CITY OF MENIFEE

SUBJECT:	Holland Road/I-215 Overcrossing Environmental Mitigation Credit Payment
MEETING DATE:	December 7, 2022
TO:	Mayor and City Council
PREPARED BY:	Carlos Geronimo, Principal Engineer
REVIEWED BY:	Nick Fidler, Public Works Director
APPROVED BY:	Armando G. Villa, City Manager

RECOMMENDED ACTION

1. Authorize the City Manager to execute necessary documents and issue payment in an amount not to exceed $300,000 to an environmental mitigation bank to purchase environmental mitigation credits for the Holland Road / I-215 Overcrossing Project (CIP) No. 13-03.

DISCUSSION

The Holland Road / I-215 Overcrossing project proposes to construct a four-lane bridge and road over the Interstate 215 from Haun Road to Hannover Lane connecting the city's east and west sides. The project will also construct Mechanically Stabilized Earth (MSE) retaining walls on the east side due to right-of-way restrictions, drainage improvements, traffic signals at Haun Road and at Hannover Lane, irrigation, and landscaping.

A portion of the project is located within the limits of Old Paloma Wash, which is listed as a "blue line stream" or a "water of the United States" which is managed by the Army Corps of Engineers (ACOE). The project proposes to re-align the stream to accommodate the roadway and bridge construction. The re-alignment of the Old Paloma Wash causes permanent disturbances to the stream which need to be mitigated per the project's CEQA environmental studies and mitigation measures which state the following:

"*Prior to initiating work in waters of the U.S. the Permittee shall provide the U.S. Army Corps of Engineers (Corps) proof of mitigation credit purchase of 0.65 acre of non-wetland waters of the U.S credits from the Santa Ana River Watershed In-Lieu Fee Program.*"

Section BIO-15 of the attached Environmental Comment Record (ECR) requires that mitigation be performed that restores riparian-riverine project impacts on a 1:1 ratio. This may be done on-site (if feasible) or through purchase of mitigation bank credits to support dedicated riparian areas

located offsite and administered through programs such as the Riverside-Corona Resources Conservation District In-lieu Fee Program. An exact estimate for the cost of purchasing these credits would not be available until final mitigation ratios are determined for the project following review of project by all environmental agencies. There are several environmental banks set up throughout California where projects can purchase these credits. Based on information available via the City's environmental consultant, the estimated cost to purchase mitigation credits for this project is anticipated to cost between $150,000 to $250,000.

The specific environmental bank that the City would purchase credits from has yet to be identified. Funding for environmental mitigation in the amount of $300,000 is available in current project budgets to be used for the credit purchase. To meet the time sensitive nature of this payment once a mitigation bank is identified, staff is requesting that the City Council authorize the City Manager to sign any required documents and approve the payment of mitigation credit costs up to $300,000. City Council approval is required to process this environmental mitigation payment as the amount of the payment is above the City Manager's signatory authority.

Authorizing the City Manager to execute documents and approve the mitigation bank payment would save the project months of wait time as the project would already be under construction and any delay in the project schedule could result in additional costs to the project.

Environmental Impact

A Notice of Determination was filed with the County of Riverside and Recorded on August 16, 2016, for this project.

The project is subject to the mitigation measures per the Holland Road/I-215 Overcrossing Initial Study with Mitigated Negative Declaration Report (SCH No. 2016041073). The City approved this project ISMND on August 10, 2016, and has made the following determinations regarding this project:

1. The proposed project will not have a significant effect on the environment.
2. A Negative Declaration was prepared for this project pursuant to the provisions of CEQA
3. Mitigation measures were made a condition of the approval of the project.
4. A Mitigation Reporting or Monitoring Plan was adopted for this project.
5. A Statement of Overriding Considerations was not adopted for the project.
6. Findings were not made pursuant to the provisions of CEQA.

In addition, the project proposes to re-align the Old Paloma Wash channel, which is listed as a "blue line stream" or a "water of the US" channel which is managed by the Army Corps of Engineers (ACOE), the California Department of Fish and Wildlife (CADFW), and the California Regional Water Quality Control Board (RWQCB). Due to the realignment of the Old Paloma Wash, the City applied, obtained and is in the process of finalizing the necessary environmental permits from each of the jurisdictional agencies named above. The project construction cannot start without approval and receipt of all permits.

STRATEGIC PLAN OBJECTIVE

Accessible and Interconnected Community

FISCAL IMPACT

The payment for the environmental mitigation credits will not adjust the overall project budget as these costs were anticipated when the overall project budget was established. Funding for the environmental mitigation payment in the amount of up to $300,000 has been identified from the following fiscal year 2022/23 project fund:

Table 2- Existing Project Funding

Fund	Project	Account Number	Available Budget	Anticipated Cost
General Fund	Holland Rd Overpass	100-4555-58021	$2,800,000.00	$300,000

Any unused funds would remain in the project fund to cover other project related costs.

ATTACHMENTS

1. Project Location Map
2. Environmental Comment Record