



## Legislation Text

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**File #:** 2020-0781, **Version:** 1

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**To:** Board of Supervisors

**Department or Agency Name(s):** Transportation and Public Works

**Staff Name and Phone Number:** Johannes J. Hoevertsz 707-565-2231

**Vote Requirement:** Majority

**Supervisorial District(s):** All

**Title:**

Award of Contract to Prepare a Draft Mitigation Prospectus for two County properties

**Recommended Action:**

Authorize the Chair to execute an agreement with Wetlands Research Associates Incorporated hereafter WRA, in the amount of \$318,647 to prepare a draft mitigation prospectus for two County owned properties as a first step in creating a mitigation bank to serve on demand needs of the County for future projects requiring the mitigation of environmental impacts.

**Executive Summary:**

The Department of Transportation and Public Works (TPW) in collaboration with Permit Sonoma are seeking to create a mitigation bank on existing County land held by the Integrated Waste Division of TPW. The preparation of a draft mitigation prospectus is the first step in this process. The draft prospectus consists of a conceptual restoration plan and crediting approach that optimizes the mitigation value of the properties, based on the consultant's knowledge of regional mitigation markets and technical understanding of the properties. The prospectus will include strategies for addressing constraints to crediting, as necessary. Through every step of Prospectus development, the consultant will focus on ensuring ecological and financial success, while minimizing costs and risks and expediting review and approval timelines. On March 12, 2020 a Request for Proposal (RFP) was released seeking such services, with proposals due April 30, 2020. Six proposals were received, upon which at the end of a competitive review process by TPW and Permit Sonoma staff, WRA was deemed to have a superior proposal responsive to the County's needs at this time. Staff is recommending entering into an agreement with WRA with a contract amount of \$318,647 to perform the proposed work.

**Discussion:**

**Background:**

In order to affect a more efficient and economic model to facilitate projects where environmental impacts will need to be mitigated, TPW in collaboration with Permit Sonoma are seeking to create a mitigation bank (pre-established mitigation credits that can be utilized for projects) on existing County land held by the Integrated Waste Division of TPW. These properties, located at 601 Hammel Road and 403 Mecham Road, encompass 37.7 and 131.1 acres respectively, with a combined acreage of approximately 168.8 acres. The land in question is a stranded asset of the Integrated Waste Division of TPW, originally purchased as a buffer zone for the

County landfill (now operated by Republic Services) in a partnership with Sonoma County.

Throughout 2019, staff from the Integrated Waste Division of TPW and Natural Resources Divisions of Permit Sonoma reviewed and collaborated on the potential of these sites to better serve the needs of public projects. An initial field visit to the sites with County staff was conducted on April 30, 2019, which ultimately culminated in a meeting with State and Local agencies on July 11, 2019. This visit/tour can best be described as a fatal flaw review of the sites as to whether a project was feasible based on those agencies' feedback that would in turn be approving any proposed mitigation bank. Based on positive feedback from the meeting, and a consensus that there was environmental value to the properties that might be recognized in a mitigation bank, County staff elected to move forward with an RFP for the project to prepare a prospectus and start the process.

**Advertisement of RFP and Selection Process:**

On March 12, 2020, an RFP was released seeking the preparation of a draft mitigation prospectus, with proposals due April 30, 2020. Six proposals were received from the following firms:

1. Analytical Environment
2. Area West Environment
3. Heron Pacific
4. Sol Ecology
5. SWCA
6. WRA

In June 2020, an initial ranking of proposals was determined based on a review and scoring by partnered staff of the two departments based on:

- Demonstrated ability to perform the services described
- Costs relative to the scope of services
- A demonstrated history of providing similar services to comparable entities
- Willingness to accept the County's contract terms
- Quality of Sample Report

From there, a shortlist of the top three proposers was generated to participate in 1 hour presentations/question and answer interviews with a second panel on June 29, 2020. Firms interviewed were:

1. SWCA
2. WRA

### 3. Heron Pacific

Upon conclusion of presentations and interviews, while all firms were deemed capable and had very strong proposals and teams, WRA was deemed to have a superior proposal which was most responsive to the County's needs at this time. WRA is a qualified firm capable of executing the work described in the agreement they are proposed to receive.

#### **Benefits to County:**

A County of Sonoma mitigation bank, if established, would benefit the County by providing secure, on-demand mitigation credits for public projects that have environmental impacts. It is the initial intent of this bank to service infrastructure associated with the Integrated Waste Division and the larger TPW Department, though projects outside TPW may also be accommodated. Based on discussions with other branches of County government, California Tiger Salamander, as well as other credits likely to be generated by this project, are in high demand, and are expected to be needed in the future.

After the mitigation bank is permitted by the regulatory agencies, mitigation credits would be released to the mitigation bank. In practice, when a department such as TPW submits their environmental permits to the regulatory agencies, they will utilize the reserved mitigation bank for credits for compensatory mitigation. It should be noted, should the Board have interest, and the demand for credits be deemed an essential future need, there are other non-county owned properties which lie adjacent or near to the proposed bank, which may be explored for future acquisition to bring additional value to the County, should the Board so direct.

The overall fiscal impact is deemed to be a net positive. An initial contribution of \$318,647 will be necessary from the Integrated Waste Division's Former Rural Landfill Fund to prepare a prospectus.

Additional future costs to the Fund may also include staff time and other costs to build out the bank. The internal sale of mitigation credits, once established, will retire these costs relatively quickly. In addition, the facilitation of County projects by having an internal bank has similar economic benefit that cannot be quantified easily in labor cost savings and project time reduction. Helping in the financial model, the Integrated Waste Division of TPW already owns the properties, such that no purchase would be required, and an existing asset could be monetized to the benefit of the larger County. Permit Sonoma Natural Resource Division staff have prepared a rough value estimate of the credits to be generated based on their experience purchasing credits to satisfy the mitigation requirements of multiple agencies and have estimated a value range from \$2.8 to \$32 million in mitigation credits that could potentially be created. The wide value range presented is based upon multiple data points taking into consideration existing species at each site and the conditions that can be enhanced on the two properties and additionally what can be created beyond what is currently there. The low end of the estimate of \$2.8 million is based upon habitat enhancement for habitat conditions and species, whereas \$32 million is based upon achieving credits for California tiger salamander on large portions of the parcels.

#### **Prior Board Actions:**

None

#### **FISCAL SUMMARY**

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<b>Expenditures</b>	<b>FY 20-21 Adopted</b>	<b>FY21-22 Projected</b>	<b>FY 22-23 Projected</b>
Budgeted Expenses	\$318,647		
Additional Appropriation Requested			
<b>Total Expenditures</b>	<b>\$318,647</b>		
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other	\$318,647		
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>	<b>\$318,647</b>		

**Narrative Explanation of Fiscal Impacts:**

Total estimated value of work to be completed is \$318,647 for FY 20-21 is \$318,647.

This project was not originally included in the FY 20-21 adopted budget. However, a leachate tank installation project at one of the closed rural landfills, which was part of the adopted budget, will be deferred. No additional appropriations are being requested.

Revenue for the maintenance of former rural landfills is generated by the collection of franchise fees as stipulated under the Franchise Agreement between the County of Sonoma and Recology Sonoma-Marin, which became effective in 2009. Franchise fees are collected on a monthly basis. There is no impact to the General Fund.

<b>Staffing Impacts:</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A-I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>

**Narrative Explanation of Staffing Impacts (If Required):**

None.

**Attachments:****Related Items "On File" with the Clerk of the Board:**

Professional Service Agreement - Mitigation Bank Prospectus  
Exhibits A, B, C, & D

