

FINAL MEMORANDUM

To: John Roberts, *The Natomas Basin Conservancy*

From: Allison Shaffer and Tim Youmans

Subject: NBHCP Fee Update—2005; EPS #15570

Date: March 1, 2006

INTRODUCTION

Economic & Planning Systems, Inc., (EPS) has updated the cash flow model used to estimate the Natomas Basin Habitat Conservation Plan (NBHCP) mitigation fee (fee). This memorandum details the updated assumptions used to derive the 2006 proposed fee and discusses the proposed fee increase.

The fee contains components for the following five funds:

- Land Acquisition;
- Restoration and Enhancement (R&E);
- Administration/Operations and Maintenance (Admin/O&M);
- O&M Endowment; and
- Supplemental Endowment (for Land Acquisition).

Table 1 illustrates the purpose of and interaction among the five fee components. **Table 2** summarizes the cost per acre of habitat and the proposed fee for each of the five fee components. The proposed fee level continues to assume the current NBHCP mitigation requirement of one-half acre of mitigation land for each gross acre of developed land. **Table 3** estimates the impact of each fee component and subcomponent on the 2006 proposed fee increase. **Figure 1** graphically summarizes this information.

The cash flows for each fund are summarized in **Table 4**. The assumption tables used in the cash flow analysis are presented in **Tables 5** through **16**. The detailed cash flow tables are provided in **Appendix A**.



PROPOSED 2006 FEE

The table below shows the fee history and the proposed 2006 fee.

Fee Component	Adopted									Proposed
	1996/97	1998	1999	2000	2001	2002	2003	2004	2005	2006
Land Acquisition Cost (LA) [1]	\$1,830	\$1,830	\$2,036	\$2,500	\$3,000	\$3,750	\$5,275	\$7,750	\$12,750	\$23,250
Land Acquisition Settlement [2]					\$3,947	\$3,947				
Restoration/Enhancement (R&E)	\$140	\$198	\$200	\$423	\$368	\$782	\$970	\$935	\$1,023	\$1,278
Administration/O & M	\$150	\$475	\$800	\$750	\$1,555	\$1,555	\$3,450	\$4,154	\$6,243	\$9,255
O & M Endowment Fund	\$75	\$100	\$190	\$190	\$800	\$1,500	\$1,900	\$2,490	\$3,745	\$5,555
Supplemental Endowment Fund	\$0	\$0	\$0	\$0	\$150	\$188	\$430	\$473	\$638	\$1,020
Fee Collection Administration	\$45	\$53	\$66	\$78	\$201	\$240	\$245	\$322	\$498	\$824
Total Mitigation Fee	\$2,240	\$2,656	\$3,292	\$3,941	\$10,021	\$11,962	\$12,270	\$16,124	\$24,897	\$41,182
<i>Percent Increase</i>		19%	24%	20%	154%	19%	3%	31%	54%	65%
Less Land Cost Portion of Land Acquisition Component							\$4,500	\$7,500	\$12,500	\$22,500
Total Mitigation Fee Excluding Land Cost Portion of Land Acquisition Component [3]							\$7,770	\$8,624	\$12,397	\$18,682
<i>Percent Increase</i>								11%	44%	51%

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[1] Land acquisition cost includes land cost, transaction costs, and contingency costs.

Current land costs estimated at \$45,000 per acre.

[2] Fee through 2002 only.

[3] Includes land transaction costs and contingencies.

The fee currently charged by the City of Sacramento (City) is \$24,897 per acre of development. The proposed fee is \$41,182 per acre. Nearly all mitigation land, however, is acquired by The Natomas Basin Conservancy (TNBC) through land dedication because all but a few small-acreage developers are required to dedicate land. It is anticipated that the City Council will re-authorize this land dedication requirement. This requirement leads to the Land Acquisition portion of the fee being waived in most instances. The proposed non-land acquisition cost to fee payers in this respect is \$18,682 per acre, as compared to the current 2005 fee amount of \$12,397 per acre.

Table 3 estimates the increases in the fee for each fee component and various subcomponents of the Admin/O&M component. **Figure 1** graphically summarizes the extent to which various fee components contribute to the fee increase. As shown in **Table 3** and **Figure 1** and detailed below, the majority of the fee increase can be attributed to rapidly escalating land costs and increased water costs. Increased land costs account for 85 percent of the fee increase while increased water costs account for 7 percent.

- 1. Land Cost Escalation.** The estimated value of habitat land has nearly doubled over the last year, increasing from \$25,000 per acre to \$45,000 per acre. This increase in land value not only causes a very significant increase in the Land Acquisition component of the fee, but also causes substantial increases in the Supplemental Endowment, Admin/O&M, and O&M Endowment components as detailed below:

- The Supplemental Endowment fee increases because its purpose is to provide sufficient funds to purchase a 200-acre reserve or the final 200 acres of habitat. As land becomes more expensive, more funds must be set aside to ensure adequate funding for the 200 acres;
- The Admin/O&M fee increases because it includes funding for property taxes, which will increase substantially on future habitat that will be valued at higher prices; and
- An increase in the Admin/O&M fee leads to a corresponding increase in the O&M Endowment fee because its purpose is to ensure adequate Admin/O&M funding in the years after all development and fee revenue has ended.

In total, the increase in habitat land value leads to an increase in the land-related fee components described above of approximately \$13,850 per acre. As shown in **Table 3**, this increase accounts for an estimated 85 percent of the proposed fee increase.

2. Water Cost Increase. Water costs paid by TNBC for habitat property in the Natomas Central Mutual Water Company (NCMWC) service area increased substantially for these reasons:

- The basic rate increased from \$113 per acre to \$122 per acre for rice.
- It is now assumed that TNBC will pay all of the NCMWC costs and subsequently be reimbursed by farmers for approximately one-third of these costs, whereas in past years, TNBC paid approximately one-third of the costs, while the farmers paid two-thirds. This assumption rests on the inability of TNBC's contract rice farmers to bear the water cost increase and TNBC's requirement, as stated in the 2003 NBHCP, to ensure that rice is produced on mitigation lands. TNBC pays the full cost of water applied to managed marsh complexes.
- TNBC has added a bad debt allowance of 5 percent of the NCMWC costs to cover the situation in which farmers fail to reimburse TNBC for their portion of the costs.

The increase in TNBC's portion of the NCMWC costs leads to an increase in the habitat fee of approximately \$1,078. As shown in **Table 3**, this increase accounts for an estimated 7 percent of the proposed fee increase.¹

¹ TNBC's Finance Model factors in the NCMWC cost of \$122 per acre (and \$20 per acre for fall/winter flood-up). TNBC's Finance Model now contemplates that 80 percent of its land holdings will be assessed the NCMWC tariff rate of \$122 per acre. The 80-percent factor is used in this calculation because not all land owned by TNBC lies in the NCMWC service territory,

UPDATED MODEL ASSUMPTIONS

The updated fee amount was estimated using a revised cash flow analysis prepared by EPS for each of the five funds. Many of the changes reflect new estimated costs based on recent experience and input from TNBC. The updated assumptions are described below.

CASH FLOW ADJUSTMENTS

The cash flows for each fund were updated such that the beginning balances in 2006 matched TNBC fund balances as of November 30, 2005, and adjusted for estimated December 2005 costs. The November account statements were used because the end-of-year December statements were not yet available.

LAND ACQUISITION COSTS

Land Acquisition costs increased from \$25,000 per acre to \$45,000 per acre (an 80-percent increase). The increase in costs reflects increasing price pressure in the Natomas Basin for land because of severe constraints in the supply of eligible mitigation land. The updated 2006 Land Acquisition cost of \$45,000 per acre was based on TNBC's knowledge of available parcels and their asking prices and was confirmed by personal communications with various real estate professionals. The most recent habitat property acquired, the Vestal South property, sold for \$40,000 per acre.

and therefore, the acreage outside the NCMWC service area would not incur NCMWC charges. This 80-percent factor is used as an approximation in lieu of attempting to calculate and accurately predict many dynamic variables. To attempt to account for all variables could subject the Finance Model to risk levels believed, by TNBC management, to be unacceptable. These variables include the fact that decisions often are made late to fallow crop land or change from one crop to another, which would influence the amount of charges assessed by NCMWC. The Finance Model also does not reflect any late-year demand for water because of precipitation and other hydrological conditions, which are unpredictable. The Finance Model does not account for as-yet-made determinations regarding ground water well substitution (from TNBC wells) over NCMWC-supplied water, which is somewhat dependent on the ultimate NCMWC-approved tariffs and the breakdown between water usage charges and other components of the NCMWC fee structure. Moreover, a substantial portion of the total water costs assessed by NCMWC is assessed on shareholders of the NCMWC regardless of whether they purchase irrigation water or not, and this variable has not yet been published by the NCMWC Board of Directors but is expected to be different from those in recent years. It is assumed that the generalized approach noted above (80 percent of total landholdings are assessed the budgeted \$122 per acre per year) is adequate to estimate future water cost recovery needs.

Furthermore, land transaction and contingency costs were increased from \$500 per acre to \$1,500 per acre, the level assumed for the 2003 fee update. This cost had been decreased in 2004, but was restored to the 2003 level to account for actual experience and the increased complexity and cost of real estate transactions.

R&E COSTS

R&E costs increased from \$2,046 to \$2,556 per habitat acre (a 25-percent increase). This increase was due to increased costs to prepare Site-Specific Management Plans (SSMPs), as well as increased costs for converting rice acres into managed marsh. The R&E costs are composed of four components as described below.

Base R&E Costs

The cost to convert rice acres into managed marsh was estimated at \$6,500 per acre. This cost reflects an increase from the 2005 estimate of \$5,200 per acre. The cost was increased to include additional conversion costs not previously covered, such as replantings of tule, post-construction deepening of channels, and additional fencing. All three of these items are expected to substantially reduce land management costs in future years. Because managed marsh will represent 25 percent of the total acquired acres, the conversion cost was weighted by 25 percent to arrive at a cost of \$1,625 per acquired acre (i.e., 25 percent of \$6,500 = \$1,625).

Biological Site Assessment and Preconstruction Survey Costs

The cost to conduct a formal biological site assessment and preconstruction survey for acquired mitigation land, as required by the 2003 NBHCP, was estimated at \$150 per acre based on information provided by TNBC.

SSMP Costs

The estimated cost of preparing the SSMPs for acquired mitigation land was increased from \$175 to \$225 per acre to reflect recent cost estimates provided by TNBC staff and Wildlands, Inc. An additional cost of \$45 per acre was added to update the SSMPs. This cost was based on the average cost per acre of updating the SSMP for the Bennet North tract.

Contingency Costs

This fee update continues to assume a contingency cost of 25 percent of all other R&E costs, which translates into \$511 per habitat acre. The contingency component is essential to ensure adequate funding for R&E, particularly given the lag time between when the fee is paid (and the habitat preserves are acquired) and when the R&E actually occurs. TNBC has 3 years to restore and enhance the designated preserves after

approval of the SSMP, which comes 1 year after acquisition. In that time frame, biological studies also need to be completed. There is significant risk that the cost of restoring and enhancing a project will increase between the time the land has been acquired and the R&E construction begins (typically 2 to 3 years). An example is the cost of fencing, which increased dramatically before completion of the last R&E construction project, largely because of steel price increases.

ADMIN/O&M COST ESTIMATES

Admin/O&M cost estimates were revised. The Admin/O&M costs increased from approximately \$12,500 per acre to \$18,510 per habitat acre (a 60-percent increase). There were major increases in property taxes (attributable to rapid land price increases) and substantially increased NCMWC costs. As a result of the Admin/O&M cost increase, the estimated amount of drawdown necessary on the O&M Endowment fund in future years also increased, causing a substantial increase in O&M Endowment fund costs and fee component. Cost estimates for each of the Admin/O&M cost components are discussed below.

O&M Costs

O&M costs are divided into the following three categories:

1. O&M costs included in the contract with Wildlands, Inc., the contractor engaged by TNBC to manage the marsh portion of the mitigation land;
2. Annual O&M costs not included in the Wildlands contract; and
3. Estimated TNBC costs for the replacement of fixed assets.

For this fee update, TNBC conducted a full accounting of its fixed assets. The fixed assets replacement costs are included in this report separately from the remaining TNBC annual O&M costs (see **Tables 8 and 9**). The original costs of the fixed assets were updated to 2006 levels by using a 3-percent annual inflation rate to estimate the current replacement costs for the fixed assets. The remaining O&M costs were updated based on the 2006 estimates from Wildlands, Inc., and information from TNBC.

Property Tax Costs and Special Assessments

Over the past year, land acquisition costs have increased substantially from an estimated \$25,000 per acre to an estimated \$45,000 per acre. The latest habitat land was purchased at a cost of approximately \$40,000 per acre. The method of estimating property taxes was changed in 2005 to adequately capture the increasing cost and assessed value of habitat land. This method is described below.

Existing Habitat Properties

The assessed value for each existing habitat property was estimated as the land acquisition cost of the property, adjusted by 2 percent a year to 2006 levels. The average assessed value per acre then was calculated across all habitat acres. Annual property taxes for existing habitat acres were estimated as 1 percent of this average assessed value per acre multiplied by the number of habitat acres.

Future Habitat Properties

For future habitat acres, it was assumed that the assessed value per acre would begin at \$45,000 per acre in 2006 and escalate by 10 percent a year. These assessed values were discounted back to real dollars by assuming a 3-percent inflation rate. Annual property taxes on new properties were estimated as 1 percent of the average assessed value per acre multiplied by the number of habitat acres.

Property Tax Adjustment

Each year, the total estimated property tax was adjusted downward by a declining percentage (beginning at 95 percent in 2006 and declining to 50 percent in 2029 and thereafter) to account for various factors anticipated to result in reduced property taxes. First, some properties receive Williamson Act tax reductions. It is uncertain to what degree these tax reductions will continue, but it is assumed that some level of tax reductions will continue. Second, TNBC staff believe that the habitat land values will not continue to increase indefinitely at the same levels they have been increasing lately. In addition, the value of the land on the property tax rolls likely will decrease after all habitat has been acquired and development in the Natomas Basin is finished. This probable decrease will occur for two reasons. First, the real value of land on the property rolls will decrease because the average annual inflation rate is likely to be around 3 percent, whereas the assessed value will increase by a maximum of 2 percent annually after all habitat is acquired. Second, once the 17,500 acres of development authorized by the federal- and State-issued Incidental Take Permit granted to the City, Metro Air Park, and Sutter County have been exhausted, there will be no more development potential on land in the Natomas Basin. It is difficult to envision a scenario in which the Sacramento and Sutter Counties tax assessors could continue to assess TNBC's habitat lands at commercial values. Therefore, TNBC believes that appeals to assessors for valuation reductions are likely to result in lower property taxes over time.

Updating property tax assumptions to reflect current land values and likely future increases in land values resulted in a large increase in the property tax cost and Admin/O&M fee component.

In addition to the property tax assumptions, Reclamation District 1000 and NCMWC assessment assumptions were updated based on current rates. The NCMWC costs increased substantially, leading to a large increase in the Admin/O&M fee component.

Mitigation Monitoring and Adaptive Management

Mitigation monitoring and adaptive management costs were updated to reflect revised cost estimates from Jones & Stokes to perform the monitoring work. The original contract costs were increased to account for the increased habitat size after acquisition of the Tufts and Bolen properties. Other than the costs associated with the midpoint program reviews, the pre-acquisition biological reconnaissance (included as a Land Acquisition cost), and the SSMP (included as a R&E cost), all mitigation monitoring costs were inflated by 3 percent annually to reflect likely cost increases as habitat preserve acreage increases to 8,750 acres (the ultimate buildout level of the 2003 NBHCP) over time. Once all habitat acres are acquired, the costs are no longer escalated.

Administration Costs

Administration costs were revised based on the current budget estimates of TNBC. These estimated costs increased from \$946,000 in 2005 to \$1,034,000 in 2006, based on the rapid growth in responsibilities incurred by TNBC. The administration cost increases largely were due to increased fees, taxes, and office expenses.

RICE AND OTHER CROP-REVENUE ESTIMATES

Rice Revenue

The model continues to be based on the assumption that revenue will be earned on 90 percent of the total rice acres in the habitat. Based on the actual rice revenue for the past year, however, rice revenue estimates were reduced from \$160 per acre to \$100 per acre. This estimate accounts for a blend of highly productive rice fields, which produce higher cash rents, and an increasing amount of very low yielding rice land, which produces lower rent yields. This estimate also considers fallow fields and fields with no eligibility to participate in the federal farm program, which produce substantially lower cash rents.

The following steps detail the process for estimating the annual rice acres on which revenue will be earned:

1. Begin with the previous year's estimated rice acres.
2. Add the rice acres assumed to be acquired during the year (see **Table A-3**). The rice acres acquired annually are assumed to be 75 percent of the total habitat acres acquired. Further, the model assumes that the annual number of habitat

acres acquired will equal the number of acres needed to achieve the annual habitat size required by the NBHCP (one-half of the number of acres for which fees have been paid plus a 200-acre surplus).

3. Deduct the rice acres assumed to be converted to marsh (see **Table A-3**). TNBC estimates that 65 acres of rice will be converted to marsh in 2006. For all other years, the model is based on the assumption that enough acres will be converted to marsh so that the habitat distribution required by the NBHCP (25 percent marsh, 50 percent rice, and 25 percent other land) will be achieved by the time fees have been paid for 9,000 acres of development and will be maintained thereafter.
4. Multiply the resulting number of acres by 90 percent to arrive at the estimated number of rice acres on which revenue will be earned.

Other Crop Revenue

Revenue estimates for crops other than rice remain unchanged at \$30 per upland acre on 50 percent of all upland acres. The following steps detail the process for estimating the annual upland acres on which crop revenue will be earned:

1. Begin with the previous year's estimated upland acres (referred to as "other" acres in the model).
2. Add the upland acres assumed to be acquired during the year (see **Table A-3**). The upland acres acquired annually are assumed to be 25 percent of the total habitat acres acquired. Further, the model is based on the assumption that the annual number of habitat acres acquired will equal the number of acres needed to achieve the annual habitat size required by the NBHCP (one-half of the number of acres for which fees have been paid plus a 200-acre surplus).
3. Deduct the upland acres assumed to be converted to marsh (see **Table A-3**). The model is based on the assumption that enough acres will be converted to marsh so that the habitat distribution required by the NBHCP (25 percent marsh, 50 percent rice, and 25 percent other land) will be achieved by the time fees have been paid for 9,000 acres of development and will be maintained thereafter.
4. Multiply the resulting number of acres by 50 percent to arrive at the estimated number of upland acres on which revenue will be earned.

HUNTING REVENUES

The estimated percentage of habitat used for hunting was decreased from 33 percent to approximately 25 percent to more closely reflect the actual amount of habitat on which hunting occurs. Below are the two main assumptions used to project hunting revenues:

- Annual hunting income was estimated at \$10 per acre; and
- The percentage of mitigation land used for hunting was estimated at 25 percent per year.

SUPPLEMENTAL ENDOWMENT COST ESTIMATES

The increase in supplemental endowment costs, from \$1,275 per acre to \$2,040 per acre (a 60-percent increase), was due to the increased land acquisition cost of \$45,000 per acre.

HABITAT ACQUISITION AND CONVERSION

The projected habitat acquisition schedule was updated to reflect habitat acquisitions made in 2005. The projected habitat conversion schedule also was updated to reflect current estimates from TNBC of the number of acres to be converted to marsh and upland in 2006.

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Table 1
Natomas Basin HCP
Cash Flow Model and Interaction of Funds

NBHCP Cash Flow Funds	Primary Purpose	Revenue Source(s)	Expenditure Categories	Interaction of Funds
Land Acquisition	<ul style="list-style-type: none"> Land Acquisition 	<ul style="list-style-type: none"> Fee Revenues Interest Earned 	<ul style="list-style-type: none"> Land Purchase Transaction Costs Contingency 	
Restoration and Enhancement	<ul style="list-style-type: none"> Restore and/or Enhance Acquired Mitigation Land 	<ul style="list-style-type: none"> Fee Revenues Interest Earned 	<ul style="list-style-type: none"> Restoration, Enhancement, or Conversion of Acquired Mitigation Lands to Habitat Suitable for Protected Species Preparation of Site Specific Plans 	
Admin./O&M	<ul style="list-style-type: none"> Administration of TNBC 	<ul style="list-style-type: none"> Fee Revenues Farming Revenues Hunting Revenues Interest Earned Interest from O&M Endowment Fund (in Later Years) 	<ul style="list-style-type: none"> Administration of TNBC O&M of Acquired Mitigation Land Property Tax and Special Assessments Mitigation Monitoring Species Monitoring Adaptive Management 	
O&M Endowment Fund	<ul style="list-style-type: none"> Provide Supplemental Revenue for Admin./O&M Fund 	<ul style="list-style-type: none"> Fee Revenues Interest Earned 	<ul style="list-style-type: none"> Interest Earnings Transferred to Admin./O&M Fund in Later Years of NBHCP 	
Supplemental Endowment Fund	<ul style="list-style-type: none"> Provide Supplemental Revenue for Land Acquisition --for advance purchase --in the case that land costs spike dramatically in any given year Provide a "Changed Circumstances" Fund --to provide revenue in the event of changed habitat circumstances such as fire, flood, or the listing of new species. 	<ul style="list-style-type: none"> Fee Revenues Interest Earned 	<ul style="list-style-type: none"> Land Purchase After Completion of Land Purchases, Remaining Funds (Excluding Changed Circumstances Portion) Transferred to Operating or Endowment Fund 	<div data-bbox="1784 456 2059 833" style="border: 1px solid black; padding: 5px;"> <p>Balances can be transferred among these three funds:</p> <p>--To correct short-term cash flow imbalances and take advantage of opportunities;</p> <p>--If revenues could be better utilized in one of the other funds and are not needed in the existing fund.</p> </div> <div data-bbox="1784 870 2059 1019" style="border: 1px solid black; padding: 5px;"> <p>Interest earnings can be transferred to Admin./O&M fund to supplement revenues.</p> </div> <div data-bbox="2198 1013 2429 1167" style="border: 1px solid black; padding: 5px;"> <p>Supplemental fee revenue can be used to purchase mitigation land.</p> </div>

Table 2
Natomas Basin HCP
Estimation of Habitat Mitigation Fee

2006 Update
17,500 acres of development
1/2 acre of mitigation land per gross acre of developed land
25% marsh, 50% rice, 25% other

Item	Cost per Acre of Habitat <i>a</i>	Mitigation Fee per Acre of Development <i>b=a x .5</i>	Percentage of Base Fee	Notes:
BASE FEE				
Land Acquisition Cost (LA)				
Land Cost	\$45,000	\$22,500		
Transaction Costs and Contingency	\$1,500	\$750		
Total Land Acquisition Cost (LA)	\$46,500	\$23,250	56%	See Table 5
Restoration/Enhancement (RE)				
RE Cost	\$2,045	\$1,023		
RE Contingency	\$511	\$256		
Total Restoration/Enhancement (RE)	\$2,556	\$1,278	3%	See Table 6
Administration/O&M [1]	\$18,510	\$9,255	22%	
O&M Endowment Fund [1]	\$11,110	\$5,555	13%	
Supplemental Endowment Fund	\$2,041	\$1,020	2%	See Table 14
Total Mitigation Fee	\$80,717	\$40,358		
Fee Collection Administration		\$824	2%	2% of fee for collection
Total Base Fee		\$41,182	100%	
FEE EXCLUDING LAND COST PORTION OF LAND ACQUISITION		\$18,682		[2]

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[1] Administration/O&M and Endowment Fund costs are set based on the cash flow analysis, ensuring that fund balances are positive in year 50 and that annual interest earnings in endowment fund exceed drawdown by Admin/O&M fund. See **Tables 7-12** for cost assumptions.

[2] In some cases developers may dedicate land to satisfy the land acquisition component of the NBHCP. Any land dedication will be subject to the terms of the NBHCP.

Table 3
Natomas Basin HCP
Habitat Mitigation Fee Component Increases (2005-2006)

Fee Component	2005 Fee	2006 Proposed Fee	Fee Increase	Percentage of Total Increase
Land Acquisition				
Land	\$12,500	\$22,500	\$10,000	61%
Transaction	\$125	\$375	\$250	2%
Contingency	\$125	\$375	\$250	2%
Total Land Acquisition	\$12,750	\$23,250	\$10,500	64%
Restoration/Enhancement				
Base Fee	\$818	\$1,023	\$204	1%
Contingency	\$205	\$256	\$51	0%
Total Restoration/Enhancement	\$1,023	\$1,278	\$255	2%
Administration/O&M and O&M Endowment				
Administration/O&M	\$6,243	\$9,255	\$3,012	18%
O&M Endowment Fund	\$3,745	\$5,555	\$1,810	11%
Total Admin/O&M and O&M Endowment	\$9,988	\$14,810	\$4,822	30%
Fee Subcomponent Estimates				
O&M	\$1,278	\$1,815	\$536	3%
Administration	\$3,024	\$3,334	\$310	2%
Species and Habitat Monitoring	\$1,456	\$1,386	(\$70)	0%
Special Districts	\$1,017	\$2,095	\$1,078	7%
Property Taxes	\$3,213	\$6,181	\$2,968	18%
Total Admin/O&M and O&M Endowment	\$9,988	\$14,810	\$4,822	30%
Supplemental Endowment Fund	\$638	\$1,020	\$382	2%
Fee Collection Administration	\$498	\$824	\$326	2%
Total Mitigation Fee	\$24,897	\$41,182	\$16,286	100%
Summary of Land Related Fee Components				
Land Acquisition	\$12,750	\$23,250	\$10,500	64%
Property Taxes	\$3,213	\$6,181	\$2,968	18%
Supplemental Endowment	\$638	\$1,020	\$382	2%
Subtotal of Land Related Components	\$16,601	\$30,451	\$13,850	85%
Special Districts	\$1,017	\$2,095	\$1,078	7%
All Remaining Components	\$7,279	\$8,636	\$1,358	8%
Total Mitigation Fee	\$24,897	\$41,182	\$16,286	100%

fee increase

Figure 1 2006 NBHCP Fee Increase by Fee Component

Total Fee = \$41,182 per acre
Total Increase = \$16,286 per acre

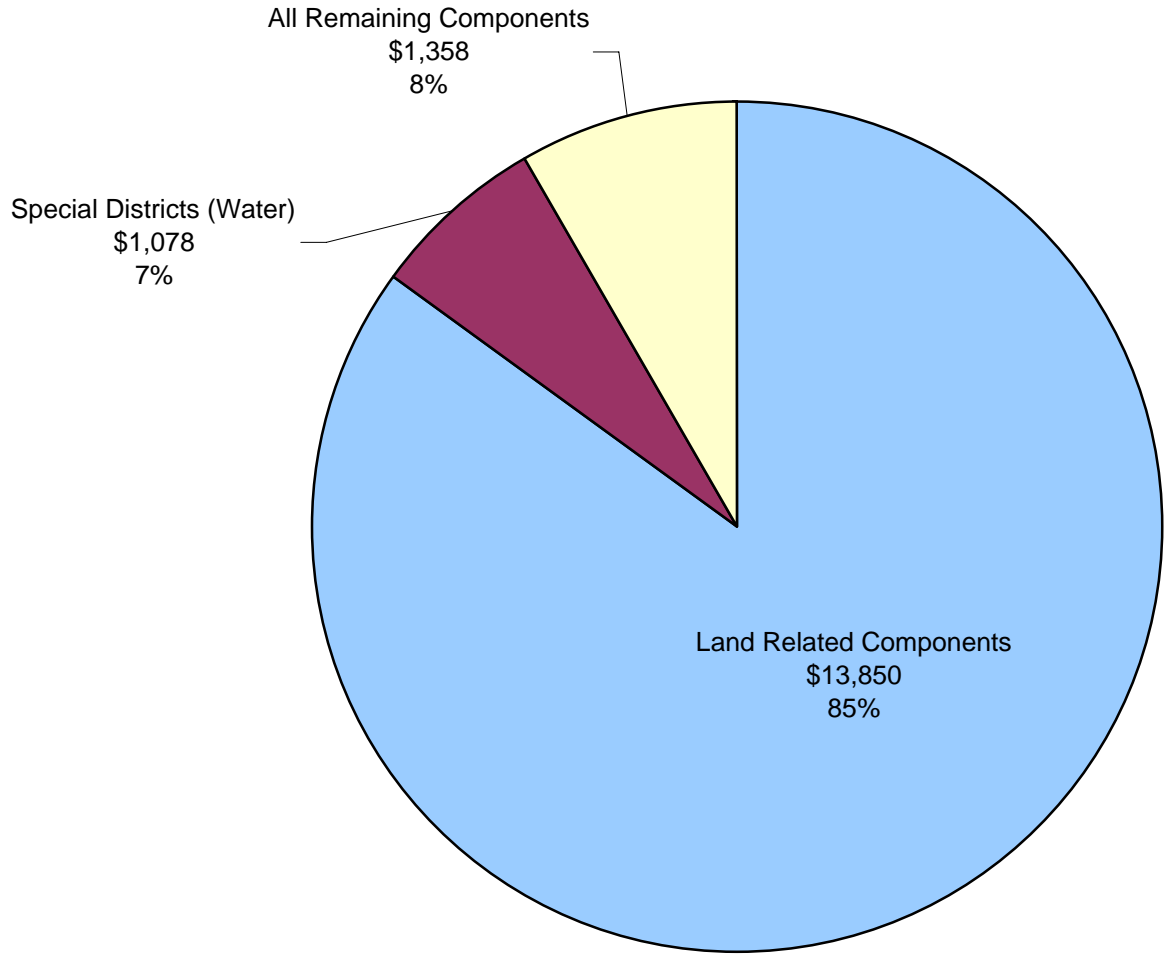


Table 4
Natomas Basin HCP
Cash Flow Summary (2006\$)

	2006 Update							
	<i>17,500 acres of development 1/2 acre of mitigation land per gross acre of developed land 25% marsh, 50% rice, 25% other</i>							
	Assumes:							
	0.0% Inflation							
	3.0% Interest Rate							
	Total 1996-2047	1 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002
LAND ACQUISITION		[1]	[1]	[1]	[2]			
Beginning Balance		\$0	\$55,641	\$247,608	\$2,773,665	\$750,754	\$563,113	\$2,225,278
Total Revenues	\$278,419,173	\$55,641	\$191,966	\$2,526,057	\$2,696,904	\$1,287,471	\$3,198,070	\$2,569,079
Total Expenditures	(\$251,442,421)	\$0	\$0	\$0	(\$4,924,998)	(\$1,475,112)	(\$1,535,905)	(\$8,854,102)
Transfers to/from Admin/O&M, R&E, Endow.	(\$26,318,473)	\$0	\$0	\$0	\$0	\$0	\$0	\$4,061,520
Balance Adjustments	\$205,183	\$0	\$0	\$0	\$205,183	\$0	\$0	\$0
Reserved Amounts	(\$863,462)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$0	\$55,641	\$247,608	\$2,773,665	\$750,754	\$563,113	\$2,225,278	\$1,775
RESTORATION AND ENHANCEMENTS								
Beginning Balance		\$0	\$4,257	\$19,032	\$292,743	\$589,200	\$582,058	\$268,280
Total Revenues	\$17,389,117	\$4,257	\$14,775	\$273,711	\$296,457	\$145,324	\$146,644	\$363,017
Total Expenditures	(\$15,290,235)	\$0	\$0	\$0	\$0	\$0	(\$1,060,422)	(\$490,041)
Transfers to/from O&M/Admin, LA, Endowment	(\$1,946,417)	\$0	\$0	\$0	\$0	\$0	\$600,000	(\$153,500)
Balance Adjustments	(\$152,466)	\$0	\$0	\$0	\$0	(\$152,466)	\$0	\$0
Ending Balance	\$0	\$4,257	\$19,032	\$292,743	\$589,200	\$582,058	\$268,280	(\$12,244)
ADMINISTRATION/O&M								
Beginning Balance		\$0	\$4,561	\$70,261	\$621,109	\$1,243,082	\$1,549,539	\$1,154,659
Total Revenues	\$159,681,291	\$4,561	\$65,700	\$657,778	\$827,478	\$624,234	\$816,275	\$1,624,402
Drawdown on Endowment Fund	\$59,298,433	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	(\$218,193,990)	\$0	\$0	(\$106,930)	(\$205,505)	(\$388,815)	(\$611,155)	(\$876,281)
Transfers to/from Land Acq. and R&E	(\$589,515)	\$0	\$0	\$0	\$0	\$0	(\$600,000)	(\$3,908,020)
City of Sac. Loan for 200-Acre Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,111,959
Balance Adjustments	\$71,038	\$0	\$0	\$0	\$0	\$71,038	\$0	\$0
Reserved Amounts	(\$267,256)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$0	\$4,561	\$70,261	\$621,109	\$1,243,082	\$1,549,539	\$1,154,659	\$106,719
O&M ENDOWMENT								
Beginning Balance		\$0	\$3,041	\$13,622	\$152,066	\$323,846	\$463,981	\$966,753
Total Revenues	\$210,239,288	\$3,041	\$10,581	\$138,445	\$157,704	\$140,135	\$502,772	\$764,050
Total Expenses	(\$107,768)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer from Land Acq. and R&E	\$28,854,405	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Drawdown on Endowment Fund	(\$59,298,433)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$14,076	\$0	\$0	\$0	\$14,076	\$0	\$0	\$0
Ending Balance	\$179,701,568	\$3,041	\$13,622	\$152,066	\$323,846	\$463,981	\$966,753	\$1,730,803
SUPPLEMENTAL ENDOWMENT								
Beginning Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$36,314
Total Revenues	\$28,326,070	\$0	\$0	\$0	\$0	\$0	\$36,314	\$147,318
Total Expenditures	(\$3,238,652)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$25,087,418	\$0	\$0	\$0	\$0	\$0	\$36,314	\$183,631
Changed Circumstances Fund Balance	\$9,352,169	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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Table 4
Natomas Basin HCP
Cash Flow Summary (2006\$)

2006 Update
17,500 acres of development
1/2 acre of mitigation land per gross acre of developed land
25% marsh, 50% rice, 25% other

	8 2003	9 2004	10 2005	11 2006	12 2007	13 2008	14 2009	15 2010	16 2011
LAND ACQUISITION									
Beginning Balance	\$1,775	\$80,655	\$418,988	\$437,965	\$7,145,627	\$7,579,980	\$8,195,289	\$8,747,603	\$9,266,690
Total Revenues	\$9,072,846	\$469,564	\$998,644	\$11,638,139	\$13,853,409	\$24,277,790	\$19,246,054	\$16,175,319	\$16,190,891
Total Expenditures	(\$6,411,966)	(\$81,231)	(\$116,205)	(\$3,500,957)	(\$13,419,056)	(\$23,662,481)	(\$18,693,741)	(\$15,656,231)	(\$15,656,231)
Transfers to/from Admin/O&M, R&E, Endow.	(\$2,582,000)	(\$50,000)	\$0	(\$1,429,520)	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserved Amounts	\$0	\$0	(\$863,462)	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$80,655	\$418,988	\$437,965	\$7,145,627	\$7,579,980	\$8,195,289	\$8,747,603	\$9,266,690	\$9,801,351
RESTORATION AND ENHANCEMENTS									
Beginning Balance	(\$12,244)	\$384,545	(\$20,841)	\$539,204	\$734,950	\$384,784	\$141,734	(\$161,946)	\$13,011
Total Revenues	\$1,123,471	\$334,400	\$652,124	\$650,386	\$765,215	\$1,330,205	\$1,047,476	\$874,781	\$875,054
Total Expenditures	(\$880,182)	(\$739,786)	(\$81,594)	(\$454,640)	(\$1,115,380)	(\$1,573,256)	(\$1,351,156)	(\$699,825)	(\$699,825)
Transfers to/from O&M/Admin, LA, Endowment	\$153,500	\$0	(\$10,485)	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$384,545	(\$20,841)	\$539,204	\$734,950	\$384,784	\$141,734	(\$161,946)	\$13,011	\$188,240
ADMINISTRATION/O&M									
Beginning Balance	\$106,719	\$2,924,393	\$3,443,813	\$4,643,535	\$8,336,209	\$11,534,595	\$18,656,416	\$23,729,008	\$27,510,021
Total Revenues	\$3,949,924	\$2,207,942	\$4,065,162	\$4,955,332	\$5,883,806	\$10,150,257	\$8,375,169	\$7,315,279	\$7,445,606
Drawdown on Endowment Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	(\$1,448,791)	(\$1,738,522)	(\$2,608,669)	(\$2,692,178)	(\$2,685,419)	(\$3,028,435)	(\$3,302,578)	(\$3,534,265)	(\$3,769,798)
Transfers to/from Land Acq. and R&E	\$2,428,500	\$50,000	\$10,485	\$1,429,520	\$0	\$0	\$0	\$0	\$0
City of Sac. Loan for 200-Acre Reserve	(\$2,111,959)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserved Amounts	\$0	\$0	(\$267,256)	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$2,924,393	\$3,443,813	\$4,643,535	\$8,336,209	\$11,534,595	\$18,656,416	\$23,729,008	\$27,510,021	\$31,185,829
O&M ENDOWMENT									
Beginning Balance	\$1,730,803	\$4,424,499	\$5,803,065	\$8,046,905	\$11,071,661	\$14,668,599	\$20,861,216	\$26,033,249	\$30,623,072
Total Revenues	\$2,718,367	\$1,378,566	\$2,326,937	\$3,024,756	\$3,596,937	\$6,192,618	\$5,172,033	\$4,589,823	\$4,727,792
Total Expenses	(\$24,671)	\$0	(\$83,097)	\$0	\$0	\$0	\$0	\$0	\$0
Transfer from Land Acq. and R&E	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Drawdown on Endowment Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$4,424,499	\$5,803,065	\$8,046,905	\$11,071,661	\$14,668,599	\$20,861,216	\$26,033,249	\$30,623,072	\$35,350,864
SUPPLEMENTAL ENDOWMENT									
Beginning Balance	\$183,631	\$427,065	\$527,336	\$744,352	\$1,151,682	\$1,637,934	\$2,483,580	\$3,187,341	\$3,809,969
Total Revenues	\$533,115	\$187,206	\$400,041	\$532,331	\$632,908	\$1,104,252	\$908,064	\$793,734	\$812,413
Total Expenditures	(\$289,681)	(\$86,936)	(\$183,025)	(\$125,000)	(\$146,656)	(\$258,606)	(\$204,303)	(\$171,106)	(\$171,106)
Ending Balance	\$427,065	\$527,336	\$744,352	\$1,151,682	\$1,637,934	\$2,483,580	\$3,187,341	\$3,809,969	\$4,451,275
Changed Circumstances Fund Balance	\$289,681	\$392,144	\$590,418	\$733,131	\$901,781	\$1,187,441	\$1,427,367	\$1,641,295	\$1,861,640

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Table 4
Natomas Basin HCP
Cash Flow Summary (2006\$)

2006 Update
17,500 acres of development
1/2 acre of mitigation land per gross acre of developed land
25% marsh, 50% rice, 25% other

	17 2012	18 2013	19 2014	20 2015	21 2016	22 2017	23 2018	24 2019	25 2020
LAND ACQUISITION									
Beginning Balance	\$9,801,351	\$10,352,051	\$10,919,272	\$11,503,509	\$12,105,274	\$12,725,092	\$13,293,520	\$13,879,000	\$14,482,045
Total Revenues	\$16,206,931	\$16,223,452	\$16,240,469	\$16,257,996	\$16,276,049	\$11,955,603	\$11,972,656	\$11,990,220	\$12,008,311
Total Expenditures	(\$15,656,231)	(\$15,656,231)	(\$15,656,231)	(\$15,656,231)	(\$15,656,231)	(\$11,387,175)	(\$11,387,175)	(\$11,387,175)	(\$11,387,175)
Transfers to/from Admin/O&M, R&E, Endow.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserved Amounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$10,352,051	\$10,919,272	\$11,503,509	\$12,105,274	\$12,725,092	\$13,293,520	\$13,879,000	\$14,482,045	\$15,103,182
RESTORATION AND ENHANCEMENTS									
Beginning Balance	\$188,240	\$367,149	\$549,816	\$736,318	\$926,737	\$1,121,155	\$1,271,949	\$1,425,910	\$1,583,104
Total Revenues	\$878,734	\$882,491	\$886,327	\$890,244	\$894,243	\$659,795	\$662,962	\$666,195	\$669,496
Total Expenditures	(\$699,825)	(\$699,825)	(\$699,825)	(\$699,825)	(\$699,825)	(\$509,000)	(\$509,000)	(\$509,000)	(\$509,000)
Transfers to/from O&M/Admin, LA, Endowment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$367,149	\$549,816	\$736,318	\$926,737	\$1,121,155	\$1,271,949	\$1,425,910	\$1,583,104	\$1,743,600
ADMINISTRATION/O&M									
Beginning Balance	\$31,185,829	\$34,749,470	\$38,193,839	\$41,511,705	\$44,695,737	\$47,738,535	\$48,982,553	\$50,098,813	\$51,081,421
Total Revenues	\$7,572,777	\$7,696,583	\$7,816,811	\$7,933,243	\$8,045,661	\$6,421,990	\$6,471,600	\$6,517,378	\$6,559,145
Drawdown on Endowment Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	(\$4,009,135)	(\$4,252,214)	(\$4,498,945)	(\$4,749,212)	(\$5,002,863)	(\$5,177,973)	(\$5,355,340)	(\$5,534,769)	(\$5,716,028)
Transfers to/from Land Acq. and R&E	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
City of Sac. Loan for 200-Acre Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserved Amounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$34,749,470	\$38,193,839	\$41,511,705	\$44,695,737	\$47,738,535	\$48,982,553	\$50,098,813	\$51,081,421	\$51,924,538
O&M ENDOWMENT									
Beginning Balance	\$35,350,864	\$40,220,775	\$45,237,078	\$50,404,179	\$55,726,613	\$61,209,052	\$65,819,608	\$70,568,840	\$75,460,924
Total Revenues	\$4,869,910	\$5,016,304	\$5,167,101	\$5,322,434	\$5,482,440	\$4,610,555	\$4,749,232	\$4,892,084	\$5,039,236
Total Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer from Land Acq. and R&E	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Drawdown on Endowment Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$40,220,775	\$45,237,078	\$50,404,179	\$55,726,613	\$61,209,052	\$65,819,608	\$70,568,840	\$75,460,924	\$80,500,159
SUPPLEMENTAL ENDOWMENT									
Beginning Balance	\$4,451,275	\$5,111,821	\$5,792,183	\$6,492,956	\$7,214,753	\$7,958,203	\$8,580,255	\$9,220,968	\$9,880,903
Total Revenues	\$831,652	\$851,469	\$871,879	\$892,903	\$914,556	\$746,502	\$765,164	\$784,385	\$804,183
Total Expenditures	(\$171,106)	(\$171,106)	(\$171,106)	(\$171,106)	(\$171,106)	(\$124,450)	(\$124,450)	(\$124,450)	(\$124,450)
Ending Balance	\$5,111,821	\$5,792,183	\$6,492,956	\$7,214,753	\$7,958,203	\$8,580,255	\$9,220,968	\$9,880,903	\$10,560,637
Changed Circumstances Fund Balance	\$2,088,596	\$2,322,360	\$2,563,137	\$2,811,137	\$3,066,578	\$3,283,025	\$3,505,966	\$3,735,595	\$3,972,113

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Table 4
Natomas Basin HCP
Cash Flow Summary (2006\$)

2006 Update
17,500 acres of development
1/2 acre of mitigation land per gross acre of developed land
25% marsh, 50% rice, 25% other

	26 2021	27 2022	28 2023	29 2024	30 2025	31 2026	32 2027	33 2028	34 2029
LAND ACQUISITION									
Beginning Balance	\$15,103,182	\$15,742,952	\$25,551,916	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$12,026,945	\$12,046,139	\$766,557	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	(\$11,387,175)	(\$2,237,175)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfers to/from Admin/O&M, R&E, Endow.	\$0	\$0	(\$26,318,473)	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserved Amounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$15,742,952	\$25,551,916	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RESTORATION AND ENHANCEMENTS									
Beginning Balance	\$1,743,600	\$1,907,465	\$2,483,772	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$672,866	\$676,307	\$52,159	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	(\$509,000)	(\$100,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfers to/from O&M/Admin, LA, Endowment	\$0	\$0	(\$2,535,932)	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$1,907,465	\$2,483,772	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADMINISTRATION/O&M									
Beginning Balance	\$51,924,538	\$52,622,420	\$53,361,727	\$49,598,348	\$45,804,413	\$41,979,004	\$38,121,177	\$34,229,960	\$30,304,350
Total Revenues	\$6,596,728	\$6,620,079	\$2,035,050	\$1,922,148	\$1,808,330	\$1,693,568	\$1,577,833	\$1,461,097	\$1,343,328
Drawdown on Endowment Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	(\$5,898,846)	(\$5,880,772)	(\$5,798,428)	(\$5,716,084)	(\$5,633,739)	(\$5,551,395)	(\$5,469,051)	(\$5,386,706)	(\$5,345,534)
Transfers to/from Land Acq. and R&E	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
City of Sac. Loan for 200-Acre Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserved Amounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$52,622,420	\$53,361,727	\$49,598,348	\$45,804,413	\$41,979,004	\$38,121,177	\$34,229,960	\$30,304,350	\$26,302,145
O&M ENDOWMENT									
Beginning Balance	\$80,500,159	\$85,690,977	\$91,037,941	\$122,634,878	\$126,325,774	\$130,127,871	\$134,044,523	\$138,079,188	\$142,235,426
Total Revenues	\$5,190,818	\$5,346,964	\$2,742,532	\$3,690,896	\$3,802,097	\$3,916,653	\$4,034,665	\$4,156,238	\$4,281,480
Total Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer from Land Acq. and R&E	\$0	\$0	\$28,854,405	\$0	\$0	\$0	\$0	\$0	\$0
Drawdown on Endowment Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$85,690,977	\$91,037,941	\$122,634,878	\$126,325,774	\$130,127,871	\$134,044,523	\$138,079,188	\$142,235,426	\$146,516,906
SUPPLEMENTAL ENDOWMENT									
Beginning Balance	\$10,560,637	\$11,260,762	\$11,981,891	\$12,341,347	\$12,711,588	\$13,092,935	\$13,485,723	\$13,890,295	\$14,307,004
Total Revenues	\$824,575	\$845,579	\$359,457	\$370,240	\$381,348	\$392,788	\$404,572	\$416,709	\$429,210
Total Expenditures	(\$124,450)	(\$124,450)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$11,260,762	\$11,981,891	\$12,341,347	\$12,711,588	\$13,092,935	\$13,485,723	\$13,890,295	\$14,307,004	\$14,736,214
Changed Circumstances Fund Balance	\$4,215,726	\$4,466,648	\$4,600,647	\$4,738,667	\$4,880,827	\$5,027,252	\$5,178,069	\$5,333,411	\$5,493,414

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Table 4
Natomas Basin HCP
Cash Flow Summary (2006\$)

2006 Update
17,500 acres of development
1/2 acre of mitigation land per gross acre of developed land
25% marsh, 50% rice, 25% other

	35 2030	36 2031	37 2032	38 2033	39 2034	40 2035	41 2036	42 2037	43 2038
LAND ACQUISITION									
Beginning Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfers to/from Admin/O&M, R&E, Endow.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserved Amounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RESTORATION AND ENHANCEMENTS									
Beginning Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfers to/from O&M/Admin, LA, Endowment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADMINISTRATION/O&M									
Beginning Balance	\$26,302,145	\$22,179,873	\$17,933,933	\$13,560,615	\$9,056,097	\$4,416,444	\$0	\$0	\$0
Total Revenues	\$1,223,262	\$1,099,594	\$972,216	\$841,016	\$705,881	\$566,691	\$434,198	\$434,198	\$434,198
Drawdown on Endowment Fund	\$0	\$0	\$0	\$0	\$0	\$362,399	\$4,911,336	\$4,911,336	\$4,911,336
Total Expenditures	(\$5,345,534)	(\$5,345,534)	(\$5,345,534)	(\$5,345,534)	(\$5,345,534)	(\$5,345,534)	(\$5,345,534)	(\$5,345,534)	(\$5,345,534)
Transfers to/from Land Acq. and R&E	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
City of Sac. Loan for 200-Acre Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserved Amounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$22,179,873	\$17,933,933	\$13,560,615	\$9,056,097	\$4,416,444	\$0	\$0	\$0	\$0
O&M ENDOWMENT									
Beginning Balance	\$146,516,906	\$150,927,407	\$155,470,822	\$160,151,164	\$164,972,564	\$169,939,281	\$174,693,303	\$175,041,737	\$175,401,384
Total Revenues	\$4,410,501	\$4,543,415	\$4,680,342	\$4,821,401	\$4,966,717	\$5,116,420	\$5,259,771	\$5,270,983	\$5,282,561
Total Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer from Land Acq. and R&E	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Drawdown on Endowment Fund	\$0	\$0	\$0	\$0	\$0	(\$362,399)	(\$4,911,336)	(\$4,911,336)	(\$4,911,336)
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$150,927,407	\$155,470,822	\$160,151,164	\$164,972,564	\$169,939,281	\$174,693,303	\$175,041,737	\$175,401,384	\$175,772,609
SUPPLEMENTAL ENDOWMENT									
Beginning Balance	\$14,736,214	\$15,178,300	\$15,633,649	\$16,102,659	\$16,585,739	\$17,083,311	\$17,595,810	\$18,123,685	\$18,667,395
Total Revenues	\$442,086	\$455,349	\$469,009	\$483,080	\$497,572	\$512,499	\$527,874	\$543,711	\$560,022
Total Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$15,178,300	\$15,633,649	\$16,102,659	\$16,585,739	\$17,083,311	\$17,595,810	\$18,123,685	\$18,667,395	\$19,227,417
Changed Circumstances Fund Balance	\$5,658,216	\$5,827,963	\$6,002,801	\$6,182,885	\$6,368,372	\$6,559,423	\$6,756,206	\$6,958,892	\$7,167,659

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Table 4
Natomas Basin HCP
Cash Flow Summary (2006\$)

2006 Update
17,500 acres of development
1/2 acre of mitigation land per gross acre of developed land
25% marsh, 50% rice, 25% other

	44 2039	45 2040	46 2041	47 2042	48 2043	49 2044	50 2045	51 2046	52 2047
LAND ACQUISITION									
Beginning Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfers to/from Admin/O&M, R&E, Endow.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserved Amounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RESTORATION AND ENHANCEMENTS									
Beginning Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfers to/from O&M/Admin, LA, Endowment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADMINISTRATION/O&M									
Beginning Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$434,198	\$434,198	\$434,198	\$434,198	\$434,198	\$434,198	\$434,198	\$434,198	\$434,198
Drawdown on Endowment Fund	\$4,911,336	\$4,911,336	\$4,911,336	\$4,911,336	\$4,911,336	\$4,911,336	\$4,911,336	\$4,911,336	\$4,911,336
Total Expenditures	(\$5,345,534)	(\$5,345,534)	(\$5,345,534)	(\$5,345,534)	(\$5,345,534)	(\$5,345,534)	(\$5,345,534)	(\$5,345,534)	(\$5,345,534)
Transfers to/from Land Acq. and R&E	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
City of Sac. Loan for 200-Acre Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserved Amounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
O&M ENDOWMENT									
Beginning Balance	\$175,772,609	\$176,155,791	\$176,551,323	\$176,959,608	\$177,381,066	\$177,816,127	\$178,265,238	\$178,728,862	\$179,207,474
Total Revenues	\$5,294,519	\$5,306,868	\$5,319,622	\$5,332,793	\$5,346,397	\$5,360,448	\$5,374,960	\$5,389,948	\$5,405,430
Total Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer from Land Acq. and R&E	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Drawdown on Endowment Fund	(\$4,911,336)	(\$4,911,336)	(\$4,911,336)	(\$4,911,336)	(\$4,911,336)	(\$4,911,336)	(\$4,911,336)	(\$4,911,336)	(\$4,911,336)
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$176,155,791	\$176,551,323	\$176,959,608	\$177,381,066	\$177,816,127	\$178,265,238	\$178,728,862	\$179,207,474	\$179,701,568
SUPPLEMENTAL ENDOWMENT									
Beginning Balance	\$19,227,417	\$19,804,239	\$20,398,367	\$21,010,318	\$21,640,627	\$22,289,846	\$22,958,541	\$23,647,298	\$24,356,716
Total Revenues	\$576,823	\$594,127	\$611,951	\$630,310	\$649,219	\$668,695	\$688,756	\$709,419	\$730,701
Total Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$19,804,239	\$20,398,367	\$21,010,318	\$21,640,627	\$22,289,846	\$22,958,541	\$23,647,298	\$24,356,716	\$25,087,418
Changed Circumstances Fund Balance	\$7,382,689	\$7,604,169	\$7,832,294	\$8,067,263	\$8,309,281	\$8,558,559	\$8,815,316	\$9,079,776	\$9,352,169

"cash flow"

Table 5
Natomas Basin HCP
Land Acquisition Cost

2006 Update
17,500 acres of development
1/2 acre of mitigation land per gross acre of developed land
25% marsh, 50% rice, 25% other

Item	Cost per Acre	Permitted by Plan	Assumed in Financial Analysis	Notes
In-Basin Lands	\$45,000	100%	100%	Price based on information from recent sales transactions and consultations with land owners and real estate brokers.
Out-of-Basin Lands	NA			
Average Land Value	\$45,000			Assumes all acquisition occurs at the average in-basin land value.
Plus Transaction Costs and Contingency	\$1,500			Includes pre-acquisition field reconnaissance, surveys, Phase 1 environmental report, legal fees, and closing costs. Transaction costs assumed at 1/2 of total, contingency at 1/2 of total. This cost was restored to its 2003 level because of the increased complexity of real estate transactions.
Average Land Acquisition Cost per Acquired Acre	\$46,500			Beginning 2006

"land_acq_assumps"

Source: The Natomas Basin Conservancy

Table 6
Natomas Basin HCP
Restoration and Enhancement Assumptions

2006 Update
17,500 acres of development
1/2 acre of mitigation land per gross acre of developed land
25% marsh, 50% rice, 25% other

Site Specific Management Plan (SSMP) and Related Costs (to be completed within one year of habitat acquisition)

Item	Estimated Cost per Acquisition	Estimated Cost per Habitat Acre	Note
NBHCP Biological Site Assessment	\$15,000 per Acquisition	\$83 per Acquired Acre	Baseline Biological site assessments for: -Tri-Colored Blackbird -Valley Elderberry Longhorn Beetle -Delta Tule Pea -Sanford Arrowhead Assessment for Species Introduction: -Delta Tule Pea -CTS -ST -Pond Turtle -Sanford Arrowhead -Vernal Pool Plant Species, -Other Covered Plant Species
NBHCP Pre-Construction Survey	\$12,000 per Acquisition	\$67 per Acquired Acre	Formal pre-construction site survey for restoration and enhancement, including: -Assessment of Swainsons Hawk nest disturbance -Assessment of Other Avian Species nest disturbance -Assessment of Valley Elderberry Longhorn Beetle
Preparation of Site Specific Management Plan		\$225 per Acquired Acre	Based on information from Wildlands regarding cost of SSMPs prepared to date.
Update of Site Specific Management Plans		\$45 per Acquired Acre	Average cost per acre for Bennett North Update (\$10,210 / 226.7 acres).
Subtotal SSMP and Related Costs		\$420 per acre	Note [1]

Restoration and Enhancement Conversion Costs

	Use of Land	Initial Costs	Weighted Cost [5]	
Expended at Time Land Is Acquired				
Marsh	0%	\$0	\$0	Note [2], [3]
Existing Rice	75%	\$0	\$0	Note [3]
Dry Converted to Rice	0%	\$0	\$0	Note [3]
Other Upland	25%	\$0	\$0	Note [3]
Subtotal	100%		\$0	
Expended at Time Land Is Converted				
Rice/Other Converted to Marsh	25.00%	\$6,500	\$1,625	Note [4], [5]
Rice Converted to Upland/Other	0.00%	\$500	\$0	Note [5], [6]
Subtotal Restoration and Enhancement Conversion Costs			\$1,625	
Subtotal of All Restoration and Enhancement Costs per Acre			\$2,045	
Restoration and Enhancement Contingency per Acre (25%)			\$511	
Total Restoration and Enhancement Costs per Acre			\$2,556	

"RE_Assumps"

Source: The Natomas Basin Conservancy

- [1] The addition of a formal biological site assessment and pre-construction survey are required by the Draft HCP -- July 2002.
 [2] Initial use of marsh land estimated at 0% because NBHCP estimates that little to no marshland is available for acquisition. Rice land will be converted to marsh
 [3] The initial costs of marsh, existing rice, and dry land converted to rice and other upland have been set to zero as no initial restoration or enhancement costs are
 [4] As of 2005, the cost of converting acquired acres to marshes was approximately \$5,200 per acre, but re-plantings of tule, post construction deepening of channels, and additional fencing raises the cost to \$6,500 per acre (including incidentals such as increased fuel costs, cost of steel, etc.)
 [5] The cost of restoration and enhancement is weighted by the percentage of acres assumed to be converted or used for that particular land use.
 [6] The percentage of rice converted to upland is based on the acres purchased through 2005 that are planned to be converted to upland.

Table 7
Natomas Basin HCP
Operations and Maintenance Assumptions

2006 Update
17,500 acres of development
1/2 acre of mitigation land per gross acre of developed land
25% marsh, 50% rice, 25% other

Item	Amount	Notes:
Operations and Maintenance Costs		
Wildlands Contract	\$59.77 per acre	Wildlands annual contract of \$237,000 divided by the current habitat size of 3,965 acres (including supplemental mitigation)
TNBC Costs	\$37.47 per acre	Based on Wildlands, Inc. estimates (See Table 8)
Fixed Assets	\$21.00 per acre	Based on TNBC's inventory of fixed asses (see Table 9)
Subtotal	\$118.24 per acre	
Special Assessments		
Reclamation District #1000	\$12.32 per acre	Based on published tariffs and rates (assumes habitat land split as 57% Sutter County and 43% Sacramento County)
NCMWC	\$68.32 per acre	Based on published tariffs and rates. Assumptions: 1) 80% of acres are in the NCMWC area 2) TNBC pays all of the \$122 per acre average costs, then gets reimbursed by farmers for 1/3 of costs. 3) Bad debt allowance of 5% <i>Estimate = 2/3 * \$122 per acre * 80% * 1.05</i>
Subtotal	\$80.64 per acre	
Property Taxes for Existing Habitat (1%)	\$86.83 per acre	Based on the estimated average cost per acre, adjusting the cost per acre for each acquisition by 2% per year through 2006 (see Table 11 for detail)
Mitigation Monitoring and Adaptive Management		
<u>2006 +</u> One-Time/Fixed Costs	\$2,900 per year	
On-Going Monitoring	\$287,853 per year	
Subtotal	\$290,753 per year	See Table 12 for detail
Administrative Costs		
During Development	\$1,037,506 per year	See Table 13 for detail
After All Land Acquired	\$1,037,506 per year	
Operations and Maintenance Revenues		
Crop Land Leases		
Planted Rice Base Acreage	\$100 per acre	Estimate of average revenue per rice acre; revenue on 90% of rice acres
Other Crops	\$15 per acre	Estimate of average revenue per upland/other acre; revenue on 50% of other/upland acres
Hunting Revenue	\$10 per acre	Based on Wildlands Estimate for initial Site Plan revenue on a maximum of 1/4 of the acres

"OM_Assumps"

Source: The Natomas Basin Conservancy

Table 8
Natomas Basin HCP
Estimated TNBC Operations and Maintenance Annual Costs
(excludes costs covered by Wildlands contract and TNBC costs included in other tables)

2006 Update
17,500 acres of development
1/2 acre of mitigation land per gross acre of developed land
25% marsh, 50% rice, 25% other

Task	Comments	Expenditure Type	Cost/Item	Items	Total Cost	Recurrence Interval	Total Annual Cost
Water Management							
berm maintenance	Wildlands Contract						
water-control structure maintenance/repair	Wildlands Contract						
water-control structure replacement							
pump maintenance							
lift pump	Wildlands Contract	annual					
well pump	Wildlands Contract	annual					
electricity	Wildlands Contract	annual					
water management operation							
water cost							
summer water	TNBC (see Table 7 -- NCMWC))	annual					
winter water [1]	TNBC (additional water cost, 40% of habitat)	annual	\$20	793	\$15,862	1	\$15,862
electricity/fuel for wells	TNBC (added by TNBC in 2005)	annual	\$4,000	5	\$20,000	1	\$20,000
channel and outlet siltation control	TNBC	accrued	\$300	640	\$192,000	10	\$19,200
reclamation district fee	TNBC (See Table 7)	annual					\$0
well reserve	TNBC (added by TNBC in 2004)	accrued			\$9,600	1	\$9,600
Subtotal Water Management							\$64,662
Vegetation Management							
marsh plant management							
labor	Wildlands Contract						
marsh water level management labor	Wildlands Contract						
upland plant management							
mowing perimeter	TNBC (doubled cost)	annual			\$22,640	1	\$22,640
round-up, remedy	TNBC (doubled gallons)	annual	\$125	32	\$4,000	1	\$4,000
labor for spraying	TNBC (doubled cost)	annual			\$8,800	1	\$8,800
Subtotal Vegetation Management							\$35,440

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Table 8
Natomas Basin HCP
Estimated TNBC Operations and Maintenance Annual Costs
(excludes costs covered by Wildlands contract and TNBC costs included in other tables)

2006 Update
 17,500 acres of development
 1/2 acre of mitigation land per gross acre of developed land
 25% marsh, 50% rice, 25% other

Task	Comments	Expenditure Type	Cost/Item	Items	Total Cost	Recurrence Interval	Total Annual Cost
Pest Management							
pest management (beaver/muskrat/mosquito)							
muskrat traps	Wildlands Contract						
beaver traps	Wildlands Contract						
labor for beaver and muskrat control	Wildlands Contract						
cottonwood/willow protection	Wildlands Contract						
Subtotal Pest Management							\$0
Agriculture Management (rice and alfalfa farming)							
coordination with farmers and grazing tenants	TNBC (See Table 13)	annual			\$0	1	\$0
Hunting Management							
manage hunting program	TNBC (See Table 13)	annual			\$0	1	\$0
coordinate with Sacramento Int. Airport	TNBC (See Table 13)	annual			\$0	1	\$0
winter water	TNBC	annual			\$0	1	\$0
Subtotal Hunting Management							\$0
Public Access and Interpretation							
provide guided tours	TNBC (See Table 13)	annual					\$0
prepare handbooks and misc. interpretive material	TNBC (See Table 13)						\$0
Subtotal Public Access and Interpret.							\$0
Monitoring							
general field monitoring of veg. and wildlife	TNBC (See Table 12)	annual					\$0
site-specific multispecies wildlife survey	TNBC (See Table 12)	accrued					\$0
waterfowl activities	TNBC (See Table 12)	annual					\$0
prepare reports	TNBC (See Table 12)	annual					\$0
general agency coordination	TNBC (See Table 12)	annual					\$0
Subtotal Monitoring							\$0
Adaptive Management							
labor to implement changes to various management practices	TNBC (See Table 12)	annual					\$0
Subtotal Adaptive Management							\$0

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Table 8
Natomas Basin HCP
Estimated TNBC Operations and Maintenance Annual Costs
(excludes costs covered by Wildlands contract and TNBC costs included in other tables)

2006 Update
17,500 acres of development
1/2 acre of mitigation land per gross acre of developed land
25% marsh, 50% rice, 25% other

Task	Comments	Expenditure Type	Cost/Item	Items	Total Cost	Recurrence Interval	Total Annual Cost
Miscellaneous							
trespass management	TNBC	annual			\$4,968	1	\$4,968
site security	TNBC	annual			\$12,000	1	\$12,000
trash clean-up	TNBC	annual			\$4,772	1	\$4,772
truck	Wildlands Contract						
atv	Wildlands Contract						
trailer for atv	Wildlands Contract						
hand tools	Wildlands Contract						
backpack sprayer	Wildlands Contract						
weed eater	Wildlands Contract						
fuels and oils	Wildlands Contract						
tractor with implements	Wildlands Contract						
trailer for tractor	Wildlands Contract						
misc. equipment maintenance	Wildlands Contract						
road maintenance	Wildlands Contract						
access gate (heavy duty)	Wildlands Contract						
access gate (light duty)	Wildlands Contract						
perimeter fence (6 strand barbed wire)	Wildlands Contract						
perimeter fence (mesh + 2 strand barbed wire)	Wildlands Contract						
fence maintenance	TNBC	accrued	\$10,000	1	\$10,000	2	\$5,000
signage	TNBC	annual			\$504	1	\$504
burrowing owl boxes	TNBC	accrued	\$180	4	\$720	15	\$48
insurance	TNBC (see Table 13)	annual					\$0
winter bird management	TNBC	annual			\$7,700	1	\$7,700
project management/administration/misc. project coordination (10% of work year)	Wildlands Contract	annual					
Subtotal Miscellaneous							\$34,992
Subtotal All Costs							\$135,094
Contingency						10%	\$13,509
Total Costs							\$148,603
Acre Allocation							3,965
Estimated Cost per Acre							\$37.47

o&m tnbc

Source: Wildlands, Inc. and TNBC

[1] It is assumed that winter water fees will be paid on 40% of the acres and that TNBC will be reimbursed by farmers for 1/2 of the charges.

Table 9
Natomas Basin HCP
Estimated TNBC Fixed Asset Annual Costs (2006 \$)

2006 Update
 17,500 acres of development
 1/2 acre of mitigation land per gross acre of developed land
 25% marsh, 50% rice, 25% other

Property Description		Year Acquired	Recurrence Interval	Years Remaining	Cost Per Item	Items	Total Cost	Total Cost (2006 \$)	Annual Cost
SLV	House - 9055 E. Levee Road *	1995	n/a	n/a			\$170,000		
SLV	Pole Barn *	1999	n/a	n/a			\$15,000		
SLV	Large Dairy Barn *	1999	n/a	n/a			\$172,700		
SLV	Quonset Hut *	1999	n/a	n/a			\$50,000		
BTS	House - 8701 E. Levee Road *	1999	n/a	n/a			\$90,000		
BTS	Betts Barn *	1999	n/a	n/a			\$30,000		
BTS	Well & Pump (residential)	1999	20	10	\$12,500	1	\$12,500	\$15,373	\$769
BTS	Pump (irrigation pump)	1999	20	5	\$80,000	1	\$80,000	\$98,390	\$4,919
BTS	Well (not in use)	n/a	n/a	n/a			\$80,000		
SLV	Northern Barn	n/a	n/a	n/a			\$30,000		
SLV	Maint. Shed (milking parlor?)	n/a	n/a	n/a			\$45,000		
SLV	Well & Pump (Quonset hut - domestic)	1999	20	10	\$12,500	1	\$12,500	\$15,373	\$769
SLV	Well & Pump (Northern barn)	2005	20	20	\$80,000	1	\$80,000	\$82,400	\$4,120
SLV	Pump (abandoned, north property line)	n/a	n/a	n/a			\$80,000		
SLV	Pump (abandoned, south property line)	n/a	n/a	n/a			\$80,000		
KSM	Lift pump (pond)	2003	20	18	\$42,000	1	\$42,000	\$45,895	\$2,295
* These assets had no value assigned at date of acquisition. Two houses were appraised on 02/05/04. Those appraised values are used here. The other barns and out buildings were quantified by John Roberts based on replacement costs for insurance purposes. Those values are used here.									
BKS Fencing**									
BKS	BW Fencing 5-strand	2000	20	15		9,632.59 ft	\$18,302	\$21,854	\$1,093
BKS	16' Stock Gates	2000	20	15	\$115	4	\$460	\$549	\$27
BKS	BW Fencing 5-strand	2001	20	16		3,959 ft	\$7,522	\$8,720	\$436
BKS	16' Stock Gates	2001	20	16	\$123	3	\$370	\$429	\$21
BKS	16' Stock Gate and setup	2001	20	16	\$275	1	\$275	\$319	\$16
BKS	BW Fencing 5-strand	2001	20	16		2,293.3 ft	\$4,365	\$5,060	\$253
BKS	BW Fencing 2-strand	2001	15	11		621 ft	\$2,329	\$2,700	\$180
BKS	BW Fencing 5-strand	2001	20	16		1,749 ft	\$1,185	\$1,374	\$69
BKS	Stock Gates	2001	20	16	\$100	2	\$200	\$232	\$12
SLV	BW Fencing	2001	20	16		730 ft	\$1,643	\$1,904	\$95
BTS	BW Fencing 5-strand	2002	20	17		1,340 ft	\$3,015	\$3,393	\$170
SLV	BW Fencing 3-strand	2003	15	13		350 ft	\$1,365	\$1,492	\$99
SLV	BW Fencing 1-strand	2003	15	13		526 ft	\$2,051	\$2,242	\$149

Table 9
Natomas Basin HCP
Estimated TNBC Fixed Asset Annual Costs (2006 \$)

2006 Update
 17,500 acres of development
 1/2 acre of mitigation land per gross acre of developed land
 25% marsh, 50% rice, 25% other

Property Description		Year Acquired	Recurrence Interval	Years Remaining	Cost Per Item	Items	Total Cost	Total Cost (2006 \$)	
								Annual Cost	
								<i>3% annual inflation</i>	
SLV	Security Gates	2003	25	22	\$450	6	\$2,700	\$2,950	\$118
** Minor repairs and maintenance may extend reoccurrence interval period									
BKS Water Control Structures									
BKS	3'x4' Water Control Structure Assembly w/24" Dia Pipe	2001	50	46	\$2,500	9	\$22,500	\$26,084	\$522
BKS	New gates over WCS 3x4	2001	10	6	\$105	11	\$1,155	\$1,339	\$134
BKS	4'x4' Water Control Structure Assembly w/30" Dia Pipe	2001	50	46	\$2,750	9	\$24,750	\$28,692	\$574
BKS	New gates over WCS 4x4	2001	10	6	\$130	10	\$1,300	\$1,507	\$151
BKS	4'x5' Water Control Structure Assembly w/36" Dia Pipe	2001	50	46	\$4,200	2	\$8,400	\$9,738	\$195
BKS	75'x15'x1' rock pad with Geotech Fabric	2001	15	11	\$3,000	1	\$3,000	\$3,478	\$232
BKS	Spillway Assembly	2001	20	16	\$4,850	18	\$87,300	\$101,205	\$5,060
BKS	Soil cover over 15 spillways (sealing)	2001	10	6	\$150	15	\$2,250	\$2,608	\$261
KSM	Water lift pump, standpipe, pipeline assembly (barn area)	2001	25	21	\$57,753	1	\$57,753	\$66,952	\$2,678
BKS	30" Dia Corrugated Polyethylene pipe, Installed	2001	20	16	\$65	90	\$5,850	\$6,782	\$339
BKS	Canal Gate & Pipe Assembly	2001	20	16	\$6,000	1	\$6,000	\$6,956	\$348
BKS	12" water slides in diversion structure	2001	15	11	\$1,100	2	\$2,200	\$2,550	\$170
AYA	26' Gate	2002	20	10	\$1,200	1	\$1,200	\$1,351	\$68
BRN	Well & pump (north property line)	2003	20	18	\$80,000	1	\$80,000	\$87,418	\$4,371
BRN	Well (south entrance, no meter)	n/a	20	0	\$50,000	1	\$50,000		
LUCN/FR:	Gates (incl Dbl Wide)	2003	20	18	\$495	5	\$2,473	\$2,702	\$135
FRZ	Well & pump (50 hp)	2004	20	20	\$80,000	1	\$80,000	\$84,872	\$4,244
LUCN	Well & pump (75 hp)	1999	20	12	\$95,000	1	\$95,000	\$116,838	\$5,842
LUCN/FR:	3'x5' Water Control Structure Assemblies w/18" dia pimp, 40'	2004	50	49	\$2,350	9	\$21,150	\$22,438	\$449
LUCN/FR:	3'x5' Water Control Structure Assemblies w/24" dia pimp, 40'	2004	50	49	\$2,550	7	\$17,850	\$18,937	\$379
LUCN/FR:	5'x5' Water Control Structure Assemblies w/24" dia pimp, 40'	2004	50	49	\$2,900	3	\$8,700	\$9,230	\$185
LUCN/FR:	Grates over WCS 3'x5' - existing (5) and proposed structures	2004	10	9	\$110	21	\$2,310	\$2,451	\$245
LUCN/FR:	Grates over WCS 3'x5' - proposed structures	2004	10	9	\$150	3	\$450	\$477	\$48
BENS	16' Gate (Dbl Wide)	2004	15	14	\$375	1	\$375	\$398	\$27
BENS	14' Gate	2005	15	15	\$275	3	\$825	\$850	\$57
BENS	BW Fencing 3-strand	2004	15	14		1,600 ft	\$6,240	\$6,620	\$441

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Table 9
Natomas Basin HCP
Estimated TNBC Fixed Asset Annual Costs (2006 \$)

2006 Update
 17,500 acres of development
 1/2 acre of mitigation land per gross acre of developed land
 25% marsh, 50% rice, 25% other

Property Description		Year	Recurrence	Years	Cost	Items	Total Cost	Total Cost (2006 \$)	Annual Cost
		Acquired	Interval	Remaining	Per Item				
<i>3% annual inflation</i>									
LB2	3'x3' Water Control Structure Assembly w/24" Dia Pipe, 40'	2002	50	47	\$2,350	1	\$2,350	\$2,645	\$53
LB2	3'x4' Water Control Structure Assembly w/18" Dia Pipe, 40'	2002	50	47	\$2,350	1	\$2,350	\$2,645	\$53
LB2	3'x4' Water Control Structure Assembly w/24" Dia Pipe, 40'	2002	50	47	\$2,400	2	\$4,800	\$5,402	\$108
LB2	3'x4' Water Control Structure Assembly w/24" Dia Pipe, 20'	2002	50	47	\$2,000	2	\$4,000	\$4,502	\$90
LB2	3'x6' Water Control Structure Assembly w/18" Dia Pipe, 40'	2002	50	47	\$2,600	2	\$5,200	\$5,853	\$117
LB2	3'x5' Water Control Structure Assembly w/18" Dia Pipe, 40'	2002	50	47	\$2,550	4	\$10,200	\$11,480	\$230
LB2	3'x6' Water Control Structure Assembly w/24" Dia Pipe, 40'	2002	50	47	\$2,650	4	\$10,600	\$11,930	\$239
LB2	3'x5' Water Control Structure Assembly w/24" Dia Pipe, 40'	2002	50	47	\$2,600	1	\$2,600	\$2,926	\$59
LB2	3'x5' Canal Gate Structure Assembly w/18" Dia Pipe, 40'	2002	50	47	\$3,650	1	\$3,650	\$4,108	\$82
LB2	3'x5' Canal Gate Structure Assembly w/24" Dia Pipe, 40'	2002	50	47	\$3,850	2	\$7,700	\$8,666	\$173
LB2	3'x8' Canal Gate Structure Assembly w/24" Dia Pipe, 40'	2002	50	47	\$4,300	1	\$4,300	\$4,840	\$97
LB2	Grates over WCS 3'x4'	2002	10	7	\$105	21	\$2,205	\$2,482	\$248
LB2	Security Gates and Gateways	2002	15	12			\$2,922	\$3,289	\$219
LB2	21' Custom made Security Gates with Lock Boxes and Hangars	2002	20	17	\$450	5	\$2,250	\$2,532	\$127
HUFW	Well & pump (50 hp)	2003	20	5	\$80,000	1	\$80,000	\$87,418	\$4,371
HUFW	Diversion Pump (20 hp)(1/2 Interest)	2003	20	10	\$30,000	1	\$30,000	\$32,782	\$1,639
ATKE	Gate	2003	20	18	\$450	1	\$450	\$492	\$25
ATKE	Water Control Structures	2003	10	0		0	\$0	\$0	\$0
ATKE	Lift pump (25 hp)	2003	20	10	\$45,000	1	\$45,000	\$49,173	\$2,459
ATKE	Recirculating pump (15 hp)	2003	20	10	\$30,000	1	\$30,000	\$32,782	\$1,639
ATKW	Well & pump (30 hp)	2003	20	5	\$50,000	1	\$50,000	\$54,636	\$2,732
RUR	Gate (Dbl Wide)	2003	20	18	\$450	2	\$900	\$983	\$49
SILS	15' Security Gate with Lock Boxes and Hangars	2002	20	17	\$450	2	\$900	\$1,013	\$51
SOU/NAF	BW Fencing 1-strand	2003	15	13		11,210 ft	\$43,719	\$47,773	\$3,185
SOU/NAF	Gates (incl Rainey)	2003	15	13	\$773	6	\$4,635	\$5,065	\$338
NAF	Ballards around well	2005	50	50	\$280	8	\$2,237	\$2,304	\$46
NAF	BW Fencing 10-strand	2005	20	20		4,500 ft	\$35,025	\$36,076	\$1,804
NAF	Well & pump (60 hp)	2005	20	20	\$95,000	1	\$95,000	\$97,850	\$4,893
SOU	House (estimate)	n/a	n/a	n/a			\$200,000		

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Table 9
Natomas Basin HCP
Estimated TNBC Fixed Asset Annual Costs (2006 \$)

2006 Update
 17,500 acres of development
 1/2 acre of mitigation land per gross acre of developed land
 25% marsh, 50% rice, 25% other

Property Description	Year Acquired	Recurrence Interval	Years Remaining	Cost Per Item	Items	Total Cost	Total Cost (2006 \$)	Annual Cost
							<i>3% annual inflation</i>	
SOU/NAF 3'x5' Water Control Structure Assembly w/18" Dia Pipe, 40'	2003	50	47	\$2,500	1	\$2,500	\$2,732	\$55
SOU/NAF 3'x5' Water Control Structure Assembly w/18" Dia Pipe, 60'	2003	50	47	\$2,800	1	\$2,800	\$3,060	\$61
SOU/NAF 3'x5' Canal Gate Structure Assembly w/18" Dia Pipe, 20'	2003	50	47	\$3,075	1	\$3,075	\$3,360	\$67
SOU/NAF 3'x5' Canal Gate Structure Assembly w/18" Dia Pipe, 40'	2003	50	47	\$3,500	3	\$10,500	\$11,474	\$229
SOU/NAF Grates over WCS	2003	10	7	\$105	6	\$630	\$688	\$69
CMS 13' Security Gate with Lock Boxes and Hangars	2002	20	17	\$450	2	\$900	\$1,013	\$51
CMS Gates (incl Dbl Wide)	2004	15	14	\$776	4	\$3,105	\$3,294	\$220
CMS Fencing	2004	15	14		7,400 ft	\$33,300	\$35,328	\$2,355
CMS 3'x3' Water Control Structure Assembly w/24" Dia Pipe, 20'	2004	50	49	\$2,546	1	\$2,546	\$2,701	\$54
CMS 3'x5' Water Control Structure Assembly w/18" Dia Pipe, 40'	2004	50	49	\$2,988	4	\$11,952	\$12,680	\$254
CMS 3'x5' Canal Gate Structure Assembly w/24" Dia Pipe, 40'	2004	50	49	\$3,289	1	\$3,289	\$3,489	\$70
CMS Grates over WCS 3'x3'	2004	10	9	\$602	1	\$602	\$639	\$64
CMS Grates over WCS 3'x5'	2004	10	9	\$602	5	\$3,012	\$3,196	\$320
CMS Well & pump (20 hp)	2004	20	15	\$80,000	1	\$80,000	\$84,872	\$4,244
ALG Security Gate	2002	20	17	\$1,131	1	\$1,131	\$1,273	\$64
All propret Signage	2002	5	2	\$120	70	\$8,416	\$9,472	\$1,894
BOLS Well & pump (60 hp)	2004	20	20	\$95,000	1	\$95,000	\$100,786	\$5,039
BOLN Gate (Dbl Wide)	2005	20	10	\$2,500	1	\$2,500	\$2,575	\$129
BOLN Gate	2005	20	10	\$1,500	1	\$1,500	\$1,545	\$77
						\$2,656,915		\$83,260
Habitat Acres								3,965
Cost per Habitat Acre								\$21.00

fixed assets

Source: TNBC

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Table 10
Natomas Basin HCP
Estimated Property Taxes (2005-2045)

2006 Update
17,500 acres of development
1/2 acre of mitigation land per gross acre of developed land
25% marsh, 50% rice, 25% other

Year Acquired	Acres	Value per Acre	Total Value	Property Taxes				Adjusted Total Annual Taxes (2006 \$)
				Taxes on New Acres (inflated \$)	Taxes on New Acres (2006 \$)	Property Taxes (2006 \$)	Percentage Adjustment	
		<i>10% annual increase after 2006</i>		<i>1% of total value</i>	<i>assumes 3% inflation rate</i>			
1999-2005 [1]	3,965.46	\$ 8,683	\$ 34,433,348	\$ 344,333	\$ 344,333			
2006	76.52	\$ 45,000	\$ 3,443,564	\$ 34,436	\$ 34,436	\$ 378,769	95%	\$ 359,831
2007	293.31	\$ 49,500	\$ 14,518,979	\$ 145,190	\$ 140,961	\$ 519,730	93%	\$ 483,349
2008	517.21	\$ 54,450	\$ 28,162,232	\$ 281,622	\$ 265,456	\$ 785,186	91%	\$ 714,519
2009	408.61	\$ 59,895	\$ 24,473,477	\$ 244,735	\$ 223,967	\$ 1,009,153	89%	\$ 898,146
2010	342.21	\$ 65,885	\$ 22,546,513	\$ 225,465	\$ 200,323	\$ 1,209,476	87%	\$ 1,052,244
2011	342.21	\$ 72,473	\$ 24,801,164	\$ 248,012	\$ 213,937	\$ 1,423,413	85%	\$ 1,209,901
2012	342.21	\$ 79,720	\$ 27,281,280	\$ 272,813	\$ 228,476	\$ 1,651,889	83%	\$ 1,371,068
2013	342.21	\$ 87,692	\$ 30,009,408	\$ 300,094	\$ 244,004	\$ 1,895,893	81%	\$ 1,535,674
2014	342.21	\$ 96,461	\$ 33,010,349	\$ 330,103	\$ 260,587	\$ 2,156,480	79%	\$ 1,703,619
2015	342.21	\$ 106,108	\$ 36,311,384	\$ 363,114	\$ 278,297	\$ 2,434,777	77%	\$ 1,874,778
2016	342.21	\$ 116,718	\$ 39,942,522	\$ 399,425	\$ 297,210	\$ 2,731,986	75%	\$ 2,048,990
2017	248.90	\$ 128,390	\$ 31,956,334	\$ 319,563	\$ 230,859	\$ 2,962,846	73%	\$ 2,162,877
2018	248.90	\$ 141,229	\$ 35,151,967	\$ 351,520	\$ 246,549	\$ 3,209,395	71%	\$ 2,278,670
2019	248.90	\$ 155,352	\$ 38,667,164	\$ 386,672	\$ 263,305	\$ 3,472,699	69%	\$ 2,396,162
2020	248.90	\$ 170,887	\$ 42,533,880	\$ 425,339	\$ 281,199	\$ 3,753,898	67%	\$ 2,515,112
2021	248.90	\$ 187,976	\$ 46,787,268	\$ 467,873	\$ 300,310	\$ 4,054,208	65%	\$ 2,635,235
2022	48.90	\$ 206,774	\$ 10,111,238	\$ 101,112	\$ 63,010	\$ 4,117,218	63%	\$ 2,593,847
2023	-		\$ 0	\$ 0	\$ 0	\$ 4,117,218	61%	\$ 2,511,503
2024	-		\$ 0	\$ 0	\$ 0	\$ 4,117,218	59%	\$ 2,429,159
2025	-		\$ 0	\$ 0	\$ 0	\$ 4,117,218	57%	\$ 2,346,814
2026	-		\$ 0	\$ 0	\$ 0	\$ 4,117,218	55%	\$ 2,264,470
2027	-		\$ 0	\$ 0	\$ 0	\$ 4,117,218	53%	\$ 2,182,125
2028	-		\$ 0	\$ 0	\$ 0	\$ 4,117,218	51%	\$ 2,099,781
2029	-		\$ 0	\$ 0	\$ 0	\$ 4,117,218	50%	\$ 2,058,609
2030	-		\$ 0	\$ 0	\$ 0	\$ 4,117,218	50%	\$ 2,058,609
2031	-		\$ 0	\$ 0	\$ 0	\$ 4,117,218	50%	\$ 2,058,609
2032	-		\$ 0	\$ 0	\$ 0	\$ 4,117,218	50%	\$ 2,058,609
2033	-		\$ 0	\$ 0	\$ 0	\$ 4,117,218	50%	\$ 2,058,609
2034	-		\$ 0	\$ 0	\$ 0	\$ 4,117,218	50%	\$ 2,058,609
2035	-		\$ 0	\$ 0	\$ 0	\$ 4,117,218	50%	\$ 2,058,609
2036	-		\$ 0	\$ 0	\$ 0	\$ 4,117,218	50%	\$ 2,058,609
2037	-		\$ 0	\$ 0	\$ 0	\$ 4,117,218	50%	\$ 2,058,609
2038	-		\$ 0	\$ 0	\$ 0	\$ 4,117,218	50%	\$ 2,058,609
2039	-		\$ 0	\$ 0	\$ 0	\$ 4,117,218	50%	\$ 2,058,609
2040	-		\$ 0	\$ 0	\$ 0	\$ 4,117,218	50%	\$ 2,058,609
2041	-		\$ 0	\$ 0	\$ 0	\$ 4,117,218	50%	\$ 2,058,609
2042	-		\$ 0	\$ 0	\$ 0	\$ 4,117,218	50%	\$ 2,058,609
2043	-		\$ 0	\$ 0	\$ 0	\$ 4,117,218	50%	\$ 2,058,609
2044	-		\$ 0	\$ 0	\$ 0	\$ 4,117,218	50%	\$ 2,058,609
2045	-		\$ 0	\$ 0	\$ 0	\$ 4,117,218	50%	\$ 2,058,609
2046	-		\$ 0	\$ 0	\$ 0	\$ 4,117,218	50%	\$ 2,058,609
2047	-		\$ 0	\$ 0	\$ 0	\$ 4,117,218	50%	\$ 2,058,609
Total [3]	8,950.00		\$ 524,142,071	\$ 5,241,421	\$ 4,117,218	\$ 140,697,464		\$ 80,781,445

prop taxes

[1] See **Table 11** for the estimated assessed value (in 2005 \$) of existing habitat.

[2] Property taxes adjusted to account for Williamson Act, welfare exemptions, and decreasing habitat valuation over time.

[3] Includes supplemental mitigation acres and taxes.

Table 11
Natomas Basin HCP
2005 Property Tax Assumptions

2006 Update
17,500 acres of development
1/2 acre of mitigation land per gross acre of developed land
25% marsh, 50% rice, 25% other

Property	Year Acquired	Acres		Total	Cost	Assessed Value Adjustment Factor	2006 Value	Estimated 2006 Value per Acre
		Sacramento County	Sutter County					
Silva	1999	155.31	3.89	159.20	\$ 478,500	1.149	\$ 549,646	\$ 3,453
Betts	1999	121.78	17.21	138.99	\$ 451,265	1.149	\$ 518,362	\$ 3,729
Kismat	1999	40.29		40.29	\$ 140,000	1.149	\$ 160,816	\$ 3,991
Bennett North	1999		226.68	226.68	\$ 816,030	1.149	\$ 937,362	\$ 4,135
Bennett South	1999		132.49	132.49	\$ 476,950	1.149	\$ 547,865	\$ 4,135
Lucich North	1999		267.99	267.99	\$ 1,071,944	1.149	\$ 1,231,327	\$ 4,595
Lucich South	1999		351.89	351.89	\$ 1,324,836	1.149	\$ 1,521,820	\$ 4,325
Brennan	2000		241.38	241.38	\$ 1,086,192	1.126	\$ 1,223,229	\$ 5,068
Frazer	2000		92.60	92.60	\$ 388,920	1.126	\$ 437,987	\$ 4,730
Souza	2001	44.68		44.68	\$ 444,882	1.104	\$ 491,186	\$ 10,993
Natomas Farms	2001	96.46		96.46	\$ 1,060,000	1.104	\$ 1,170,326	\$ 12,133
Ayala	2002	317.37		317.37	\$ 3,491,041	1.082	\$ 3,778,815	\$ 11,907
Sills [1]	2002	436.41		436.41	\$ 3,272,753	1.082	\$ 3,542,533	\$ 8,118
Alleghany	2002	50.26		50.26	\$ 415,933	1.082	\$ 450,220	\$ 8,958
Cummings	2002	66.83		66.83	\$ 553,092	1.082	\$ 598,684	\$ 8,958
Atkinson	2003		205.40	205.40	\$ 1,853,694	1.061	\$ 1,967,155	\$ 9,577
Ruby Ranch	2003		91.08	91.08	\$ 1,092,960	1.061	\$ 1,159,858	\$ 12,735
Huffman West	2003		181.00	181.00	\$ 2,190,420	1.061	\$ 2,324,491	\$ 12,842
Huffman East	2003		135.75	135.75	\$ 1,085,968	1.061	\$ 1,152,438	\$ 8,490
Tufts	2004	147.95		147.95	\$ 2,963,000	1.040	\$ 3,082,705	\$ 20,836
Bolen North	2005		113.6	113.62	\$ 1,704,285	1.020	\$ 1,738,371	\$ 15,300
Bolen South	2005		102.38	102.38	\$ 1,535,715	1.020	\$ 1,566,429	\$ 15,300
Rosa [2]	2005	206.30		206.30	\$ 399,728	1.020	\$ 407,723	\$ 1,976
Vestal	2005		94.95	94.95	\$ 3,798,040	1.020	\$ 3,874,001	\$ 40,800
RD1000 @ LUCS (easement)	2003		4.64	4.64		1.061		
RD1000 @ BENN (easement)	2003		1.12	1.12		1.061		
Sills South-West border (easement)	2005	12.58		12.58		1.020		
Sills South-East border (easement)	2005	5.20		5.20		1.020		
TOTAL		1,701.41	2,264.05	3,965.46	\$ 32,096,148		\$ 34,433,348	\$ 8,683
Percent of Total Acres		43%	57%					
Estimated 2006 Property Taxes per Acre								\$ 86.83

[1] Cost reduced from original cost to account for the acres surrendered in the Sills-Rosa land trade, as shown below.

prop tax assumps

	Acres	Cost Per Acre	Total Cost
Sills Property	575.56	\$ 7,499	\$ 4,316,286
Less Acres Surrendered	(139.15)	\$ 7,499	(\$ 1,043,532)
Acres Remaining	436.41	\$ 7,499	\$ 3,272,753

[2] Cost reflects the 2005 assessed value. The actual cost was \$0 because the Rosa tract was acquired in a land trade.

Table 12
Natomas Basin HCP
Species and Habitat Monitoring Cost Assumptions

2006 Update
17,500 acres of development
1/2 acre of mitigation land per gross acre of developed land
25% marsh, 50% rice, 25% other

Task	Annual Budgeted Cost		
	2004	2005	2006
Project and Database Management			
1 Project Management	\$15,860	\$15,860	15,860
2 Database Management and Coordination	\$16,840	\$10,320	10,320
3 Integrated Basinwide GIS database Mapping and Habitat Monitoring	\$20,730	\$9,900	9,900
Total	\$53,430	\$36,080	\$36,080
Basinwide Monitoring			
4 Giant Garter Snake Monitoring	\$93,100	\$84,600	84,600
5 Swainson's Hawk Monitoring	\$19,240	\$19,240	19,240
6 Covered Species Survey on Non-Reserve Control Sites	\$7,772	\$7,968	7,968
Total	\$120,112	\$111,808	\$111,808
Site Specific Monitoring			
First-Year Baseline Inventory			
7 Baseline Habitat Inventory of Reserve Sites	\$8,848	\$0	0
8 Baseline Botanical Inventory of Reserve Sites	\$11,888	\$0	0
9 Baseline Covered Species Inventory of Reserve Sites	\$11,008	\$0	0
Subtotal	\$31,744	\$0	\$0
Annual Survey and Assessment			
10 Habitat Assessment for Covered Species	\$0	\$3,696	3,696
11 Invasive Species Assessment	\$0	\$2,464	2,464
12 Covered Species Surveys	\$0	\$16,632	16,632
Subtotal	\$0	\$22,792	\$22,792
Total	\$31,744	\$22,792	\$22,792
Reporting and Documentation			
13 Site Specific Monitoring Plans	\$14,438	\$5,286	\$5,286
14 Draft Annual Report	\$10,640	\$9,896	\$9,896
15 Final Annual Report	\$3,110	\$2,350	\$2,350
16 Draft Monitoring Program Document	\$13,576	\$0	\$0
17 Final Monitoring Program Document	\$3,920	\$0	\$0
Total	\$45,684	\$17,532	\$17,532
Direct Expenses	\$41,010	\$37,980	\$37,980
Increased Annual Contract Amount to Include Tufts Property	\$0	\$12,650	\$12,650
Increased Annual Contract Amount to Include Rosa and Bolen Property		\$0	\$31,891
Other Costs			
Midpoint Program Reviews [1]	\$2,900	\$2,900	\$2,900
Connectivity -- Assessment	\$2,400	\$2,400	\$2,400
Connectivity -- O&M	\$5,000	\$5,000	\$5,000
Adaptive Management -- Periodic Review of NBHCP Monitoring Data	\$3,600	\$3,600	\$3,600
Adaptive Management -- Report to Review Adaptive Management.	\$6,120	\$6,120	\$6,120
Total	\$20,020	\$20,020	\$20,020
TOTAL SPECIES AND HABITAT MONITORING COSTS	\$312,000	\$258,862	\$290,753

monitoring_assumps

Source: Jones & Stokes, TNBC

[1] Overall program review (\$125,000) plus support for Sutter County and City of Sacramento midpoint reviews (\$20,000) averaged over 50 years.

Table 13
Natomas Basin HCP
Estimated Administrative Costs

2006 Update
17,500 acres of development
of mitigation land per gross acre of develop
25% marsh, 50% rice, 25% other

	2006	2005	2004	2003	
	Annual Cost	Annual Cost	Annual Cost	Annual Cost	Notes
					<i>(for comparison)</i>
<u>Administrative Expenses</u>					
Staff	\$249,395	\$249,395	\$200,843	\$205,000	
Benefits and Charges	\$82,300	\$82,300	\$66,278	\$67,650	
Board Expense	\$10,000	\$10,000	\$10,000	\$6,000	
Subtotal	\$341,695	\$341,695	\$277,121	\$278,650	
<u>Office Expense</u>					
Rent	\$59,484	\$40,000	\$38,000	\$37,000	
Telephone	\$7,500	\$7,500	\$6,200	\$4,000	
Copying and Printing	\$25,000	\$25,000	\$16,000	\$16,000	
Office Supplies	\$10,000	\$10,000	\$5,000	\$5,000	
Postage	\$1,500	\$1,000	\$1,000	\$1,000	
Equipment	\$15,000	\$15,000	\$15,000	\$2,500	
Auto Expense	\$12,000	\$12,000	\$7,000	\$6,500	
Subtotal	\$130,484	\$110,500	\$88,200	\$72,000	
<u>Miscellaneous Expense</u>					
Insurance	\$60,000	\$60,000	\$60,000	\$30,000	Liability and D&O
Accounting	\$20,000	\$7,500	\$27,500	\$17,500	
Legal	\$60,000	\$60,000	\$76,000	\$60,000	
Fees and Taxes	\$140,000	\$95,000	\$24,000	\$2,000	
Subtotal	\$280,000	\$222,500	\$187,500	\$109,500	
<u>Contract Work and Monitoring</u>					
Contract Work, Public Education, and Publications [1]	\$150,000	\$147,000	\$125,000	\$105,000	
Monitoring	\$290,753	\$258,862	\$312,000	\$244,350	
Subtotal	\$440,753	\$405,862	\$437,000	\$349,350	
Less Monitoring	(\$290,753)	(\$258,862)	(\$312,000)	(\$244,350)	Included separately in Table 12
Subtotal Contract Work	\$150,000	\$147,000	\$125,000	\$105,000	
Subtotal Costs	\$902,179	\$821,695	\$677,821	\$565,150	
Contingency	\$135,327	\$123,254	\$101,673	\$84,773	15% Contingency
Total Administration during Habitat Acquisition	\$1,037,506	\$944,949	\$779,494	\$649,923	
Total Administration after Habitat Acquisition	\$1,037,506	\$944,949	\$779,494	\$649,923	

"admin_assumps"

Source: TNBC FY 2006 budget estimate

[1] Excludes:

Wildlands contract amount of \$237,000, which is included in the O&M costs in **Table 7**.

Restoration and Enhancement 2006 planned construction costs, which are included in **Table 6** (estimated at \$6,500 per acre).

Table 14
Natomas Basin HCP
Supplemental Endowment Cost Assumptions

Item	Amount
200-Acre Reserve or Purchase of Final 200 Acres	
Total Cost per Acre	\$45,000
Acres	200
Total Estimated Acquisition Cost	\$9,000,000
Less Supplemental Endowment Fund Balance (excluding Changed Circum. portion)	(\$744,352)
Total Remaining Cost	\$8,255,648
Remaining Development (acres)	10,716
Total Cost per Developed Acre	\$770
Total Cost per Habitat Acre	\$1,541
Changed Circumstance Contingency	
Total Cost per Habitat Acre	\$500
TOTAL COST PER HABITAT ACRE	\$2,041

supp_endow_assumps

Source: The Natomas Basin Conservancy and EPS

Table 15
Natomas Basin HCP
Development Projections

Year	City of Sacramento	Metro Air Park	Sutter County	Total Acres	Adjustment for Acres with Prepaid Fees	Acres for Fee Calculations
<i>Actual Acres</i>						
1996	30.41			30.41		30.41
1997	104.90			104.90		104.90
1998	1,380.36			1,380.36		1,380.36
1999	1,465.47			1,465.47		1,465.47
2000	598.07			598.07		598.07
2001	242.09			242.09		242.09
2002	777.81			777.81		777.81
2003	1,041.98	116.75		1,158.72		1,158.72
2004	178.08			178.08	169.67	347.74
2005	848.06			848.06	(169.67)	678.39
Subtotal	6,667.21	116.75	0.00	6,783.96	0.00	6,783.96
<i>Projected Acres</i>						
2006	500.00			500.00		500.00
2007	400.00	186.63		586.63		586.63
2008	350.00	186.63	497.80	1,034.43		1,034.43
2009	132.79	186.63	497.80	817.21		817.21
2010		186.63	497.80	684.43		684.43
2011		186.63	497.80	684.43		684.43
2012		186.63	497.80	684.43		684.43
2013		186.63	497.80	684.43		684.43
2014		186.63	497.80	684.43		684.43
2015		186.63	497.80	684.43		684.43
2016		186.63	497.80	684.43		684.43
2017			497.80	497.80		497.80
2018			497.80	497.80		497.80
2019			497.80	497.80		497.80
2020			497.80	497.80		497.80
2021			497.80	497.80		497.80
2022			497.80	497.80		497.80
2023				-		-
2024				-		-
2025				-		-
2026				-		-
2027				-		-
2028				-		-
2029				-		-
2030				-		-
2031				-		-
2032				-		-
Subtotal	1,382.79	1,866.25	7,467.00	10,716.04	0.00	10,716.04
TOTAL	8,050.00	1,983.00	7,467.00	17,500.00	0.00	17,500.00

development

Table 16
Natomas Basin HCP
Habitat Status

Habitat Properties [1]	Year Acquired	Total Acres	Hunting Acres	2004 Acres				2005				2006+			
				Rice	Marsh	Other	Total	Rice	Marsh	Other	Total [4]	Rice	Marsh	Other	Total [4]
Regular Mitigation															
Betts/Kismat/Silva	1999	338.5	338.5	0.0	192.5	146.0	338.5	0.0	192.5	146.0	338.5	0.0	192.5	146.0	338.5
Lucich North [2]	1999	268.0	0.0	0.0	247.3	20.7	268.0	0.0	247.3	20.7	268.0	0.0	247.3	20.7	268.0
Lucich South [2]	1999	351.9	0.0	334.0	16.5	1.4	351.9	334.0	16.5	1.4	351.9	334.0	16.5	1.4	351.9
Bennett North	1999	226.7	226.7	216.9	9.2	0.5	226.7	216.9	9.2	0.5	226.7	151.9	74.2	0.5	226.7
Bennett South [4]	1999	132.5	0.0	80.7	22.7	29.1	132.5	80.7	22.7	29.1	132.5	80.7	22.7	29.1	132.5
Brennan [4]	2000	241.4	0.0	0.0	3.9	237.5	241.4	0.0	3.9	237.5	241.4	0.0	3.9	237.5	241.4
Frazier	2000	92.6	92.6	0.0	68.4	24.2	92.6	0.0	68.4	24.2	92.6	0.0	68.4	24.2	92.6
Souza [3]	2001	44.7	0.0	0.0	0.0	44.7	44.7	0.0	0.0	44.7	44.7	0.0	0.0	44.7	44.7
Natomas Farms [3]	2001	96.5	0.0	0.0	51.7	44.8	96.5	0.0	51.7	44.8	96.5	0.0	51.7	44.8	96.5
Ayala [3]	2002	317.4	0.0	302.3	0.0	15.1	317.4	302.3	0.0	15.1	317.4	302.3	0.0	15.1	317.4
Sills [5]	2002	436.4	218.2	428.9	0.0	146.7	575.6	402.6	0.0	33.8	436.4	402.6	0.0	33.8	436.4
Cummings [3]	2002	66.8	0.0	50.0	0.0	16.8	66.8	0.0	40.0	26.8	66.8	0.0	40.0	26.8	66.8
Alleghany [3]	2002	50.3	0.0	0.0	0.0	50.3	50.3	0.0	0.0	50.3	50.3	0.0	0.0	50.3	50.3
Atkinson [4]	2003	205.4	0.0	150.0	5.4	50.0	205.4	50.0	5.4	150.0	205.4	50.0	5.4	150.0	205.4
Ruby Ranch [4]	2003	91.1	0.0	88.0	0.0	3.1	91.1	0.0	0.0	91.1	91.1	0.0	0.0	91.1	91.1
Huffman East [1]	2003	116.7	0.0	109.0	0.0	7.7	116.7	97.7	0.0	19.0	116.7	97.7	0.0	19.0	116.7
Tufts	2004	148.0	148.0	138.0	0.0	9.9	148.0	138.0	0.0	9.9	148.0	138.0	0.0	9.9	148.0
Bolen North	2005	113.6	0.0	0.0	0.0	0.0	0.0	85.2	0.0	28.4	113.6	85.2	0.0	28.4	113.6
Bolen South	2005	102.4	0.0	0.0	0.0	0.0	0.0	76.8	0.0	25.6	102.4	76.8	0.0	25.6	102.4
Rosa East [4]	2005	106.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	106.3	106.3	0.0	0.0	106.3	106.3
Rosa Central [4]	2005	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0	100.0	100.0
Vestal South	2005	95.0	0.0	0.0	0.0	0.0	0.0	71.2	0.0	23.7	95.0	71.2	0.0	23.7	95.0
RD1000 @ LUCS (easement)	2003	4.6	0.0	0.0	0.0	4.6	4.6	0.0	0.0	4.6	4.6	0.0	0.0	4.6	4.6
RD1000 @ BENN (easement)	2003	1.1	0.0	0.0	0.0	1.1	1.1	0.0	0.0	1.1	1.1	0.0	0.0	1.1	1.1
Sills South-West border (easement)	2005	12.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.6	12.6	0.0	0.0	12.6	12.6
Sills South-East border (easement)	2005	5.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.2	5.2	0.0	0.0	5.2	5.2
Subtotal		3,765.5	1,023.9	1,897.8	617.5	854.2	3,369.6	1,855.4	657.5	1,252.5	3,765.5	1,790.4	722.5	1,252.5	3,765.5
			27%												
Supplemental Mitigation															
Huffman East	2003	19.00	0.0	0.0	0.0	19.0	19.0	0.0	0.0	19.0	19.0	0.0	0.0	19.0	19.0
Huffman West	2003	181.00	0.0	0.0	0.0	181.0	181.0	0.0	0.0	181.0	181.0	0.0	0.0	181.0	181.0
Subtotal		200.0	0.0	0.0	0.0	200.0	200.0	0.0	0.0	200.0	200.0	0.0	0.0	200.0	200.0
Total Mitigation		3,965.5	1,023.9	1,897.8	617.5	1,054.2	3,569.6	1,855.4	657.5	1,452.5	3,965.5	1,790.4	722.5	1,452.5	3,965.5

habitat status

[1] Excludes supplemental mitigation.

[2] Hunting lease assigned to seller of property for extended term as a condition of property sale.

[3] Hunting precluded by Sacramento County "No Shoot Zone" ordinance.

[4] Not hunted for safety reasons.

[5] Sills acreage reduced by 139.15 acres in 2005 as a result of a land trade for Rosa East and Rosa Central.