



REPORT TO CITY COUNCIL

To: Honorable Mayor and Members of the City Council

From: Jason Simpson, City Manager

Prepared by: Remon Habib, City Engineer

Date: May 23, 2023

Subject: Riverpark Mitigation Bank Credit Reservation Agreement for Summerhill Drive Road Extension Project

Recommendation

Authorize the City Manager to execute a Mitigation Credit Reservation Agreement in the initial deposit amount of \$128,350 to be applied towards the purchase of mitigation credits pursuant to an Agreement for Sale of Credits in the total amount of \$1,283,500, in substantially the form attached and in such final form as approved by the City Attorney.

Background

The City has completed the design, specifications, and Right of Way documents for the extension of Summerhill Drive from Ponte Russo to Greenwald for an approximate extension of 4,200 ft. Currently, the City's environmental Consultant Glenn Lukos is providing professional services in order to complete permitting and acquire mitigation credits for the project.

The professional services agreement with Glenn Lukos was approved by Council on January 18, 2019 to perform the necessary biological studies and to prepare and process the regulatory agency permits that are required prior to construction of the Summerhill Drive extension. A Professional Services Agreement with Hunsaker and Associates was approved by Council on May 14, 2019 to complete the design documents for the project.

Discussion

The Summerhill Drive Extension Project has been authorized to purchase 1.51 re-establishment CDFW mitigation credits, and 1.51 rehabilitation CDFW mitigation credits at the Riverpark Mitigation Bank. The credits are not available currently, but are expected to be available at a later date. The Credit Reservation Agreement will enable the City to reserve the credits necessary for

Summerhill Road Project Bank Credit

mitigation by the project, allowing the project to move forward when construction funding is available.

Fiscal Impact

The Summerhill Extension project is programmed in the City's CIP budget. The immediate fiscal impact to the City under the Credit Reservation Agreement is 10% of the total purchase price, or \$128,350. The \$1,155,150 remaining balance of the purchase price will be due within 14 days of the notice of credit availability. If credits are not available by March 31, 2024, the City can elect to extend the agreement or receive a full refund of the deposit.

Attachments

Attachment 1- Letter from McCollum and Sweetwater

Exhibit A- Summerhill Drive Extension Credit Reservation Agreement