



MEMORANDUM

To: Abigail Fateman, East Contra Costa County Habitat Conservancy
From: Robert Spencer, Urban Economics
Date: February 17, 2021
Subject: 2020 Updated Mitigation Fee Schedule

The *East Contra Costa Habitat Conservation Plan and Natural Community Conservation Plan* (the Plan) requires that the East Contra Costa County Habitat Conservancy (the Conservancy) periodically update the Plan's funding model to ensure that mitigation fees generated by development and other activities covered by the Plan are adequately covering their fair share of total Plan costs. This "periodic audit" as it is called in the Plan (or "fee audit") results in an updated mitigation fee schedule based on a comprehensive review of all Plan costs and revenues. In between periodic audits the Conservancy updates fees annually based on inflation indexes prescribed by the Plan.

Local jurisdictions that are permittees under the Plan (the County of Contra Costa and the cities of Brentwood, Clayton, Oakley, and Pittsburg) impose the Plan's mitigation fees on development projects covered by the Plan within their respective jurisdictions, and forward fee revenue to the Conservancy to fund Plan implementation. For a small share of activities covered by the Plan, the Conservancy imposes the Plan's mitigation fees directly on "participating special entities" (PSEs) such as public utilities that seek coverage under the Plan.

To date the Conservancy has been imposing mitigation fees on PSEs based on the results of the 2013 Fee Audit adjusted annually for inflation. Due to prior litigation, local jurisdictions have been imposing mitigation fees on development projects based on the original 2006 fees included in the Plan, also adjusted annually for inflation. Consequently, two mitigation fee schedules have been used to implement the Plan, one used by local jurisdictions for most covered activities, and one used by the Conservancy for that small share of covered activities associated with PSEs.

The Conservancy completed a fee audit in 2017 (*Mitigation Fee Audit and Nexus Study*) as required by the Plan but did not adjust the PSE fee schedule pending the resolution of the prior litigation. Now that the prior litigation has been resolved, the Conservancy can adopt the 2017 Fee Audit and both local jurisdictions and PSEs can now use the same mitigation fee schedule.

The updated 2020 mitigation fee schedule based on the 2017 Fee Audit is shown in Table 1. The fee schedule is based on the mitigation fees from the 2017 Fee Audit adjusted for inflation for the intervening three years (2018, 2019, and 2020).

The updated fee schedule results in only a modest change (+/- 5%) to the current development fees that are by all projects covered under the Plan. Wetland fees, paid in addition to the development fee fees when specific land cover types are disturbed, change more substantially because of the results of the 2013 and 2017 Fee Audits.

This fee schedule will be adjusted again for annual inflation this spring and again in 2022. The next periodic review will be conducted in 2022 with results reflected into the 2023 fee schedule.

Table 1: 2020 Mitigation Fee Schedule Based On 2017 Fee Audit

Land Cover	Fee Basis	Current 2020 Fee		Updated 2020 Fee Based On 2017 Fee Audit	Change from Current 2020 Fee	
		Cities/ County	Conservancy		Cities/ County	Conservancy
Development Fee						
Zone 1	per acre	\$17,140	\$15,694	\$16,442	(4.1%)	4.8%
Zone 2	per acre	\$34,280	\$31,387	\$32,884	(4.1%)	4.8%
Zone 3	per acre	\$8,571	\$7,847	\$8,221	(4.1%)	4.8%
Wetland Fee						
Riparian	per acre	\$84,240	\$109,088	\$99,235	17.8%	(9.0%)
Perennial Wetland	per acre	\$115,275	\$160,276	\$150,393	30.5%	(6.2%)
Seasonal Wetland	per acre	\$249,763	\$371,531	\$351,945	40.9%	(5.3%)
Alkali Wetland	per acre	\$236,462	\$375,291	\$355,792	50.5%	(5.2%)
Ponds	per acre	\$125,621	\$203,316	\$193,666	54.2%	(4.7%)
Aquatic (Open Water)	per acre	\$63,549	\$101,658	\$96,834	52.4%	(4.7%)
Slough / Channel	per acre	\$143,355	\$148,158	\$138,277	(3.5%)	(6.7%)
Streams (<=25 ft. wide)	per ln ft.	\$687	\$414	\$510	(25.7%)	23.2%
Streams (>25 ft. wide)	per ln ft.	\$1,035	\$621	\$766	(26.0%)	23.3%