



## Staff Report

**TO:** City Council  
**FROM:** Jeff Hart, Director of Public Works  
**DATE:** March 7, 2023  
**SUBJECT:** Agreement for Purchase of Mitigation Bank Credits Associated with Capital Improvement Program (CIP) No. 2017-009 Pennsylvania Avenue Widening

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**Description** Authorize an agreement in an amount of \$80,000 for purchase of mitigation bank credits associated with CIP 2017-009 Pennsylvania Avenue Widening.

### **Background and Analysis:**

On August 17, 2022, City Council adopted the Initial Study/Mitigated Negative Declaration (IS/MND) and Mitigation Monitoring and Reporting Program (MMRP) for the Pennsylvania Avenue Widening Project. The MMRP identifies various mitigation measures required to ensure that the Pennsylvania Avenue Widening Project complies with all applicable environmental mitigation requirements identified in the IS/MND (see Attachment B).

One of the mitigation measures, BIO-2, requires the City to offset permanent impacts to 0.1-acres of riverine resources by purchasing 0.1 acres of re-establishment credits and 0.1 acres of re-habilitation credits from the Riverpark Mitigation Bank located within the San Jacinto watershed. On November 15, 2022, the City Council authorized a letter of credit in an amount not to exceed \$96,000 for future purchase in order to prevent a construction delay, as mitigation bank credits were not available for purchase at the time. While the mitigation bank was in the process of drafting the letter of credit, the mitigation credits were released and made available for purchase. As a result, a letter of credit was no longer needed, and the mitigation bank proceeded with preparing a purchase agreement for immediate purchase of the required mitigation credits.

The Riverpark Mitigation Bank has prepared the attached agreement for sale of mitigation credits (See Attachment A) for an amount of \$80,000. Execution of the attached agreement will allow the City to purchase 0.2 re-establishment mitigation credits in compliance with the Mitigation Monitoring and Reporting Program for the Pennsylvania Avenue widening project.

**Fiscal Impact:**

Project funding is based on the approved five-year Capital Improvement Plan. An amount of \$80,000 will be paid from the permit budget. The following is a summary of the funding and budget:

<b>2017-009 Pennsylvania Avenue Widening Project Accounting Summary</b>				
<b>Funding Summary</b>				
<b>Funding Year</b>	<b>Funding Source</b>			<b>Amount</b>
FY 17/18	Road & Bridge DIF			\$650,000.00
FY 17/18	Grant			\$24,600.00
FY 19/20	TUMF			\$3,368,000.00
FY 22/23	2022 Appropriation Bill			\$1,300,000.00
FY22/23	General Fund			\$4,000,000.00
FY22/23	Road & Bridge DIF			\$1,200,000.00
<b>Total Project Funding =</b>				<b>\$10,542,600.00</b>
<b>Budget Summary</b>				
<b>Project Component</b>	<b>Budget</b>	<b>Encumbered</b>	<b>Paid to Date</b>	<b>Remaining Budget</b>
Project Management	\$22,537.00	(\$22,537.44)	(\$22,537.44)	\$0.00
Preliminary Services	\$0.00	\$0.00	\$0.00	\$0.00
Environmental	\$164,026.00	(\$164,026.00)	(\$163,583.10)	\$0.00
Design	\$679,396.00	(\$679,396.00)	(\$501,717.86)	\$0.00
Construction	\$9,285,268.00	(\$9,285,268.00)	(\$173,000.00)	\$0.00
Construction Services	\$60,000.00	(\$20,810.00)	\$0.00	\$39,190.00
Permits	\$331,373.00	(\$112,102.00)	(\$31,760.51)	\$219,271.00
Equipment	\$0.00	\$0.00	\$0.00	\$0.00
<b>Project Summary Totals</b>	<b>\$10,542,600.00</b>	<b>(\$10,284,139.44)</b>	<b>(\$892,598.91)</b>	<b>\$258,461.00</b>

**Recommended Action:**

Authorize the Mayor to execute an agreement for sale of credits in an amount of \$80,000 for purchase of mitigation bank credits associated with CIP 2017-009, Pennsylvania Avenue Widening.

**Attachments:**

- A. Riverpark Mitigation Bank – Agreement for purchase of Credits
- B. Mitigation Monitoring and Reporting Program (MMRP)