



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: NOVEMBER 5, 2019**

FROM: PARKS, RECREATION AND COMMUNITY SERVICES DEPARTMENT **WARD: 2**

SUBJECT: MEMORANDUM OF UNDERSTANDING AND CONSERVATION EASEMENT BETWEEN THE CITY OF RIVERSIDE AND THE WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY IN EXCHANGE FOR MULTIPLE SPECIES HABITAT CONSERVATION PLAN FEE CREDIT

ISSUE:

Approve a Memorandum of Understanding and Conservation Easement between the City of Riverside and the Western Riverside County Regional Conservation Authority, in exchange for Multiple Species Habitat Conservation Plan fee credit.

RECOMMENDATIONS:

That the City Council:

1. Approve a Memorandum of Understanding between the City of Riverside and the Western Riverside County Regional Conservation Authority to transfer a conservation easement in exchange for fee credit with the understanding that the RCA will work with the City to determine the best course of action to ensure fees are correctly administered and accurately collected to prevent future shortages;
2. Approve the Conservation Easement from the City of Riverside to Western County Regional Conservation Authority; and
3. Authorize the City Manager, or his designee, to execute the Memorandum of Understanding between the City of Riverside and the Western Riverside County Regional Conservation Authority and the Conservation Easement including making minor and non-substantive changes.

BACKGROUND:

The Western Riverside Regional Conservation Authority ("RCA") is the agency overseeing implementation of the Western Riverside County Multiple Species Habitat Conservation Plan ("MSHCP"). RCA is administered by a joint powers authority, of which the City is a member.

The MSHCP seeks to balance economic development with environmental resource protection, by protecting 146 native species of plants, birds, animals, and preserving a half-million acres of their

habitats, while providing for development and transportation projects necessary for the region's economic growth. As required by the MSCHP, the City adopted Ordinance 6709 in 2003, imposing the MSHCP Local Development Mitigation Fee on new residential, commercial and industrial development projects within the City. The purpose of the fee is to ensure that all development within the City pays its fair share of the costs of acquiring and preserving habitat land and natural resource areas within the City and the region, as identified in the MSHCP. The fees for development projects in the City are assessed and collected by the City at the time of building permit issuance.

DISCUSSION:

Based upon audit findings and records from 2011 through 2019, the RCA believes that the City has under-collected MSHCP fees. Additionally, RCA seeks reimbursement from the City for their expenses associated with processing this matter. The fee shortages and expenses ("Disputed Fees") are detailed on the spreadsheet attached as Exhibit A of the MOU. The City believes the fee methodology employed by the RCA is outdated, overly complex, and requires too much manual oversight with annual fee adjustments to ensure fee collection is accurate and commensurate to the Riverside business model. To resolve the Disputed Fees matter, the City and RCA have agreed that the City will grant a conservation easement to RCA over City land in exchange for the RCA accepting the conservation easement as full satisfaction of the Disputed Fees. Additionally, the RCA has agreed to work closely with City staff to determine the best course of action to ensure fees are correctly administered and accurately collected to prevent fee shortages in the future. Several options will be considered, including a transfer of fee collection to the RCA, a clearance form from the RCA to applicants ensuring accuracy of fees, an update to the Riverside business model, and the RCA working towards a new fee study to review and update its fee methodology.

The Conservation Easement protects the land under the easement from ever being developed. The land will remain in its natural state, providing open space and habitat value. The conservation easement will be placed over approximately 42 acres of a 47-acre undeveloped park property ("Property") at the base of Box Springs Mountain, along the eastern edge of the City. Approximately five acres of the site are intentionally left out of the conservation easement, so that the City can implement trail and passive recreation related improvements at the site in the future. At this time, these improvements have not been designed or funded. Also, as RCA is still working on the exact legal description for the conveyance, the Easement currently has the legal description from when the City acquired the property. The legal description attached to the Easement will be revised and replaced once the final legal description has been approved by all.

On October 7, 2019, the RCA Board of Directors approved the MOU and the Conservation Easement.

FISCAL IMPACT:

The appraised fair market value of the land to be placed in the conservation easement exceeds the amount of the Disputed Fees, as shown in the table below. The City and RCA agree that the balance remaining can be applied as a MSHCP Fee Credit that the City can use to offset fees for future civic infrastructure projects, the local development mitigation fee, or both.

Fair market value of Conservation Easement	\$490,410.81
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Disputed Fees	-\$475,032.10
Balance (Fee Credit to City)	\$15,378.71

Prepared by: Adolfo Cruz, Parks, Recreation and Community Services Director
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by: Rafael Guzman, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Memorandum of Understanding
2. Conservation Easement
3. Site Map