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DEPARTMENT OF
PUBLIC WORKS

CITY OF SACRAMENTO
CALIFORNIA

Entitlements & Plan Check
1231 I Street, 2nd Floor
Sacramento, CA
95814-2700

DEVELOPMENT SERVICES DIVISION

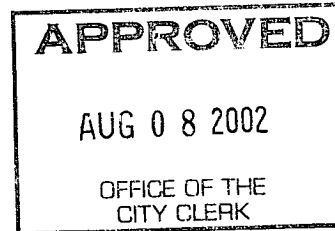
PH. (916) 264-7995
FAX (916) 264-5786

July 18, 2002

AG 2002-133

City Council
Sacramento, California

AG 2002-134



Honorable Members in Session:

SUBJECT: ARENA BOULEVARD INTERCHANGE - AUTHORIZATION TO APPROVE AGREEMENT WITH WILDLANDS, INC. IN THE AMOUNT OF \$162,400; AND AUTHORIZATION TO APPROVE AGREEMENTS WITH CONSERVATION RESOURCES, LLC. IN THE AMOUNT OF \$36,000, FOR PAYMENT OF ENVIRONMENTAL MITIGATION COSTS; AND APPROPRIATION OF \$198,400 (PN: TW01).

LOCATION AND COUNCIL DISTRICT: Arena Boulevard at Interstate 5 in Council District 1.

RECOMMENDATION:

Staff recommends that the City Council adopt the attached resolution:

- Authorizing the City Manager to enter into agreements with Wildlands, Inc. in the amount of \$162,400, and with Conservation Resources, LLC. in the total amount of \$36,000, for Elderberry Shrub and Vernal Pool Mitigation required to construct the Arena Boulevard Interchange and;
- Authorizing associated financial transactions.

CONTACT PERSONS: Steve Pyburn, Supervising Engineer, 264-7481

FOR THE CITY COUNCIL MEETING OF: August 8, 2002

SUMMARY:

The Arena Boulevard Interchange project will unavoidably and adversely impact four existing Valley Elderberry Shrubs and 1.16 acres of Vernal Pools and Seasonal Wetlands. These impacts must be mitigated. The City is required to compensate for the loss of Valley Elderberry Longhorn Beetle habitat through the transplanting of Elderberry Shrubs and purchase of mitigation credits. The City is also required to mitigate the loss of Vernal Pool and Seasonal Wetlands by purchasing Vernal Pool preservation and creation credits. This report recommends execution of agreements with Wildlands, Inc. and with Conservation Resources, LLC., as means of mitigating for the removal of Elderberry Shrubs and destruction of Vernal Pools and Wetlands. See Exhibit A for project location.

BACKGROUND INFORMATION:

On July 18, 2002, the City Council approved construction of the Arena Boulevard/I-5 Interchange. Construction of the interchange will significantly impact habitat for several endangered or threatened species. The project will require the removal of four Elderberry Shrubs within the project area. These shrubs are known to be suitable habitat for the Valley Elderberry Longhorn Beetle, a species that is Federally listed as threatened. The project will also directly or indirectly affect 1.16 acres of Vernal Pools and Seasonal Wetlands. The Vernal Pools and Wetlands are known to be suitable habitat for the Tadpole Shrimp (Federally listed as endangered) and the Fairy Shrimp (Federally listed as threatened). The U.S. Fish and Wildlife Service has issued a biological opinion for the interchange project (dated March 8, 2002) that mandates mitigation of impacts to these habitats.

To implement the requirements of the Fish and Wildlife Service, the City must compensate for the loss of the Valley Elderberry Longhorn Beetle habitat and Vernal Pool/Wetlands as follows:

- Purchase four Valley Elderberry Longhorn Beetle (VELB) Units from the Laguna Creek Mitigation Bank, Sacramento County,
- Transplant four existing Elderberry Shrubs on the Arena Boulevard Interchange site to the Laguna Creek Mitigation Bank, Sacramento County,
- Purchase 0.38 acre of Vernal Pool Creation Credits from the Laguna Creek Mitigation Bank, Sacramento County,
- Purchase 2.32 acres of Vernal Pool Preservation Credits from Wildlands Mitigation Bank in Sheridan, Placer County.

The biological opinion issued by the Fish and Wildlife Service requires the mitigation credits be purchased from and the transplanting of the Elderberry Shrubs be completed

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Agreements with Wildlands, Inc. and Conservation Resources, LLC.

by a conservation services approved by the Service. Both Wildlands, Inc. and Conservation Resources LLC., meet this approval requirement. Two contracts are required for this work since neither company submitted proposals to accept payment for all credits or perform all tasks.

The City had not received bids for this work at the time the council report for the Arena Blvd/I-5 Interchange construction was submitted for review and approval. These costs were not included in the council action approving construction of the interchange.

FINANCIAL CONSIDERATIONS:

The payment of \$162,400 to Wildlands, Inc., is for the purchase of vernal pool preservation credits at the Wildlands Mitigation Bank at Sheridan in Placer County. The payment of \$36,000 to Conservation Resources, LLC, is for: a) the purchase of Vernal Pool Creation Credits, b) purchase of four Valley Elderberry Longhorn Beetle mitigation units, and c) transplanting four Elderberry Shrubs from the project site to the Laguna Creek Mitigation Bank, Sacramento County. Three separate agreements with Conservation Resources cover each aspect of the mitigation measures. All of this work is required for the interchange and is therefore, funded by, and included in, the North Natomas Public Facility Fee (PFF). To pay these costs, \$198,400 must be appropriated from PFF revenues in Fund 780 to the project (TW01).

The current total project budget is \$17,153,415. The approval of the additional funding from the North Natomas Public Facility Fee (PFF) will increase the total budget to \$17,351,815, which is sufficient to cover the agreements with Wildlands, Inc. in the amount of \$162,400, and Conservation Resources, LLC. in the total amount of \$36,000.

ENVIRONMENTAL DETERMINATION:

An environmental document for CEQA and NEPA requirements (Negative Declaration/Finding of No Significant Impact) was adopted by the City in 1989. Due to changes in several conditions since that time, an Addendum to the adopted Negative Declaration was prepared and reviewed by the City of Sacramento, Planning and Building Department. It was determined that the project would not have a significant effect on the environment over and above what was previously analyzed. On April 9, 2002, the City Council approved the Addendum to the Adopted Negative Declaration for the Arena Boulevard/I-5 Interchange Project. The purpose of these agreements is to satisfy the California Environmental Quality Act (CEQA) and the National Environmental Protection Act requirements for mitigation of environmental impacts. The proposed actions considered at this time do not require further environmental review and are necessary to construct the Arena Boulevard/I-5 Interchange.

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POLICY CONSIDERATIONS:

The Arena Boulevard Interchange is included in the North Natomas Community Plan and the North Natomas Financing Plan. The project is necessary to support development in North Natomas. The project supports the City's Strategic Plan goals to promote and support economic vitality by providing direct access to employment centers along I-5.

ESBD CONSIDERATIONS:

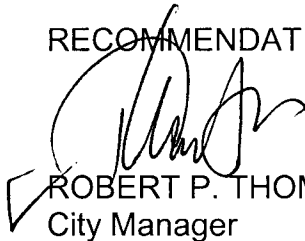
The Wildlands Mitigation Bank is solely owned and operated by Wildlands, Inc. The Laguna Creek Mitigation Bank is solely owned and operated by Conservation Resources, LLC. Both mitigation banks are approved by the U.S. Fish and Wildlife Service. The nature of the Elderberry Beetle and Vernal Pool mitigation is such that there are limited opportunities for ESB participation.

Respectfully submitted,




Gary Alm, Manager
Development Services

RECOMMENDATION APPROVED:



ROBERT P. THOMAS
City Manager

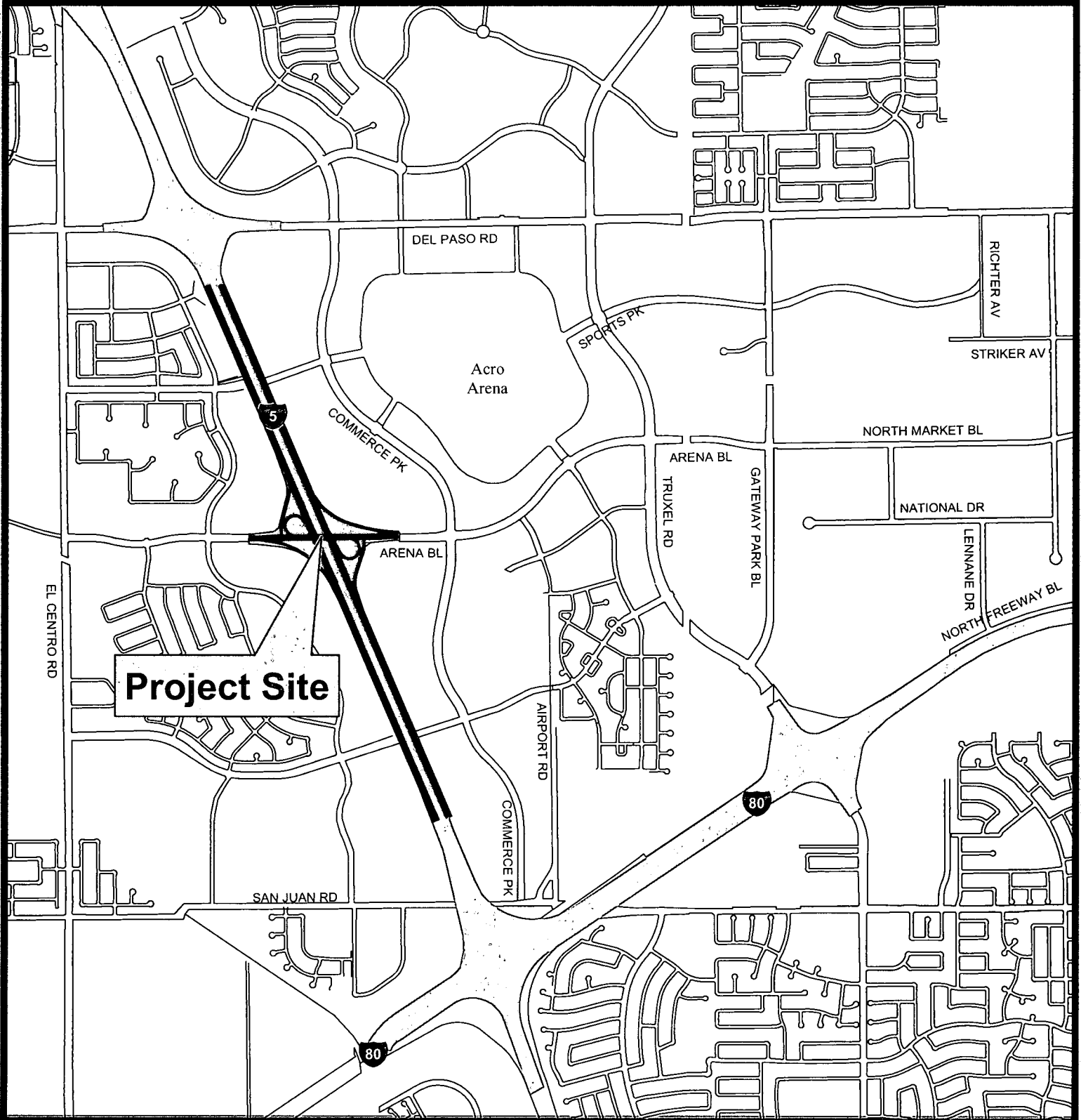
Approved:



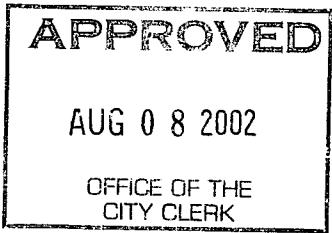
Michael Kashiwagi
Director of Public Works

EXHIBIT A

Arena Boulevard Interchange



Department of
PUBLICWORKS
CITY OF SACRAMENTO
Development Services & Special District



RESOLUTION NO. 2002 - 519

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION AUTHORIZING THE CITY MANAGER AND THE CITY CLERK TO EXECUTE AGREEMENTS WITH WILDLANDS, INC. IN THE AMOUNT OF \$162,400; AND WITH CONSERVATION RESOURCES, LLC. IN THE TOTAL AMOUNT OF \$36,000, FOR PAYMENT OF ENVIRONMENTAL MITIGATION COSTS; AND APPROPRIATION OF \$198,400 (PN: TW01).

BE IT RESOLVED BY THE SACRAMENTO CITY COUNCIL THAT:

1. The City Manager is authorized and directed to execute agreements with Wildlands, Inc. in the amount of \$162,400; and with Conservation Resources, LLC. in the total amount of \$36,000 for payment of environmental mitigation costs.
2. The FY2002/2003 Capital Improvement Program budget is amended by transferring \$198,400 from the North Natomas Public Facility Fee (PFF) and adjusting the budget as follows:

FUND	AGENCY	ORG	OBJECT	CURRENT BUDGET	REVISED BUDGET	INCREASE (DECREASE)	ACCOUNTING REFERENCE
780	710	7012	4999	\$10,583,000	\$10,384,600	(\$198,400)	A
780	500	TW01	4820	\$13,500,000	\$13,698,400	\$ 198,400	B
			EB TOTAL	\$24,083,000	\$24,083,000	\$ 0	

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____