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MEETING NOTICE AND AGENDA

ENVIRONMENTAL MITIGATION PROGRAM WORKING GROUP

The Environmental Mitigation Program Working Group may take action on any item appearing on this agenda.

December 11, 2007

1 to 3 p.m.

SANDAG, 7th Floor Conference Room A
 401 B Street, Suite 800
 San Diego, CA 92101-4231

Staff Contact: Keith Greer
 (619) 699-7390
 kgr@sandag.org

AGENDA HIGHLIGHTS

- *TransNet* ENVIRONMENTAL MITIGATION PROGRAM MEMORANDUM OF AGREEMENT
- FY 08 MANAGEMENT AND MONITORING RECOMMENDATIONS

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ENVIRONMENTAL MITIGATION PROGRAM WORKING GROUP

Tuesday, December 11, 2007

ITEM #		RECOMMENDATION
1.	WELCOME AND INTRODUCTIONS (Chair, Mayor Pro Tem Carrie Downey, City of Coronado)	
+2.	SUMMARY OF NOVEMBER 13, 2007, MEETING Review and approve the meeting summary of the November 13, 2007, meeting.	APPROVE
3.	PUBLIC COMMENTS AND COMMUNICATIONS Members of the public will have the opportunity to address the Environmental Mitigation Program Working Group (EMPWG) on any issue within the jurisdiction of the Working Group. Speakers are limited to three minutes each.	COMMENT
+4.	<i>TransNet</i> ENVIRONMENTAL MITIGATION PROGRAM (EMP) MEMORANDUM OF AGREEMENT (Keith Greer, SANDAG) Mr. Greer will present the proposed <i>TransNet</i> EMP Memorandum of Agreement (MOA) and solicit input from the Working Group on the various components that comprise the MOA.	DISCUSSION
5.	FY 08 MANAGEMENT AND MONITORING RECOMMENDATIONS (Vice-Chair Tom Oberbauer and Susan Wynn) The EMPWG established an ad hoc subcommittee to review the SANDAG Board approved five-year Strategic Plan and will present its recommendations for FY 08 management and monitoring activities to the EMPWG.	DISCUSSION/ POSSIBLE RECOMMENDATION
6.	ADJOURN The next EMPWG meeting is scheduled for January 15, 2008, from 1 to 3 p.m.	INFORMATION

+ next to an item indicates an attachment

San Diego Association of Governments
ENVIRONMENTAL MITIGATION PROGRAM
WORKING GROUP

December 11, 2007

AGENDA ITEM NO.: **2**

Action Requested: APPROVE

SUMMARY OF NOVEMBER 13, 2007, MEETING

File Number 3002700

Members in Attendance:

Carrie Downey (Chair), City of Coronado
Tom Oberbauer (Vice Chair), County of San Diego
Craig Adams, San Diego Conservation Network
Michael Beck, Endangered Habitats League
Patti Brindle, City of Poway, North County Inland
Melanie Johnson-Rocks, City of San Diego
Robert Fisher, USGS
Mike Grim, City of Carlsbad, North County Coastal
Marissa Lundstedt, Chula Vista, South County
Kevin Mallory, City of Santee, East Suburban Communities
David Mayer, Department of Fish and Game
Kathy Viatella, Nature Conservancy
Jim Whalen, Alliance for Habitat Conservation
Susan Wynn, U.S. Fish and Wildlife Service
Emily Young, San Diego Foundation

SANDAG Staff in Attendance:

Keith Greer
Kevin Wood
Carolyn Alkire

Others in Attendance:

Trish Boaz, County of San Diego
Josh Garcia, City of San Diego
Clark Winchell, U.S. Fish and Wildlife Service
Scott Grimes, Endangered Habitats League
Dahvia Lynch, County of San Diego
Jerre Stallcup, CBI
Alec Johnson

1. Welcome and Introductions

Carrie Downey, Chair, called the meeting to order at 1:08 p.m., welcomed the group, and introductions were made.

2. September 11, 2007, Meeting Summary

Michael Beck, Endangered Habitats League, motioned to approve the September 11, 2007, meeting minutes. Craig Adams, San Diego Conservation Network, seconded the motion. The motion was approved unanimously.

3. Public Comments and Communications

Members of the public had the opportunity to address the Environmental Mitigation Program Working Group (EMPWG) on any issue within the jurisdiction of the Working Group.

Chair Downey noted that the recent fires affected lots of preserve lands, and that would influence the work of the group in the coming year. For information purposes, there were maps at the back of the room showing the extent of the fires in 2002, 2003, and 2007 and habitat conservation area boundaries. More detailed information is being collected and will be available in the future.

No other public comments were made.

4. October 12, 2007, Policy Board Direction and Investment Levels for Habitat Conservation

Keith Greer, SANDAG, provided a summary of the presentation to the SANDAG Policy Board on October 12, 2007, and the direction received from the Board to further refine habitat management and monitoring costs and levels of investments.

The Board unanimously approved moving forward looking at future infrastructure investments, including habitat conservation, storm water management, and beach sand replenishment. The Board requested a large list of items for their consideration at the Board retreat in early February. These items include; refined cost estimates for all of the infrastructure types at various levels of investment; a timeline based on the *TransNet* Extension Ordinance to look at the necessary tasks; and an analysis of the existing and potential funding sources for these infrastructure areas. SANDAG staff also needs to look at the legal authority for taxation under its enabling legislation. The Board also asked staff to look at other infrastructures that need funding, specifically, operations funding for public transport. The Board will consider the issues at the retreat in early February. Direction to staff will come at a normal Board meeting in February, which will provide SANDAG staff direction on the next steps in this effort. The main issue the group needs to discuss is further refinement of the costs for management and monitoring and a detailed analysis of different options for investments for each of the infrastructure types. The Board would like to see more information on what kinds of actions can be performed at different levels of investment and the corresponding outcome of those investments.

Mr. Greer presented a spreadsheet detailing some of the different investment scenarios that could occur and the corresponding variables that affect these options (see attached). There are a number of different variables that can be included or excluded and the presented scenarios are just a few options within a range. The Board will likely consider a number of scenarios and study what would be most acceptable to the public before deciding on any single proposal.

There was discussion on some of the points included in the spreadsheet, including a clarification on Principle 10 in the *TransNet* ordinance, which allows reprogramming of funds dedicated to the Regional Habitat Conservation Fund to be put towards local roads and streets once/if a regional funding source is adopted. There also was discussion as to who is responsible for stewardship of private lands dedicated to the County. Mr. Whalen indicated that due to large "lotting" requirements in the County, there is a large amount of privately owned open space. The management responsibilities for these lands needs to be determined and the funding needs considered. Overall, the Board needs to understand what the programmatic requirements are of the regional habitat conservation plans and what the implications of the various funding levels are to these plans. Mr. C. Adams and Ms. Wynn offered clarifications to the spreadsheet which have been changed to reflect those comments.

Mr. Greer indicated that the estimated costs of habitat management and monitoring are based on the best available data from around the county, but if the Working Group members have updated or different information, they are encouraged to provide them to SANDAG staff.

5. Comprehensive Coastal Lagoon Assessment

Bruce April from Caltrans was unable to present due to another commitment. Mr. Greer was asked to give a brief overview of the status of the assessment. The concept was previously heard by the Working Group in January 2007 by Jack Fancher formerly of the U.S. Fish and Wildlife Service. The goal is to take a comprehensive look at the coastal lagoons, identify their needs, and then look at project mitigation that could fulfill these needs. This is similar to what was done with the Bolsa Chica wetlands in Orange County. The assessment, first, would look at the coastal lagoons needs independent of any potential impacts from transportation improvements. After the needs are assessed, then the transportation projects could be examined as ways to fulfill these needs through mitigation. Ms. Susan Wynn indicated that biologically, the lagoons would be examined from the standpoint of the various functions and values that serve; since different lagoons can provide different functions (e.g., clapper rail habitat, open water foraging). There were a number of questions as to the scope of the project and the process. Mr. Greer included that the scope of work was still being drafted and specific questions could be referred to Mr. April at Caltrans. Mr. Greer indicated that he wanted to keep the Working Group apprised of this project, but indicated that the project is only in its infancy.

6. FY 08 Management and Monitoring Recommendations

Mr. Greer indicated that it was time for the Working Group to review the five-year funding strategy and make recommendations for FY 08. Mr. Greer shared information on the approved five-year strategy and indicated that there were unassigned funds under FY 08 and additional funds that could be redirected or replaced with recently awarded grant funding. This includes \$1.3 million budgeted for "other regional monitoring" and \$350,000 for "other management needs." Local Assistance Grant funds totaling \$175,000 could replace some of the money for vegetation mapping and rare plant monitoring freeing it for use elsewhere, and the contribution for the BIOS database is no longer needed. Dr. Fisher asked that Mr. Greer confirm that the state no longer needed the funding for BIOS. Chair Downey suggested that an ad hoc committee could be formed with members who had some technical expertise to develop a proposal for FY 08 as was done last year. The Working Group members discussed that in previous years there had been a competitive

proposals process and an in-house evaluation of possible projects. It was reaffirmed that the process that was used last year consisted of general allocations of funds to categories of activities, some of which would require a competitive process for actual projects.

Mr. Greer reiterated that the task is not to rewrite the whole five-year plan, but only to look at years one and two to reconfirm the needs, add new recommendations as appropriate, and make recommendations for those unallocated funds. Funds for FY 08 are not yet available, but would be released when the Memorandum of Agreement (MOA) between SANDAG and the wildlife agencies is executed. Mr. Greer indicated that the EMP Working Group's recommendations could go to the Board on the same date as the MOA.

Nine members of the Working Group volunteered to be part of the subcommittee, with two additional members willing to attend if one of the nine could not subsequently attend. Vice-Chair Mr. Oberbauer offered to lead the subcommittee. Mr. Greer indicated he would confirm the attendance prior to the meeting to assure that there was not a violation of the Brown Act. The subcommittee would report back at the next Working Group meeting.

8. Adjourn

Ms. Downey adjourned the meeting at 2:32 p.m. The next meeting is scheduled for December 11, 2007, from 1 to 3 p.m.

	Estimated Range of Cost	Max. Cost Est.	
	Range of Costs per October 2007 Revisions - \$1,766 - \$2,381 million.	\$2,381	At the October 9 EMPWG and October 12 BOD Policy Meeting, SANDAG Staff presented a revised range of comprehensive costs for complete implementation of the regional habitat conservation plans. This range was \$1.8-\$2.4 billion. Also presented were several unresolved issues that could reduce this range based on as yet undecided policy decisions. For this discussion, the high-end of the range is used as a starting point for Working Group discussions.
	Unresolved Issues that Could Affect Range	Offset	Analysis
1	Acres of Private Habitat Assumed to be Publicly Funded for Land/Stewardship Management	(616)	The City of San Diego adopted a policy to accept lands dedicated to the City in fee title or easement and would be taken without an endowment for management and monitoring. The County of San Diego adopted the policy that it would assume the cost of adaptive management and monitoring but not basic land/stewardship management. Chula Vista adopted a Community Facility District for portions of its HCP. Applying these policies would offset the necessary public funding for implementation.
2	Application of Conservation Funds from <i>TransNet</i> .	(200)	On June 13, 2006, staff from Caltrans, City of San Diego, County of San Diego, Endangered Habitats League, USFWS, CDFG, and SANDAG met to clarify what "credit" towards regional funding could result from <i>TransNet</i> . It was affirmed that the Regional Habitat Conservation Funds (\$200 million) could receive credit toward regional funding. This assumes that the funds are used for habitat conservation, management, and/or monitoring and not redirected to local transportation projects pursuant to <i>TransNet</i> Principle #10 which states, "In the event that such future funding measures generate funding to fully meet regional habitat acquisition and management requirements, SANDAG is authorized to reallocate excess funds included in the "Regional Habitat Conservation Fund" to local transportation projects."
3	10% Contingency	(118)	At the September 13, 2007, EMPWG meeting, it was discussed that a contingency should be established to deal with <u>changed</u> circumstance similar to Chula Vista HCP. Conversely, it was discussed that the increase in cost associated with adaptive management should cover unforeseen circumstances. Ten percent of the annual recurring cost was used based upon CNLM's PAR for the Carlsbad HCP and East Contra Costa County HCP.
4	Deposits to Permanent Endowment	(581)	All NCCPs/HCPs require a "secure, long-term funding source." The MSCP South (pp.7-7 and 7-8) and MHCP plans (pp. 7-2 and 7-8) evaluated a permanent endowment to fund annual recurring costs, but indicated that this was an optional element which could be retained or omitted in developing a final financing plan. Development of a permanent endowment using tax funding is rare, but there are a few cases. The alternative is to renew or replace the regional funding when it expires as described as an alternative in the MHCP.
5	Funding for MSCP East County	(170)	Work on the East County MSCP is still in the early planning phases with anticipated completion in Fall 2009. The acreage and costs for implementation are not well known. However, with the proposed change of date to secure a regional funding to 2010, inclusion seems reasonable.
6	Cost of Continuation of Current Jurisdictions Annual Contributions	(300)	Currently, the six jurisdictions which have adopted NCCP/HCPs annual contributions for implementation is \$12.8 million in FY2007-2008. The NCCP/HCPs implementing agreements assumed that a regional funding source would replace the short-term funding provided by these jurisdictions. Continuation of these annual contributions raised issues of equity and fairness among the current and future participating jurisdictions.

Level of Infrastructure Investment Examples (millions 2006\$ over 40 years)	Results
~\$2,400	Acquisition of remaining habitat as required or projected by the NCCP/HCPs.
	All one-time start-up costs (e.g., initial restoration, management start-up) on existing lands and lands to be acquired.
	Stewardship management on all lands in Preserve system.
	Adaptive management and biological monitoring on all lands in Preserve system.
	Covers all NCCP/HCPs in the region - MSCP South, MSCP, North and East County MSCP.
	Permanent endowment.
	10% Contingency for <u>changed</u> circumstance.
	Funds would cover implementation costs for current and future jurisdictions participating in NCCP/HCPs.
	TransNet EMP Regional Habitat Conservation Funds could shift to fund local streets per EMP Principle 10.
~\$2,000	Acquisition of remaining habitat as required or projected by the NCCP/HCPs.
	All one-time start-up costs (e.g., initial restoration, management start-up) on existing lands and lands to be acquired.
	Stewardship management on all lands in Preserve system.
	Adaptive management and biological monitoring on all lands in Preserve system.
	Covers all NCCP/HCPs in the region - MSCP South, MHCP, North and East County MSCP.
	Permanent endowment.
	No Contingency for <u>changed</u> circumstance.
	Funds would cover implementation costs for current and future jurisdictions participating in NCCP/HCPs.
	Requires TransNet EMP Regional Habitat Conservation Funds (\$200 million) to remain for habitat acquisition, management, and/or monitoring.
~\$1,500	Acquisition of remaining habitat as required or projected by the NCCP/HCPs.
	All one-time start-up costs (e.g., initial restoration, management start-up) on existing lands and lands to be acquired.
	Stewardship management on existing public (local) lands and lands purchased with public funding.
	Adaptive management and biological monitoring on all lands in Preserve system.
	Covers all NCCP/HCPs in the region - MSCP South, MHCP, North and East County MSCP.
	Permanent endowment.
	10% Contingency for <u>changed</u> circumstance.
	Funds would cover implementation costs for jurisdictions currently participating in NCCP/HCPs.
	Requires TransNet EMP Regional Habitat Conservation Funds (\$200 million) to remain for habitat acquisition, management, and/or monitoring.
~\$1,000	Acquisition of remaining habitat as required or projected by the NCCP/HCPs.
	All one-time start-up costs (e.g., initial restoration, management start-up) on existing lands and lands to be acquired.
	Stewardship management on existing public (local) lands and lands purchased with public funding.
	Adaptive management and biological monitoring on all lands in Preserve system.
	Covers all NCCP/HCPs in the region - MSCP South, MHCP, North and East County MSCP.
	No permanent endowment. 40 years of implementation.
	10% Contingency for <u>changed</u> circumstance.
	Funds would cover implementation costs for jurisdictions currently participating in NCCP/HCPs.
	Requires TransNet EMP Regional Habitat Conservation Funds (\$200 million) to remain for habitat acquisition, management, and/or monitoring.

San Diego Association of Governments
ENVIRONMENTAL MITIGATION PROGRAM
WORKING GROUP

December 11, 2007

AGENDA ITEM NO.: **4**

Action Requested: DISCUSSION

TransNet ENVIRONMENTAL MITIGATION PROGRAM
MEMORANDUM OF AGREEMENT

File Number 3002700

Introduction

The *TransNet* Extension Ordinance and Expenditure Plan were adopted by the SANDAG Board on May 28, 2004, which included a set of ten principles (Attachment 1) that further defines the major elements of the Environmental Mitigation Program (EMP). On September 24, 2004, the SANDAG Board of Directors approved implementation guidelines (Attachment 1) for the *TransNet* Extension Environmental Mitigation Program (EMP), which was to be used as the basis for the agreements with the state and federal wildlife agencies that will be required to implement the EMP. On November 2, 2004, the *TransNet* Extension Ordinance and Expenditure Plan were adopted by the voters.

Over the last two years, staff from SANDAG, CALTRANS, U.S. Fish and Wildlife Service and California Department of Fish and Game, along with input from other stakeholders has resulted in the development of a proposed Memorandum of Agreement (MOA), which will establish the process for allocation of *TransNet* funds for the early mitigation of *TransNet* projects along with the methods for providing assurances that the early mitigation will satisfy future project needs.

Discussion

The *TransNet* Extension Ordinance Environmental Mitigation Program (EMP) states, "*The intent is to establish a program to provide for large-scale acquisition and management of critical habitat areas and to create a reliable approach for funding required mitigation for future transportation improvements thereby reducing future costs and accelerating project delivery.*"

Working with Caltrans, U.S. Fish and Wildlife Service and California Department of Fish and Game, it was decided that a processing agreement in the form of an MOA would best expedite the goals of the *TransNet* EMP while providing the necessary assurances for project mitigation. Mr. Greer will provide a PowerPoint presentation outlining the key elements of the proposed MOA. It is SANDAG staff's intent to provide a final draft of the actual MOA at the meeting or prior, if available.

Attachment: 1. Environmental Mitigation Program Implementation Guidelines

Key Staff Contact: Keith Greer, (619) 699-7390; kgr@sandag.org



REVISED

BOARD OF DIRECTORS
SEPTEMBER 24, 2004

AGENDA ITEM NO. 04-09- 15
ACTION REQUESTED - APPROVE

TransNet Extension
ENVIRONMENTAL MITIGATION
PROGRAM IMPLEMENTATION
GUIDELINES

Recommendation

It is recommended that the Board of Directors concur with the implementation guidelines, as outlined in this report, to be used as the basis for the agreements with state and federal wildlife agencies that will be required to implement the Environmental Mitigation Program (EMP) consistent with the passage of Proposition A.

Introduction

The *TransNet Extension* Ordinance and Expenditure Plan, as adopted by the Board on May 28, 2004, includes an attachment containing a set of principles ([Attachment 1](#)) that further defines the major elements of the EMP and a process for how the EMP will be implemented if Proposition A is approved by the voters on November 2, 2004. These principles refer to the establishment of a regional entity to be responsible for the allocation of funds available under the EMP and the development of implementing agreements needed to provide coverage for the projects in the Regional Transportation Plan (RTP) under the adopted habitat conservation plans.

Following the adoption of the Ordinance, a series of meetings related to the EMP has taken place including representatives of environmental organizations, officials from

the state and federal wildlife agencies (California Fish & Game and U.S. Fish & Wildlife Service), SANDAG Board members and staff. These discussions have been focused on developing guidelines for the implementation of the EMP which will serve as the initial steps in the process for preparing the required implementing agreements and establishing the regional entity. The purpose of this item is to provide a statement of intent from the Board regarding the implementation of the EMP, as summarized in the implementation guidelines outlined in the Discussion section.

Discussion

Based on the results of these discussions related to the EMP, and building upon the numerous EMP requirements contained in the adopted Ordinance and its attachments, a summary of the implementation guidelines representing areas of agreement on specified issues is provided below. These implementation guidelines provide a statement of intent regarding how the EMP will be implemented if Proposition A is approved by the voters in November. These guidelines assume the early implementation of the EMP program. The acceleration of the EMP program is important in order to provide for the required mitigation of key projects in advance so that transportation project implementation can be accelerated as well. These early actions would require restructuring the financial plans for the current program or borrowing against future funding from the new program beginning in FY 2009. This advance funding would be one of many issues to be resolved in a detailed financial planning analysis to be undertaken following passage of Proposition A. The

implementation guidelines are as follows (all dollars shown are in 2002 dollars consistent with the *TransNet Extension Ordinance* and Expenditure Plan):

1. Funding for "management and monitoring implementation" activities would be allocated based on the targets set forth in the following schedule: \$1 million in FY 05-06; \$2 million in FY 06-07; \$4 million in FY 07-08; and \$5 million in each year thereafter. Funding for this category may be reduced due to restrictions on borrowing of such funds for management purposes.
2. Funding for "habitat restoration activities" would be allocated based on the targets set forth in the following schedule: \$5 million per year beginning in FY 14-15 and continuing through FY 22-23. These are estimated costs. Actual expenditures for restoration activities would be based on requirements for mitigation of upland and wetland habitat impacts of transportation projects, and may exceed the targets set forth above.
3. A line of credit, or similar flexible financing mechanism, would be established in order to allow acquisition of habitat land to meet mitigation requirements for transportation projects, while at the same time meeting acquisition priorities established in the adopted regional habitat management programs. This will include early acquisition of properties that are at risk of conversion to agricultural or urban uses, or other critical habitat lands that would satisfy the mitigation requirements for transportation projects covered by this program. Acquisitions outside approved sub-area plans of the adopted regional habitat management programs also must meet wildlife agency approved state Natural Community Conservation Program (NCCP) criteria.

The total financing costs for early land acquisitions under this line of credit, including any subsequent debt financing that may be used to retire the line of credit, would not exceed \$230 million, which would be paid from the "Regional Habitat Conservation Fund" (up to \$200 million) and a portion of total financing costs allocated in the Expenditure Plan (up to \$30 million).

Total costs for the EMP are not to exceed \$880 million, of which \$650 is allocated for direct mitigation of transportation projects, up to \$200 million for allowable activities under the Regional Habitat Conservation Fund, and up to \$30 million for additional financing costs.

In addition, to the degree needed, up to \$82 million in "intra-program fund transfers" (interest-free fund transfers from transportation project categories) would be allowed beginning in FY 08-09. Such intra-program transfers would be distributed over the early years of the program in such a way that transportation projects are not delayed. Such transferred funds would be returned for use on transportation projects by end of the program.

4. Funding for advanced land acquisitions under this program would be made available beginning July 1, 2006, with approximately \$290 million of habitat land to be purchased over no more than a fifteen year period.

~~5. The SANDAG Board of Directors would be designated as the regional entity responsible for the allocation of funding under this program. The Board of Directors would be advised by a policy committee that includes a limited number of elected officials representing SANDAG member agencies, as well as non-voting members representing the wildlife agencies, U.S. Army Corps of~~

~~Engineers, and other entities responsible for issuing permits and entitlements for transportation projects.~~

~~6.5.~~ The ~~policy committee~~ regional entity described in ~~Section 5 above Principle 5~~ would be advised by a technical working group that includes staff members representing the entities described above, as well as representation from a consortium of habitat preserve land managers who are active within the county.

These guidelines provide the initial steps toward development of the agreements with the wildlife agencies required to implement the EMP and to ensure that the intent of the EMP is carried out. In addition to being used in the development of these required agreements, the guidelines also will be used in other actions related to the implementation of the EMP as they are presented to the SANDAG Board of Directors in the future should Proposition A be successful this November.

GARY L. GALLEGOS
Executive Director

[Attachment](#)

Key Staff Contact: Craig Scott,
(619) 699-1926; csc@sandag.org

No Budget Impact

Attachment 1

TRANSNET EXTENSION ENVIRONMENTAL MITIGATION PROGRAM (EMP) PRINCIPLES

1. The TransNet Extension Expenditure Plan shall include a funding allocation category entitled "Transportation Project Environmental Mitigation Program."
2. The Environmental Mitigation Program (EMP) shall include an allocation for the estimated direct costs for mitigation of upland and wetland habitat impacts for regional transportation projects included in the proposed TransNet Expenditure Plan, as well as for regional projects that are included in the adopted 2030 Regional Transportation Plan Mobility Network. The "mitigation costs," including land acquisition, restoration, management, and monitoring, for these regional projects are estimated at approximately \$450 million. Funds for direct mitigation, management and monitoring of these projects shall be placed into a "Transportation Project Mitigation Fund," where they can be used as partial funding for regional acquisition, habitat management and monitoring activities related to implementation of the Multiple Species Conservation Program (MSCP), the Multiple Habitat Conservation Program (MHCP), and future amendments thereto.
3. The EMP shall also include an allocation for the estimated direct costs for mitigation of upland and wetland habitat impacts for local transportation projects, in a total amount not to exceed \$200 million. Funds for direct mitigation of these projects shall also be placed in the "Transportation Project Mitigation Fund" outlined in Section 2 above.
4. The EMP shall also include a funding allocation for the estimated economic benefits of incorporating specified regional and local transportation projects into applicable habitat conservation plans, thereby allowing mitigation requirements for covered species to be fixed, and allowing mitigation requirements to be met through purchase of land in advance of need in larger blocks at a lower cost. The benefits of this approach are estimated at approximately \$200 million (\$150 million for regional projects and \$50 million for local projects). This amount will be allocated to a "Regional Habitat Conservation Fund," which will be made available for regional habitat acquisition, management and monitoring activities necessary to implement the MSCP and MHCP described in Section 2 above. Therefore, the total funding allocation for the Environmental Mitigation Program shall be set at \$850 million.
5. SANDAG shall work with the Wildlife Agencies (California Department of Fish and Game and the US Fish and Wildlife Service) and permit holders under the MSCP and MHCP to establish a regional entity that will be responsible for the allocation of funding included in the "Regional Habitat Conservation Fund" in accordance with the goals and policies of said plans. In addition, this entity will provide recommendations regarding the structure and content of future funding measures as described in Section 10 below.
6. Land acquisitions, and management and monitoring activities, that result from the implementation of this program shall receive credit toward the "regional funding obligations," if any, under the applicable habitat conservation plans, with the exception that land acquisitions in the MSCP planning area (as designated and permitted as of April 9, 2004) shall not count toward the regional funding obligation for land acquisition (currently estimated at 10,267 acres) established for that program.

7. In order to provide the economic benefits of the proposed EMP, the participating local jurisdictions shall apply for, and the Wildlife Agencies shall process, requests for any necessary amendments to the previously adopted MSCP and related agreements and permits, to include Regional Transportation Plan (RTP) transportation projects as “covered projects” under this plan pursuant to the standards in effect at that time for the remaining life of those plans. For projects in the planning areas of the MHCP and proposed MSCP North County Suburban for unincorporated North County, the participating local jurisdictions shall include RTP projects in their proposed plans and implementing agreements, and the Wildlife Agencies will process those plans and agreements so as to provide coverage for RTP projects for the life of those plans.
8. The expenditure of funds included in this allocation category shall be phased over time in order to allow goals of regional habitat acquisition, management and monitoring to be met, while also meeting the requirements for individual transportation projects. The timeframe by which the phasing will be done will allow for the early acquisition of land within the first 10 years of the permits and/or amended permits with corresponding funds available for management and monitoring. In addition, mitigation land for projects in the planning area covered in the proposed MSCP for unincorporated North County shall be purchased within the multiple habitat planning area designated for that plan, while mitigation for projects in the adopted MSCP and MHCP planning areas shall be purchased within the multiple habitat planning areas designated for those plans, unless otherwise approved by SANDAG, the Wildlife Agencies, and affected permit holders. As transportation projects are completed, if it is determined that the actual direct costs for mitigation of upland and wetland habitat impacts are less than those that were estimated in Section 2 above, those cost savings shall be transferred to the “Regional Habitat Conservation Fund” described in Section 4 above.
9. In addition to the direct economic benefits associated with inclusion of these projects in the MSCP and MHCP, SANDAG and the Wildlife Agencies both recognize the value of expedited processing of environmental documents for individual transportation projects by all involved Federal, State, and regional agencies. Therefore, SANDAG and the Wildlife Agencies shall actively support efforts to accomplish complete review of environmental documents within reduced timeframes. To the extent that the processing time required for such documents is reduced, the value of expedited processing shall be allocated equally between transportation-related expenditures and the “Regional Habitat Conservation Fund”. SANDAG and the Wildlife Agencies will develop guidelines for implementing this principle within one year of the passage of the TransNet extension.
10. SANDAG agrees to act on additional regional funding measures (a ballot measure and/or other secure funding commitments) to meet the long-term requirements for implementing habitat conservation plans in the San Diego region, within the timeframe necessary to allow a ballot measure to be considered by the voters no later than four years after passage of the TransNet Extension. In the event that such future funding measures generate funding to fully meet regional habitat acquisition and management requirements, SANDAG is authorized to reallocate excess funds included in the “Regional Habitat Conservation Fund” to local transportation projects.

11. In the event that SANDAG and its member agencies are not able to obtain coverage for transportation projects the MSCP and MHCP in accordance with the principles set forth above, the funding allocations set forth in this program shall be made available to meet habitat mitigation requirements of transportation projects, either through an alternative program that is acceptable to SANDAG, its member agencies, and the Wildlife Agencies, or through environmental review and permitting of individual projects under existing regulatory procedures.