

Statewide Advance Mitigation Initiative (SAMI)

March 2011 Update

Agreements:

- A MOU between the Department, California Department of Fish and Game (“CDFG”), U.S. Army Corps of Engineers, South Pacific Division, the U.S. Environmental Protection Agency, the U.S. Fish and Wildlife Service, and National Marine Fisheries Service was executed on February 17, 2011. The Water Board & High Speed Rail Authority have also expressed interest in participating.
- The purpose of the MOU was to establish a mutual framework for coordinated review concerning the development of SAMI by the CDFG for advance mitigation for planned transportation projects at a landscape scale. SAMI once developed will provide a portfolio of solutions including establishment of mitigation banks, conservation banks, in lieu fee programs, or other appropriate mitigation or conservation measures.
- The Department also plans to prepare an agreement with CDFG to outline the scope of work and deliverables necessary to establish and develop SAMI.

Funding Opportunities:

- Caltrans and its partners plan to be able to fully obligate 2011 fiscal year federal funds. However, the Department may have little ability to capture federal funds that is likely to be available from other states. SAMI would be a great option to save those funds. But even if federal funds are limited, SAMI provides an option for the Department to leverage funds for timely mitigation acquisitions that could (1) reduce project delays, (2) reduce mitigation costs, and (3) improve mitigation quality.
- One alternative to capture this funding is obligating funds through a partnership to provide biological mitigation needs in advance of project delivery. Off-site biological mitigation & potentially water quality mitigation for future projects could be estimated and a conservative portion of the estimated need could be purchased or implemented in advance in a programmatic approach.
- There is no obligation in the MOU to fund a statewide advance mitigation program. If and when funding was available, the start-up would require \$100 to \$200 million to justify the initial planning and acquisition effort for a statewide program. However, this is money that would otherwise be spent over time for project off-site mitigation, but in a more efficient manner. SAMI provides Caltrans an option to leverage funds for timely mitigation acquisitions that will ultimately save Caltrans time and money. Caltrans annual off-site mitigation costs range from \$10 to \$25 million each year for both the State Transportation Improvement Program (STIP) and State Highway Operation and Protection Program (SHOPP).
- Potential Funding Sources: SHOPP or External Partners: STIP Funds, which would require Metropolitan Planning Organizations (MPOs) approval and would need to be included in their Regional Transportation Plans; Measure Funds (e.g. Orange County

Transportation Authority); High Speed Rail Authority – could do Pilot Project or Regional Projects than expand statewide. We are going to start meeting w/ HSRA monthly; first meeting is scheduled for March 28.

- The Department in collaboration with CDFG and UC Davis prepared a proposal for State Highway Research Program (SHRP) 2 funding to further develop SAMI and apply the tools and methodology by working with stakeholders in the San Joaquin Valley as they develop a regional greenprint for their region. The result of the effort will be to develop a model program integrating conservation early in the infrastructure development process, resulting in more effective mitigation and conservation. We were not successful applicants in the first round, but there should be additional opportunities for funding next summer/ fall 2011.
- The Department and CDFG will need to prepare a Finance Letter or Budget Change Proposal to allow for the funding of staff needed to develop SAMI.

Accounting/ Methodology:

- The CDFG would provide the services and guidance, with support of the regulatory agencies that entered into the MOU, to develop, implement, and track a portfolio of solutions to meet Caltrans needs consistent with the Caltrans and CDFG agreement (that still needs to be developed).
- An Interagency Review Team would define the specific mitigation values and credits for each mitigation bank prior to specific disbursements approved by Caltrans.
- A policy board consisting of all the MOU signatory agencies would help guide the process to ensure accountability and consistency with regulatory and fiscal responsibilities.
- Annual reporting would provide a summary of progress of credits acquired, credits expended, and all related expenditures.

Other Efforts:

- FHWA Every Day Counts Initiative Implementation Action Plan: The major goal of the Initiative is to define the programming and accounting needed to do a programmatic advance mitigation program with federal funds and capture that in a paper or Agreement.

Next Steps:

- Caltrans has approval from the Director to:
 1. To work internally with the functional units to further refine programming, finance and accounting details,
 2. To continue to coordinate with FHWA on accounting procedures and with the MOU partners on mitigation credit accounting, and
 3. To continue to work with externals to capture funding.