	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Balance</b>	<b>\$2,751,807</b>	<b>\$2,997,221</b>	<b>\$3,249,998</b>	<b>\$3,347,498</b>	<b>\$3,447,923</b>	<b>\$3,551,361</b>	<b>\$3,657,901</b>	<b>\$3,767,639</b>

7

91

**Figure 2**  
**Natomas Basin HCP**  
**Cash Flow Summary- 2002\$**

	26 2021	27 2022	28 2023	29 2024	30 2025	31 2026	32 2027	33 2028	34 2029
<b>LAND ACQUISITION</b>									
<b>Beginning Balance</b>	\$10,317,832	\$10,317,832	\$10,317,832	\$10,317,832	\$10,317,832	\$10,317,832	\$10,317,832	\$10,317,832	\$10,317,832
Total Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfers from Admin/O&M Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Balance</b>	<b>\$10,317,832</b>	<b>\$10,317,832</b>	<b>\$10,317,832</b>	<b>\$10,317,832</b>	<b>\$10,317,832</b>	<b>\$10,317,832</b>	<b>\$10,317,832</b>	<b>\$10,317,832</b>	<b>\$10,317,832</b>
<b>RESTORATION &amp; ENHANCEMENTS</b>									
<b>Beginning Balance</b>	\$11,284	\$11,284	\$11,284	\$11,284	\$11,284	\$11,284	\$11,284	\$11,284	\$11,284
Total Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Balance</b>	<b>\$11,284</b>	<b>\$11,284</b>	<b>\$11,284</b>	<b>\$11,284</b>	<b>\$11,284</b>	<b>\$11,284</b>	<b>\$11,284</b>	<b>\$11,284</b>	<b>\$11,284</b>
<b>ADMINISTRATION/O&amp;M</b>									
<b>Beginning Balance</b>	\$8,781,237	\$7,982,093	\$7,158,975	\$6,311,163	\$5,437,917	\$4,538,474	\$3,612,047	\$2,657,828	\$1,674,982
Total Revenues	\$945,937	\$921,963	\$897,269	\$871,835	\$845,638	\$818,654	\$790,861	\$762,235	\$732,749
Drawdown on Endowment Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	(\$1,745,081)	(\$1,745,081)	(\$1,745,081)	(\$1,745,081)	(\$1,745,081)	(\$1,745,081)	(\$1,745,081)	(\$1,745,081)	(\$1,745,081)
Balance Adjustments (Inc. Transfers)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Balance</b>	<b>\$7,982,093</b>	<b>\$7,158,975</b>	<b>\$6,311,163</b>	<b>\$5,437,917</b>	<b>\$4,538,474</b>	<b>\$3,612,047</b>	<b>\$2,657,828</b>	<b>\$1,674,982</b>	<b>\$662,650</b>
<b>O&amp;M ENDOWMENT</b>									
<b>Beginning Balance</b>	\$31,045,627	\$31,987,530	\$32,958,111	\$33,958,249	\$34,988,846	\$36,050,835	\$37,145,176	\$38,272,861	\$39,434,909
Total Revenues	\$941,903	\$970,582	\$1,000,137	\$1,030,597	\$1,061,989	\$1,094,342	\$1,127,684	\$1,162,048	\$1,197,464
Drawdown on Endowment Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Balance</b>	<b>\$31,987,530</b>	<b>\$32,958,111</b>	<b>\$33,958,249</b>	<b>\$34,988,846</b>	<b>\$36,050,835</b>	<b>\$37,145,176</b>	<b>\$38,272,861</b>	<b>\$39,434,909</b>	<b>\$40,632,373</b>
<b>SUPPLEMENTAL ENDOWMENT</b>									
<b>Beginning Balance</b>	\$3,767,639	\$3,880,668	\$3,997,088	\$4,117,000	\$4,240,510	\$4,367,726	\$4,498,757	\$4,633,720	\$4,772,732
Total Revenues	\$113,029	\$116,420	\$119,913	\$123,510	\$127,215	\$131,032	\$134,963	\$139,012	\$143,182
Drawdown	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Balance</b>	<b>\$3,880,668</b>	<b>\$3,997,088</b>	<b>\$4,117,000</b>	<b>\$4,240,510</b>	<b>\$4,367,726</b>	<b>\$4,498,757</b>	<b>\$4,633,720</b>	<b>\$4,772,732</b>	<b>\$4,915,914</b>

**Figure 2**  
**Natomas Basin HCP**  
**Cash Flow Summary- 2002\$**

	35 2030	36 2031	37 2032	38 2033	39 2034	40 2035	41 2036	42 2037	43 2038
<b>LAND ACQUISITION</b>									
<b>Beginning Balance</b>	\$10,317,832	\$10,317,832	\$10,317,832	\$10,317,832	\$10,317,832	\$10,317,832	\$10,317,832	\$10,317,832	\$10,317,832
Total Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfers from Admin/O&M Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Balance</b>	<b>\$10,317,832</b>	<b>\$10,317,832</b>	<b>\$10,317,832</b>	<b>\$10,317,832</b>	<b>\$10,317,832</b>	<b>\$10,317,832</b>	<b>\$10,317,832</b>	<b>\$10,317,832</b>	<b>\$10,317,832</b>
<b>RESTORATION &amp; ENHANCEMENTS</b>									
<b>Beginning Balance</b>	\$11,284	\$11,284	\$11,284	\$11,284	\$11,284	\$11,284	\$11,284	\$11,284	\$11,284
Total Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Balance</b>	<b>\$11,284</b>	<b>\$11,284</b>	<b>\$11,284</b>	<b>\$11,284</b>	<b>\$11,284</b>	<b>\$11,284</b>	<b>\$11,284</b>	<b>\$11,284</b>	<b>\$11,284</b>
<b>ADMINISTRATION/O&amp;M</b>									
<b>Beginning Balance</b>	\$662,650	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$702,380	\$682,500	\$682,500	\$682,500	\$682,500	\$682,500	\$682,500	\$682,500	\$682,500
Drawdown on Endowment Fund	\$380,051	\$1,062,581	\$1,062,581	\$1,062,581	\$1,062,581	\$1,062,581	\$1,062,581	\$1,062,581	\$1,062,581
Total Expenditures	(\$1,745,081)	(\$1,745,081)	(\$1,745,081)	(\$1,745,081)	(\$1,745,081)	(\$1,745,081)	(\$1,745,081)	(\$1,745,081)	(\$1,745,081)
Balance Adjustments (Inc. Transfers)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>O&amp;M ENDOWMENT</b>									
<b>Beginning Balance</b>	\$40,632,373	\$41,486,286	\$41,683,887	\$41,888,040	\$42,098,966	\$42,316,894	\$42,542,062	\$42,774,715	\$43,015,105
Total Revenues	\$1,233,965	\$1,260,182	\$1,266,734	\$1,273,507	\$1,280,509	\$1,287,749	\$1,295,233	\$1,302,972	\$1,310,973
Drawdown on Endowment Fund	(\$380,051)	(\$1,062,581)	(\$1,062,581)	(\$1,062,581)	(\$1,062,581)	(\$1,062,581)	(\$1,062,581)	(\$1,062,581)	(\$1,062,581)
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Balance</b>	<b>\$41,486,286</b>	<b>\$41,683,887</b>	<b>\$41,888,040</b>	<b>\$42,098,966</b>	<b>\$42,316,894</b>	<b>\$42,542,062</b>	<b>\$42,774,715</b>	<b>\$43,015,105</b>	<b>\$43,263,497</b>
<b>SUPPLEMENTAL ENDOWMENT</b>									
<b>Beginning Balance</b>	\$4,915,914	\$5,063,391	\$5,215,293	\$5,371,752	\$5,532,904	\$5,698,891	\$5,869,858	\$6,045,954	\$6,227,332
Total Revenues	\$147,477	\$151,902	\$156,459	\$161,153	\$165,987	\$170,967	\$176,096	\$181,379	\$186,820
Drawdown	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Balance</b>	<b>\$5,063,391</b>	<b>\$5,215,293</b>	<b>\$5,371,752</b>	<b>\$5,532,904</b>	<b>\$5,698,891</b>	<b>\$5,869,858</b>	<b>\$6,045,954</b>	<b>\$6,227,332</b>	<b>\$6,414,152</b>

6

81

**Figure 2**  
**Natomas Basin HCP**  
**Cash Flow Summary- 2002\$**

	44 2039	45 2040	46 2041	47 2042	48 2043	49 2044	50 2045
<b>LAND ACQUISITION</b>							
<b>Beginning Balance</b>	\$10,317,832	\$10,317,832	\$10,317,832	\$10,317,832	\$10,317,832	\$10,317,832	\$10,317,832
Total Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfers from Admin/O&M Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Balance</b>	<b>\$10,317,832</b>	<b>\$10,317,832</b>	<b>\$10,317,832</b>	<b>\$10,317,832</b>	<b>\$10,317,832</b>	<b>\$10,317,832</b>	<b>\$10,317,832</b>
<b>RESTORATION &amp; ENHANCEMENTS</b>							
<b>Beginning Balance</b>	\$11,284	\$11,284	\$11,284	\$11,284	\$11,284	\$11,284	\$11,284
Total Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Balance</b>	<b>\$11,284</b>	<b>\$11,284</b>	<b>\$11,284</b>	<b>\$11,284</b>	<b>\$11,284</b>	<b>\$11,284</b>	<b>\$11,284</b>
<b>ADMINISTRATION/O&amp;M</b>							
<b>Beginning Balance</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$682,500	\$682,500	\$682,500	\$682,500	\$682,500	\$682,500	\$682,500
Drawdown on Endowment Fund	\$1,062,581	\$1,062,581	\$1,062,581	\$1,062,581	\$1,062,581	\$1,062,581	\$1,062,581
Total Expenditures	(\$1,745,081)	(\$1,745,081)	(\$1,745,081)	(\$1,745,081)	(\$1,745,081)	(\$1,745,081)	(\$1,745,081)
Balance Adjustments (Inc. Transfers)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>O&amp;M ENDOWMENT</b>							
<b>Beginning Balance</b>	\$43,263,497	\$43,520,162	\$43,785,380	\$44,059,442	\$44,342,650	\$44,635,313	\$44,937,756
Total Revenues	\$1,319,245	\$1,327,799	\$1,336,643	\$1,345,788	\$1,355,245	\$1,365,023	\$1,375,135
Drawdown on Endowment Fund	(\$1,062,581)	(\$1,062,581)	(\$1,062,581)	(\$1,062,581)	(\$1,062,581)	(\$1,062,581)	(\$1,062,581)
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Balance</b>	<b>\$43,520,162</b>	<b>\$43,785,380</b>	<b>\$44,059,442</b>	<b>\$44,342,650</b>	<b>\$44,635,313</b>	<b>\$44,937,756</b>	<b>\$45,250,310</b>
<b>SUPPLEMENTAL ENDOWMENT</b>							
<b>Beginning Balance</b>	\$6,414,152	\$6,606,577	\$6,804,774	\$7,008,918	\$7,219,185	\$7,435,761	\$7,658,833
Total Revenues	\$192,425	\$198,197	\$204,143	\$210,268	\$216,576	\$223,073	\$229,765
Drawdown	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Balance</b>	<b>\$6,606,577</b>	<b>\$6,804,774</b>	<b>\$7,008,918</b>	<b>\$7,219,185</b>	<b>\$7,435,761</b>	<b>\$7,658,833</b>	<b>\$7,888,598</b>

cash flow

**Figure 3  
Natomas Basin HCP  
Land Acquisition and Restoration/Enhancements Cost  
and Acquired Habitat Land Utilization Assumptions**

<b>Assumes:</b> 17,500 acres of development 1/2 acre of mitigation land per gross acre of developed land 25% marsh
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<b>Part A - Assumptions</b>				Notes:
<b>Inflation</b>	<b>0.0%</b>			
<b>Interest Rate</b>	<b>3.0%</b>			
<b>Land Acquisition Values per Acre</b>	<u>Land Value</u>	<u>Permitted by Plan</u>	<u>Assumed in Financial Analysis</u>	
In-Basin Lands	\$6,000	80%	100%	Estimated \$4,000-\$9,000 per acre range Estimated \$3,100-\$3,500 per acre range per Recent Experience of NBHCP
Out-of-Basin Lands	\$3,250	20%	0%	
<b>Average Land Value (1)</b>	<b>\$6,000</b> Use In-Basin Land Value			
Plus Transaction Costs & Contingency	<b>\$1,500</b> per Acre			
<b>Average Land Acquisition Cost</b>	<b>\$7,500</b> per acquired acre			Beginning 1/1/01
<b>2002 Habitat Acres</b>				
Average Land Value	\$9,500 per acquired acre			
Plus Transaction Costs & Contingency	\$1,500 per acquired acre			
<b>Average Land Acquisition Cost</b>	<b>\$11,000</b> per acquired acre			
<b>Estimated Use of In-Basin Lands</b>				
Marsh	25%			
Existing Rice	50%			
Other/Upland	25%			
<b>Total Initial Use</b>	<b>100%</b>			
Rice Converted to Marsh	After year 5, 324 acres in marsh 25% thereafter			
<b>Rice Lands (excluding land converted to marsh) (7)</b>				
Uplands/Fallow	10%			
Leased for Other Crops	0%			
Leased Rice Base Land	90%			
<b>Total Rice Lands</b>	<b>100%</b>			
<b>Initial Restoration/Enhancement Expended At Time Land Is Acquired</b>	<u>Use of Land</u>	<u>Initial Costs</u>	<u>Weighted Cost (6)</u>	
Marsh (2)	0%	\$0	\$0	Note (3)
Existing Rice	75%	\$0	\$0	Note (3)
Dry Converted to Rice	0%	\$0	\$0	Note (3)
Other Upland	25%	\$0	\$0	Note (3)
<b>Subtotal</b>	<b>100%</b>		<b>\$0</b>	
<b>Expended At Time Land Is Converted</b>				
Rice/Other Converted to Marsh	25%	\$5,095	\$1,274	Note (4)
Site Specific Plan Costs	\$127 per acre			Note (5)
<b>Average Cost per Habitat Acre</b>	<b>\$1,401</b>			Weighted average cost per acre

\*assumptions1\*

Source: Natomas Basin Conservancy

- (1) Assumes all acquisition occurs at the average in-basin land value.
- (2) Initial use of marsh land estimated at 0% because NBHCP estimates that little to no marshland is available for acquisition. However, rice land will be converted to marsh land.
- (3) The initial costs of marsh, existing rice, dry land converted to rice and other upland have been set to zero as no initial restoration or enhancement costs are anticipated.
- (4) The current estimate of \$5,095 per acre is based on the estimate of \$1,235,000 spent to convert 242.4 acres to marsh through 2002.
- (5) The site specific plan cost per acre is estimated as the cost of the site specific plans prepared through 2001 divided by the total acres of all properties except Ayala, which is not yet in the plan (\$224,571 / 1,772 acres).
- (6) The cost of restoration and enhancement is weighted by the percent of acres assumed to be converted or used for that particular land use.
- (7) Rice Lands percents included for cost and revenue calculation purposes only.

**Figure 4**  
**Natomas Basin HCP**  
**Operations & Maintenance Assumptions**

<b>Assumes:</b> 17,500 acres of development 1/2 acre of mitigation land per gross acre of developed land 25% marsh
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<b>Part A - Assumptions Con't</b>		Notes:
<b>Operations &amp; Maintenance Costs</b>		
Marsh	\$281.00 per acre	Updated Cost -- May 2001 Based on Wildlands, Inc. Estimates Based on Wildlands, Inc. Estimates alfalfa, safflower, etc.
Upland/Fallow	\$18.25 per acre	
Land Leased for Planted Rice Base	\$2.96 per acre	
Land Leased for Other Crops	\$2.96 per acre	
Other	\$0.00 per acre	
Hunting	\$0.00 per acre	Updated Cost -- May 2001
Misc./Monitoring/Adaptive Mgmt.	\$27.35 per acre	Based on Wildlands, Inc. Estimates
<b>Special Assessment &amp; Property Tax Costs</b>		
<u>Sacramento County</u>		
Reclamation District #1000	\$13.08 per acre	Based on published tariffs and rates Based on published tariffs and rates Based on published tariffs and rates Based on published tariffs and rates
NCMWA	\$0.42 per acre	
SAFCA O&M Assessment #1	\$5.69 per acre	
CSAI Safety Lights	\$0.08 per acre	
Property Tax [1]	\$54.42 per acre	Based on average assessed value of all properties acquired through Feb. 2002 -- \$5,100 per acre
<b>Subtotal Sacramento County</b>	<b>\$73.68 per acre</b>	
<u>Sutter County</u>		
Reclamation District #1000	\$13.08 per acre	Based on published tariffs and rates Based on published tariffs and rates
NCMWC	\$0.42 per acre	
Property Tax	\$51.00 per acre	Based on average assessed value of all properties acquired through Feb. 2002 -- \$5,100 per acre
<b>Subtotal Sutter County</b>	<b>\$64.50 per acre</b>	
<b>Administrative Costs</b>		
During Development	\$551,598 per year	Figure 5 for detail phased in over 3- 5 years
After All Land Acquired	\$468,858 per year	
<b>Operations &amp; Maintenance Revenues</b>		
<b>Crop Land Leases</b>		
<u>Through 2002</u>		
Planted Rice Base Acreage	\$160 per acre/year	normal ag. practices
Other Crops (Flex. acreage)	\$80 per acre/year	normal ag. practices
<u>2003 +</u>		
Planted Rice Base Acreage	\$160 per acre/year	normal ag. practices
Other Crops (Flex. acreage)	\$80 per acre/year	normal ag. practices
<b>Hunting</b>		
Hunting Revenue per Acre	\$12 per acre	Based on Wildlands Estimate for initial Site Plan

"assumptions2"

Source: Natomas Basin Conservancy

[1] Includes G.O. bond assessment.

**Figure 5**  
**Natomas Basin HCP**  
**Estimated Annual Natomas Basin Conservancy (NBC) Administrative Cost**

	Annual Cost	Notes
<u>Administrative Expenses</u>		
Staff	\$195,000	
Benefits	\$64,350	
Board Expense	\$6,000	
<b>Subtotal</b>	<b>\$265,350</b>	
<u>Office Expense</u>		
Rent	\$20,000	
Telephone	\$1,700	
Copying & Printing	\$16,000	
Office Supplies	\$5,000	
Postage	\$600	
Equipment	\$2,500	
Auto Expense	\$6,500	
<b>Subtotal</b>	<b>\$52,300</b>	
<u>Miscellaneous Expense</u>		
Insurance	\$25,000	Liability and E&O
Accounting	\$20,000	
Legal	\$80,000	
Corporate Taxes	\$1,000	
<b>Subtotal</b>	<b>\$126,000</b>	
Contract Work/ Public Education/ Publications/Monitoring/Reports, etc.	\$36,000	
<b>Subtotal Costs</b>	<b>\$479,650</b>	
Contingency	\$71,948	15% Contingency
<b>Total Administration During Habitat Acquisition Phas</b>	<b>\$551,598</b>	
<b>Total Administration After Habitat Acquisitio</b>	<b>\$468,858</b>	[1]

"admin"

Source: NBC FY 2001 budget estimate

[1] Administrative costs are reduced by 15% after all habitat lands have been acquired per John Roberts.



**RESOLUTION NO. 2002-300**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**A RESOLUTION INCREASING THE AMOUNT OF THE HABITAT CONSERVATION FEE ESTABLISHED PURSUANT TO CHAPTER 18.40 OF TITLE 18 OF THE CITY CODE, TO TAKE EFFECT IMMEDIATELY**

**WHEREAS:**

A. On August 7, 1997, the City Council of the City of Sacramento adopted Ordinance No. 97-046, which added Chapter 84.10 to Title 84 (now Title 18, Chapter 18.40) of the City Code, which created and established the authority for the Habitat Conservation Fee, which is used to fund the costs of implementation of the Natomas Basin Habitat Conservation Plan. Chapter 18.40 of Title 18 directs the City Council, by resolution, to set the specific amounts of the fee and the manner in which the fee is to be paid.

B. On September 2, 1997, the City Council adopted Resolution No. 97-508, pursuant to which it established the specific amounts of the Habitat Conservation Fee and the manner in which the fee is to be paid.

C. Section 18.40.080 of Title 18 of the City Code contemplates periodic revision of the Habitat Conservation Fee by resolution of the City Council.

D. The Natomas Basin Conservancy, a non-profit public benefit corporation, is the entity responsible for administration of the Natomas Basin Habitat Conservation Plan, which is funded by the Habitat Conservation Fee.

E. On May 1, 2002, the Board of Directors of The Natomas Basin Conservancy adopted Resolution No. 05.02.02, pursuant to which it recommended that the City of Sacramento increase the Natomas Basin Habitat Conservation Fee from the current rate of a total fee of Ten Thousand and Twenty-one Dollars (\$10,021.00) per gross acre, consisting of a Base Fee of Five Thousand, Nine Hundred, and Ninety-three Dollars (\$5,993.00) per gross acre and a Premium Fee of Four Thousand, and Twenty-eight Dollars (\$4,028.00) per gross acre to a total fee of Eleven Thousand, Nine Hundred and Sixty-two Dollars (\$11,962.00), consisting of a Base Fee of Seven Thousand, Nine Hundred, and Thirty-four Dollars (\$7,934.00) per gross acre and a Premium Fee of Four Thousand, and Twenty-

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RESOLUTION NO. \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_ 4

eight Dollars (\$4,028.00) per gross acre. The resolution indicates that the request is based upon a Habitat Conservation Plan Finance Model dated April 25, 2002, which established the need for an increase in the Habitat Conservation Fee to fund actual costs of implementing the Habitat Conservation Plan.

F. A public hearing on adoption of this Resolution to increase the Habitat Conservation Fee was heretofore noticed and set as part of a regularly scheduled hearing for May 14, 2002, at 2 PM in the City Council Chamber located at City Hall, 915 I Street, Second Floor, Sacramento, California, 95814.

G. Pursuant to Government Code Section 60017(b), development fee increases become effective sixty (60) days following their adoption, unless the resolution includes findings that immediate effectiveness is necessary to preserve the public health, safety, or welfare. In this case it is necessary that the fees become immediately effective rather than waiting for the sixty (60) day period to expire, because collection of an adequate fee is necessary to successfully acquire mitigation lands required by the Habitat Conservation Plan Settlement Agreement and implementation of the HCP Settlement Agreement allows private development and necessary public infrastructure, including flood protection, storm drainage, circulation, and provision of community services, vital to public health, safety, and welfare, to be built.

H. Government Code Section 60017(b) also provides that where the fee increase is made immediately effective by resolution, that resolution can remain in effect for only thirty (30) days unless extended again for a maximum period of an additional thirty (30) day period. Staff intends to undertake that procedure, so that the increased fee will be applicable during the entire sixty (60) day period following adoption of this resolution.

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO AS FOLLOWS:**

**SECTION 1. Findings**

The City Council hereby finds as follows:

- (a) All provisions set forth above are true and correct and are hereby incorporated herein by reference as findings for purposes of this resolution. In addition, those findings and other provisions specified in the Ordinance (Ordinance No. 97-046) are incorporated herein by reference as findings for purposes of this resolution. Further, the definitions of that Ordinance, set forth in Chapter 18.40 of Title 18, including the definitions of "Mitigation Monitoring Plans", "Permit Area", "SAFCA Permit", and "Urban Development Area" are incorporated herein by reference.
- (b) The Habitat Conservation Fee is one of several alternatives specified in the Natomas Habitat Conservation Plan which a landowner may select in the landowner's sole discretion to satisfy obligations imposed by the federal and state Endangered Species Acts, the Mitigation

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RESOLUTION NO. \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_ 5

Monitoring Plans, and the SAFCA Permit. The Plan itself is designed to serve a number of purposes, including but not limited to the satisfaction of the Mitigation Monitoring Plan requirements specified in the North Natomas Community Plan and requirements of the SAFCA Permit, relating to direct, indirect, and cumulative biological impacts associated with Urban Development in the Permit Area.

- (c) Because the Habitat Conservation Fee is only one of the available options for a landowner seeking to satisfy its obligations relating to direct, indirect, and cumulative biological impacts of urban development in the North Natomas area, the fee is voluntary in nature and is not a mandatory imposition. It is therefore not legally required to demonstrate the satisfaction of the various nexus tests set forth in Government Code Sections 66000 et. seq. Nevertheless, the Council finds as to the increased Habitat Conservation Fee: (i) the amount of increased fee has been set based upon the HCP Finance Model, dated April 25, 2002, which has been reviewed and considered by the Board of Directors of The Natomas Basin Conservancy, and which has been reviewed and considered by the Council; (ii) the HCP Finance Model represents a rational, fair and equitable method of allocating the costs of implementation of the Habitat Conservation Plan and related Settlement Agreement, and allocates the burden among development projects in a manner which is approximately proportionate to the impacts which may be reasonably anticipated from such development activity; and (iii) the relationship between the increased Habitat Conservation Fee and the adverse environmental impacts it is designed to mitigate are clearly established in numerous environmental impact reports, including but not limited to those relating to the North Natomas Community Plan and the Comprehensive Drainage Plan for North Natomas, all of which are incorporated by reference as part of the findings supporting this resolution.
- (d) The amount of the Habitat Conservation Fee, as increased by this resolution, is consistent with the City's General Plan, the North Natomas and South Natomas Community Plans, the North Natomas Financing Plan 1999 Update, the Mitigation Monitoring Plans and the SAFCA Permit.

### **SECTION 2. Amount of Fee**

The amount of the Fee, which a landowner may voluntarily select as the landowner's preferred alternative for satisfaction of its legal obligations to mitigate for the adverse impacts of Urban Development on biological resources, for property located within the Permit Area is hereby set at the rate of Eleven Thousand, Nine Hundred and Sixty-two Dollars (\$11,962.00), consisting of a Base Fee of Seven Thousand, Nine Hundred, and Thirty-four Dollars (\$7,934.00) per gross acre and a Premium Fee of Four Thousand Twenty-eight Dollars (\$4,028.00) per gross acre for the limited development allowed by the HCP Settlement Agreement.

### **SECTION 3. Construction of Resolution**

The provisions of the resolution are subject and subordinate to the provisions of Chapter 18.40 of Title 18 of the City Code, as enacted by Ordinance No. 97-046, and shall at all times be construed and applied consistent therewith as the same presently exist or may from time to time be amended.

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RESOLUTION NO. \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_ 6

**SECTION 4. Judicial Action to Challenge this Resolution**

Any judicial action or proceeding to attack, review, set aside or annul this resolution shall be brought within 120 days of its adoption.

**SECTION 5. Effective Date**

This resolution shall take effect immediately upon its adoption, pursuant to Government Code Section 60017(b). The current and immediate threat to the public health, safety and welfare necessitating the immediate effectiveness of this resolution is as follows: without collection of an adequate fee and implementation of the Habitat Conservation Plan, including the Settlement Agreement, necessary public infrastructure, including flood protection, storm drainage, emergency evacuation, circulation access, and provision of community services, vital to public health, safety, and welfare, cannot be built.

Staff is directed to return to the City Council prior to thirty (30) days following adoption of this resolution with all necessary staff reports, resolutions or other documents required in order to ensure the immediate effectiveness of this resolution during the sixty (60) day period following adoption of this resolution.

**SECTION 6. Severability**

If any section, phrase, sentence or other portion of this resolution for any reason is held or found to be invalid, void, unenforceable or unconstitutional by a court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions of this resolution.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

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RESOLUTION NO. \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_ 7