



Staff Report February 14, 2023

TO: Honorable Mayor and Members of the Town Council
FROM: Merrill Buck, Town Engineer
RE: Authorize Town Manager to Purchase Mitigation Credits for the Sierra College Boulevard Widening Project #20-01

Recommendation

Staff recommends that the Town Council adopt a resolution (1) authorizing the Town Manager to purchase mitigation credits for the Sierra College Boulevard Widening Project in an amount up to \$400,000, and (2) authorizing the Town Manager to execute all the documents necessary to secure and implement the mitigation credits on behalf of the Town of Loomis.

Issue Statement and Discussion

As part of the Sierra College Boulevard Widening Project #20-01, the Town will be widening Sierra College Boulevard from Brace Road to Taylor Road from four-lanes to six-lanes, with sidewalks and bicycle lanes.

As part of the work, seasonal wetlands, intermittent stream and riparian habitat will be affected along both sides of the project's frontage in order to grade for the road widening (See Attachment B). As a result, there will be impacts to riparian habitat and wetlands which must be mitigated for under the Biological Resources Section of the project's CEQA approval and regulatory agency permits. The impacts, that if mitigated become a less than significant under CEQA, include the following:

4a – Impact to Species

The project site is potential habitat for some species of special status and migratory birds. To mitigate for this, construction personnel must participate in environmental awareness training, temporary construction fencing must be installed blocking off sensitive areas, and a qualified biologist must be hired to conduct nesting bird surveys, and if nesting birds are present, to identify and create no-disturbance buffers until the nesting has been completed.

4b – Impact to Habitat

Up to sixteen (16) riparian trees were identified for removal in the project area. Mitigation for tree loss habitat is to be offset through the purchase of mitigation credits and replanting of comparable native vegetation onsite. As part of the project, the Town will replant trees within the temporarily affected areas adjacent to the remaining riparian habitat as mitigation.

4c – Impact to Wetlands

Grading required under the project will encroach into aquatic resources areas consisting of seasonal wetlands and an intermittent stream. There are also impacts due to the extension of a 60-inch diameter drainage culvert that crosses under Sierra College Boulevard. The Town's Municipal Code, Section 13.58, requires new development to achieve "no net loss" in mitigating wetlands, along with

compliance with federal and State requirements. This includes obtaining permits or approvals from the following jurisdictions:

- U.S. Army Corps of Engineers (Corps) – Clean Water Act Section 404 permit, Nationwide Permit for Linear Transportation Projects
- Central Valley Regional Water Quality Control Board (RWQCB) – Clean Water Act Section 401 permit, Water Quality Certification
- California Department of Fish and Wildlife (CDFW) – Section 1602 permit, Streambed Alteration Agreement

The permit from each of the above agencies requires mitigation for impacts to wetlands or riparian habitat, typically in a 3:1 ratio. This mitigation can be achieved in one of three ways. The first involves creating new wetlands in a different location, that can sustain plant growth over time. This requires the approval and implementation of a five-year planting, monitoring, and reporting program and often requires the land to be encumbered with a permanent open space easement. This option is not practical for a project of our size and is typically only considered by larger projects that have hundreds of acres to mitigate. On a smaller scale, just the administration and monitoring cost alone can be quite costly.

The second option is to purchase mitigation credits as an offset. These credits are sold by wildlife preserves that create large areas of wetlands and serve as banks for projects that need credits to offset environmental impacts. There are different categories of credits consisting of riparian, stream, seasonal wetlands and vernal pools. Typically in-kind credits are purchased that match the type of environmental impact that needs to be mitigated. For our project, riparian and streambed credits are needed, however there is currently no credits of this type available from nearby wildlife preserves. The Town will propose a not in-kind substitution with seasonal wetland and vernal pool credits, which are available, but it is uncertain if this will be approved by the regulatory jurisdictions.

The third option is to pay into an In-Lieu fund. Under this approach, instead of a mitigation bank selling credits, the In-Lieu fund collects money for authorized activities, such as review of proposed mitigation projects as well as enforcement and compliance actions.

CEQA Requirements

The proposed action is not subject to review under CEQA pursuant to Section 15061(b)(3), which exempts administrative items since they will not result in any direct or indirect physical change in the environment.

Financial and/or Policy Implications

The cost that the Town will need to pay as mitigation for the project is estimated to range from \$150,000 to \$400,000 and will depend upon the wetlands replacement ratio that the permitting agencies require, as either 1:1 or 3:1. It will also depend upon if seasonal wetland and vernal pool credits, which are available from mitigation banks, can be substituted for riparian and streambed credits. If not, and the Town is required to pay into the In-Lieu fund, this would be the most expensive option and cost the Town an estimated \$395,000.

Funding for environmental mitigation was not anticipated as a project expense at the time the Sierra College Widening Project budget was adopted. Funding for the mitigation will therefore need to be made from another funding source. It is recommended that the Town's General Fund Transportation Reserves be used.

Attachment

- A. Resolution
- B. Project Impacts

Item 10 Attachment A

TOWN OF LOOMIS

RESOLUTION NO. 23 - _____

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOOMIS
AUTHORIZING THE TOWN MANAGER TO PURCHASE UP TO \$400,000 IN MITIGATION
CREDITS FOR THE SIERRA COLLEGE BOULEVARD WIDENING PROJECT #20-01 AND
AUTHORIZING THE TOWN MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS**

WHEREAS, as part of the Sierra College Boulevard Widening Project #20-01, the Town will be widening Sierra College Boulevard from Brace Road to Taylor Road from four-lanes to six-lanes; and

WHEREAS, as part of the work there will be impacts to seasonal wetlands, intermittent stream, and riparian habitat which must be mitigated for under the Biological Resources Section of the project's CEQA approval and regulatory agency permits; and

WHEREAS, the cost for environmental mitigation is estimated to be up to \$400,000 depending upon if credits are available for purchase through a wetlands preserve, or if mitigation needs to be provided by paying into an In-Lieu Fund; and

WHEREAS, funding for environmental mitigation was not anticipated as a project expense at the time the Sierra College Widening Project budget was adopted; and

WHEREAS, the Town Manager has recommended that it is in the Town's best interest to use the General Fund Transportation Reserves as the funding source from which to pay for the environmental mitigation; and

WHEREAS, there are sufficient funds available in the General Fund Transportation Reserves for the recommended appropriation.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Town Council of the Town of Loomis hereby authorizes the Town Manager to purchase mitigation credits or pay into an In Lieu Fund for the Sierra College Boulevard Widening Project in an amount up to \$400,000, from the General Fund Transportation Reserves; and be it

FURTHER RESOLVED that the Town Manager is authorized to execute all the documents necessary to secure and implement the mitigation credits or In Lieu Fund on behalf of the Town of Loomis.

PASSED AND ADOPTED this 14th day of February 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

ATTEST:

Mayor

Deputy Town Clerk



Figure 6. Project Impacts