

MEMORANDUM

To: John Roberts, *The Natomas Basin Conservancy*

From: Allison Shaffer and Tim Youmans

Subject: NBHCP Fee Update—2007; EPS #16614

Date: November 28, 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 budget and related assumptions used to derive the 2007 proposed fee and discusses the proposed fee change.

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 2007 proposed fee change.

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**. **Table 17** shows TNBC's Proposed 2007 Budget (2007 Budget). The 2007 amounts in the cash flow tables reflect



the amounts shown in the 2007 Budget. In most cases, the 2007 Budget amounts are based on model assumptions, but for some costs the budgeted amounts are based on actual experience by TNBC concerning particular activities, as well as expected land acquisitions. The 2007 Budget contains a discussion of the source of each revenue and cost estimate. The detailed cash flow tables are provided in **Appendix A**.

PROPOSED 2007 FEE

The table below shows the fee history and the proposed 2007 fee.

Fee Component	Adopted										Proposed
	1996/97	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Land Acquisition[1]	\$1,830	\$1,830	\$2,036	\$2,500	\$3,000	\$3,750	\$5,275	\$7,750	\$12,750	\$23,250	\$20,750
Land Acquisition Settlement [2]					\$3,947	\$3,947					
Restoration/Enhancement	\$140	\$198	\$200	\$423	\$368	\$782	\$970	\$935	\$1,023	\$1,278	\$1,275
Administration/O & M	\$150	\$475	\$800	\$750	\$1,555	\$1,555	\$3,450	\$4,154	\$6,243	\$9,255	\$9,213
O & M Endowment	\$75	\$100	\$190	\$190	\$800	\$1,500	\$1,900	\$2,490	\$3,745	\$5,555	\$5,530
Supplemental Endowment	\$0	\$0	\$0	\$0	\$150	\$188	\$430	\$473	\$638	\$1,020	\$908
Fee Collection Admin.	\$45	\$53	\$66	\$78	\$201	\$240	\$245	\$322	\$498	\$824	\$769
Total Mitigation Fee	\$2,240	\$2,656	\$3,292	\$3,941	\$10,021	\$11,962	\$12,270	\$16,124	\$24,897	\$41,182	\$38,445
<i>Percent Change</i>		19%	24%	20%	154%	19%	3%	31%	54%	65%	(7%)
Less Land Cost Portion of Land Acquisition Component							\$4,500	\$7,500	\$12,500	\$22,500	\$20,000
Total Mitigation Fee Excluding Land Cost Portion of Land Acquisition Component [3]							\$7,770	\$8,624	\$12,397	\$18,682	\$18,445
<i>Percent Change</i>								11%	44%	51%	(1%)

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The fee currently charged by the City of Sacramento (City) is \$41,182 per acre of development. The proposed fee is \$38,445 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 in lieu of paying the Land Acquisition Fund portion of the fee. It is anticipated that the City Council will re-authorize this land dedication requirement. The proposed balance of the fee to fee payers in this respect is \$18,445 per acre, as compared to the current 2006 fee amount of \$18,682 per acre.

Table 3 estimates the change in the fee for each fee component and various subcomponents of the Admin/O&M component. The proposed 2007 fee represents a small decrease from the 2006 fee level. As shown in **Table 3**, the majority of the fee decrease can be attributed to an anticipated reduction in the cost of mitigation land that is caused by a decline in real estate development activity in the area. The lower land values more than compensate for slight increases in the non-land related fee components, resulting in an overall fee decrease.

Based on an assessment of market conditions in the Natomas Basin, the estimated value of mitigation land is expected to decline from approximately \$45,000 per acre to \$40,000 per acre. This decrease in land value not only causes a decrease in the Land Acquisition component of the fee, but also causes decreases in the Supplemental Endowment, Admin/O&M, and O&M Endowment components as detailed below:

- The Supplemental Endowment fee decreases because its purpose is to provide sufficient funds to purchase a 200-acre reserve or the final 200 acres of habitat. As land values decline, fewer funds need to be set aside to ensure adequate funding for the 200 acres;
- The Admin/O&M fee decreases because it includes funding for property taxes, which will decrease on future habitat that will be valued at lower prices; and
- A decrease in the Admin/O&M fee leads to a corresponding decrease 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 \$5,000 per acre decrease in habitat land value leads to a decrease in the land-related fee components described above of approximately \$3,700 per acre.

As shown in **Table 3**, there is also a small decrease in the fee that is caused by a decrease in the water cost estimates. Whereas in 2006 there was a substantial increase in the water costs, in this year's model, the water cost estimates actually decrease somewhat because of updated assumptions concerning the Natomas Central Mutual Water Company (NCMWC) rates and the ability of the farmers to reimburse TNBC for the NCMWC assessments. These assumptions are summarized below:

- The basic rate for 2007 is estimated at \$140 per acre for rice. It is assumed that 15 percent of the acres will be excluded from NCMWC assessments¹.

¹ TNBC's Finance Model factors in the NCMWC cost of \$140 per acre (and \$20 per acre for fall/winter flood-up). TNBC's Finance Model now contemplates that 15 percent of its land holdings will not be assessed the NCMWC tariff rate of \$140 per acre. The 15-percent factor is used in this calculation because not all land owned by TNBC lies in the NCMWC service territory, and therefore, the acreage outside the NCMWC service area would not incur NCMWC charges. This 15-percent factor for excluded land 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 largely unpredictable. The Finance

- It is assumed that TNBC will pay all of the NCMWC costs and subsequently be reimbursed by farmers for up to one-half or \$65 per acre of these costs, whichever is less. 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 included 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.

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 flow tables for all funds except the Admin/O&M fund were updated such that the beginning balances in 2007 matched TNBC fund balances as of October 31, 2006. The October account statements were used because they were the most current statements available. For the Admin/O&M fund, the costs through October were adjusted to more accurately estimate costs that would be incurred through the end of the year. These adjustments were made since there are substantial ongoing Admin/O&M costs each month, as compared to the costs associated with the other funds. In addition, the 2007 cash flow amounts for all funds were obtained from the 2007 Budget (see **Table 17**), while the cash flow amounts for all remaining years were based on model assumptions presented in **Tables 1** through **16** and discussed in the remainder of this memorandum.

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 (85 percent of total landholdings are assessed the budgeted \$140 per acre per year) is adequate to estimate future water cost recovery needs.

LAND ACQUISITION COSTS

Land Acquisition costs decreased from \$45,000 per acre to a projected \$40,000 per acre (an 11-percent decrease). The decrease in costs reflects overall declining land values in the Sacramento area in the last year. The updated 2007 Land Acquisition cost of \$40,000 per acre was based on TNBC's knowledge of confirmed recent land transactions, available parcels, and asking prices for land currently on the market.

R&E COSTS

R&E costs remained virtually unchanged at \$2,550 per habitat acre. 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 is at the same level as in 2006, but reflects an increase from the 2005 estimate of \$5,200 per acre. The cost was increased in 2006 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.

Site Specific Management Plan Costs

The cost of preparing the site-specific management plans (SSMPs) for acquired mitigation land was estimated at \$225 per acre, based on information provided by TNBC staff and its land management contractor. An additional cost of \$40 per acre was estimated for updates of the SSMPs. This cost was based on the average cost per acre of updating the SSMP for the Bennett North tract as well as on trend data from previous updates.

Contingency Costs

This fee update continues to assume a contingency cost of 25 percent of all other R&E costs, which translates into \$510 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 decreased from approximately \$18,510 per acre to \$18,430 per habitat acre (a one-half percent decrease). This small decrease is largely attributable to the lower property taxes because of lower land values. As a result of the Admin/O&M cost decrease, the estimated amount of drawdown necessary on the O&M Endowment fund in future years also decreased, causing a decrease 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 land management contract for managing the marsh portion of the mitigation land;
2. Annual O&M costs not included in the land management 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 2007 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 estimates from TNBC.

Property Tax Costs and Special Assessments

Over the past year, land acquisition costs decreased from an estimated \$45,000 per acre to an estimated \$40,000 per acre. Although land values are believed to have decreased in the past year because of a general decline in real estate activity, it is anticipated that land values generally will increase over time. 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 2007 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 mitigation land acquisition costs would escalate by 10 percent a year on average and that the assessed value per acre of these new land acquisitions would track this 10-percent escalation. 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 2007 and declining to 50 percent in 2030 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 recently. 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 County 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 decrease 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 (see footnote 1 for a further discussion on this point). There was a small decrease in the fee caused by these updates.

Mitigation Monitoring and Adaptive Management

Mitigation monitoring and adaptive management costs were updated to reflect revised cost estimates from the biological effectiveness—monitoring contractor² to perform the monitoring work. The original contract costs were increased to reflect the 2007 biological effectiveness monitoring contract amount. Other than the costs associated with the NBHCP-required 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 mitigation land acreage increases to 8,750 acres (the ultimate buildout level of the 2003 NBHCP) over time. Once all mitigation land is acquired, the costs are no longer escalated in this financing model.

Administration Costs

Administration costs were revised based on the current budget estimates of TNBC. These estimated costs increased from approximately \$1,037,500 in 2006 to \$1,130,600 in 2007. The administration cost increases largely were due to a proposed increase in staff to handle the assumption of land management services.

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, rice revenue was estimated at an adjusted rate of \$100 per acre. This estimate accounts for a blend of highly productive rice fields, which produce higher cash rents, and an increasing amount of 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.

² Currently, Jones & Stokes is conducting all the biological effectiveness monitoring on behalf of TNBC.

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 mitigation acres acquired. Further, the model assumes that the annual number of mitigation 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 acquired land that has historically produced rice will be converted to marsh in 2007. For all other years, the model is based on the assumption that enough acres will be converted to marsh so that the mitigation land use allocation 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.³

Other Crop Revenue

Revenue estimates for crops other than rice remain unchanged at \$15 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 acres acquired will equal the number of acres needed to achieve the annual mitigation land 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 mitigation land use allocation required by the NBHCP (25 percent marsh, 50 percent rice, and 25 percent other land) will be achieved by

³ The 2003 NBHCP requires that 10 percent of all mitigation land holdings used to produce rice will be fallowed each year.

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, as only one-half of uplands are committed to commercial farming land uses.

HUNTING REVENUES

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. This percentage is approximately equal to the current percentage of habitat on which hunting occurs.

SUPPLEMENTAL ENDOWMENT COST ESTIMATES

The decrease in supplemental endowment costs, from \$2,040 per acre to \$1,817 per acre (an 11-percent decrease), was due to the decrease expected in the land acquisition cost from \$45,000 per acre to \$40,000 per acre.

HABITAT ACQUISITION AND CONVERSION

The projected habitat acquisition schedule was updated to reflect habitat acquisitions made in 2006. 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 2007.

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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 	<p>Balances can be transferred among these three funds:</p> <ul style="list-style-type: none"> --To correct short-term cash flow imbalances and take advantage of opportunities; --If revenues could be better utilized in one of the other funds and are not needed in the existing fund. <p>Interest earnings can be transferred to Admin./O&M fund to supplement revenues.</p> <p>Supplemental fee revenue can be used to purchase mitigation land.</p>

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Table 2
Natomas Basin HCP
Estimation of Habitat Mitigation Fee

2007 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	\$40,000	\$20,000		
Transaction Costs and Contingency	\$1,500	\$750		
Total Land Acquisition Cost (LA)	\$41,500	\$20,750	54%	See Table 5
Restoration/Enhancement (RE)				
RE Cost	\$2,040	\$1,020		
RE Contingency	\$510	\$255		
Total Restoration/Enhancement (RE)	\$2,550	\$1,275	3%	See Table 6
Administration/O&M [1]	\$18,426	\$9,213	24%	
O&M Endowment Fund [1]	\$11,060	\$5,530	14%	
Supplemental Endowment Fund	\$1,817	\$908	2%	See Table 14
Total Mitigation Fee	\$75,352	\$37,676		
Fee Collection Administration		\$769	2%	2% of fee for collection
Total Base Fee		\$38,445	100%	
FEE EXCLUDING LAND COST PORTION OF LAND ACQUISITION		\$18,445		[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 7-13** 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 Changes (2006-2007)

2007 Update
17,500 acres of development
1/2 acre of mitigation land per gross acre of developed land
25% marsh, 50% rice, 25% other

Fee Component	2006 Fee	2007 Proposed Fee	Fee Increase/ (Decrease)	Percent Increase/ (Decrease)
Land Acquisition				
Land	\$22,500	\$20,000	(\$2,500)	(11.1%)
Transaction	\$375	\$375	\$0	0.0%
Contingency	\$375	\$375	\$0	0.0%
Total Land Acquisition	\$23,250	\$20,750	(\$2,500)	(10.8%)
Restoration/Enhancement				
Base Fee	\$1,023	\$1,020	(\$3)	(0.3%)
Contingency	\$256	\$255	(\$1)	(0.4%)
Total Restoration/Enhancement	\$1,279	\$1,275	(\$4)	(0.3%)
Administration/O&M and O&M Endowment				
Administration/O&M	\$9,255	\$9,213	(\$42)	(0.5%)
O&M Endowment Fund	\$5,555	\$5,530	(\$25)	(0.5%)
Total Admin/O&M and O&M Endowment	\$14,810	\$14,743	(\$67)	(0.5%)
Fee Subcomponent Estimates				
O&M	\$3,072	\$3,182	\$110	3.6%
Administration	\$3,334	\$3,313	(\$20)	(0.6%)
Species and Habitat Monitoring	\$1,386	\$1,363	(\$23)	(1.7%)
Special Districts	\$2,095	\$1,837	(\$258)	(12.3%)
Property Taxes	\$6,180	\$5,154	(\$1,027)	(16.6%)
Crop and Hunting Revenue Offset	(\$1,258)	(\$106)	\$1,151	(91.5%)
Total Admin/O&M and O&M Endowment	\$14,810	\$14,743	(\$67)	(0.5%)
Supplemental Endowment Fund	\$1,020	\$908	(\$112)	(11.0%)
Fee Collection Administration	\$824	\$769	(\$55)	(6.7%)
Total Mitigation Fee	\$41,183	\$38,445	(\$2,738)	(6.6%)
Summary of Land Related Fee Components				
Land Acquisition	\$23,250	\$20,750	(\$2,500)	(10.8%)
Property Taxes	\$6,180	\$5,154	(\$1,027)	(16.6%)
Supplemental Endowment	\$1,020	\$908	(\$112)	(11.0%)
Fee Collection Administration for Land Components	\$621	\$547	(\$74)	(11.9%)
Subtotal of Land Related Components	\$31,071	\$27,359	(\$3,713)	(11.9%)
All Other Fee Components				
Special Districts (Water)	\$2,095	\$1,837	(\$258)	(12.3%)
O&M, Administration, Species and Habitat Monitoring	\$7,792	\$7,858	\$66	0.9%
Crop and Hunting Revenue Offset	(\$1,258)	(\$106)	\$1,151	(91.5%)
Restoration and Enhancement	\$1,279	\$1,275	(\$4)	(0.3%)
Fee Collection Administration for All Other Components	\$202	\$222	\$20	9.9%
Subtotal of All Other Fee Components	\$10,111	\$11,086	\$976	9.6%
Total Mitigation Fee	\$41,182	\$38,445	(\$2,737)	(6.6%)

fee increase

Table 4
Natomas Basin HCP
Cash Flow Summary (2007\$)

2007 Update
17,500 acres of development
1/2 acre of mitigation land per gross acre of developed land
25% marsh, 50% rice, 25% other

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
		[1]	[1]	[1]	[2]			
LAND ACQUISITION								
Beginning Balance		\$0	\$55,641	\$247,608	\$2,773,665	\$750,754	\$563,113	\$2,225,278
Total Revenues	\$253,572,303	\$55,641	\$191,966	\$2,526,057	\$2,696,904	\$1,287,471	\$3,198,070	\$2,569,079
Total Expenditures	(\$221,770,164)	\$0	\$0	\$0	(\$4,924,998)	(\$1,475,112)	(\$1,535,905)	(\$8,854,102)
Transfers to/from Admin/O&M, R&E, Endow.	(\$31,143,860)	\$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	\$19,070	\$292,954	\$592,052	\$582,058	\$268,280
Total Revenues	\$18,000,069	\$4,257	\$14,814	\$273,883	\$299,098	\$150,713	\$146,644	\$363,017
Total Expenditures	(\$14,856,650)	\$0	\$0	\$0	\$0	\$0	(\$1,060,422)	(\$490,041)
Transfers to/from O&M/Admin, LA, Endowment	(\$2,982,713)	\$0	\$0	\$0	\$0	\$0	\$600,000	(\$153,500)
Balance Adjustments	(\$160,706)	\$0	\$0	\$0	\$0	(\$160,706)	\$0	\$0
Ending Balance	\$0	\$4,257	\$19,070	\$292,954	\$592,052	\$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	\$155,899,963	\$4,561	\$65,700	\$657,778	\$827,478	\$624,234	\$816,275	\$1,624,402
Drawdown on Endowment Fund	\$63,730,779	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	(\$217,112,787)	\$0	\$0	(\$106,930)	(\$205,505)	(\$388,815)	(\$611,155)	(\$876,281)
Transfers to/from Land Acq. and R&E	(\$2,019,035)	\$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	(\$569,957)	\$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	\$206,661,855	\$3,041	\$10,581	\$138,445	\$157,704	\$140,135	\$502,772	\$764,050
Total Expenses	(\$190,188)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer from Land Acq. and R&E	\$36,145,607	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Drawdown on Endowment Fund	(\$63,730,779)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$14,076	\$0	\$0	\$0	\$14,076	\$0	\$0	\$0
Ending Balance	\$178,900,572	\$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	\$24,718,003	\$0	\$0	\$0	\$0	\$0	\$36,314	\$147,318
Total Expenditures	(\$3,252,082)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$21,465,921	\$0	\$0	\$0	\$0	\$0	\$36,314	\$183,631
Changed Circumstances Fund Balance	\$9,117,306	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Table 4
Natomas Basin HCP
Cash Flow Summary (2007\$)

2007 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	\$437,164	\$3,553,378	\$5,084,979	\$14,595,897	\$15,033,774	\$15,484,787
Total Revenues	\$9,072,846	\$469,564	\$1,002,010	\$3,229,933	\$1,531,601	\$12,117,497	\$13,440,325	\$17,557,811	\$17,571,342
Total Expenditures	(\$6,411,966)	(\$81,231)	(\$220,786)	(\$113,719)	\$0	(\$2,606,580)	(\$13,002,448)	(\$17,106,798)	(\$17,106,798)
Transfers to/from Admin/O&M, R&E, Endow.	(\$2,582,000)	(\$50,000)	\$100,414	\$0	\$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	\$437,164	\$3,553,378	\$5,084,979	\$14,595,897	\$15,033,774	\$15,484,787	\$15,949,331
RESTORATION AND ENHANCEMENTS									
Beginning Balance	(\$12,244)	\$384,545	(\$20,841)	\$481,611	\$666,108	\$541,091	\$709,107	\$434,888	\$202,882
Total Revenues	\$1,123,471	\$334,400	\$653,695	\$196,527	\$402,483	\$751,428	\$820,219	\$1,064,187	\$1,057,227
Total Expenditures	(\$880,182)	(\$739,786)	(\$40,344)	(\$12,030)	(\$527,500)	(\$583,412)	(\$1,094,438)	(\$1,296,194)	(\$840,912)
Transfers to/from O&M/Admin, LA, Endowment	\$153,500	\$0	(\$110,899)	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$384,545	(\$20,841)	\$481,611	\$666,108	\$541,091	\$709,107	\$434,888	\$202,882	\$419,196
ADMINISTRATION/O&M									
Beginning Balance	\$106,719	\$2,924,393	\$3,443,813	\$5,681,309	\$5,140,465	\$5,693,424	\$8,570,367	\$11,809,505	\$16,720,868
Total Revenues	\$3,949,924	\$2,207,942	\$4,117,856	\$2,128,961	\$3,224,666	\$5,707,130	\$6,266,874	\$8,204,022	\$8,371,716
Drawdown on Endowment Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	(\$1,448,791)	(\$1,738,522)	(\$1,890,845)	(\$2,099,848)	(\$2,671,708)	(\$2,830,187)	(\$3,027,736)	(\$3,292,659)	(\$3,561,730)
Transfers to/from Land Acq. and R&E	\$2,428,500	\$50,000	\$10,485	\$0	\$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	\$0	(\$569,957)	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$2,924,393	\$3,443,813	\$5,681,309	\$5,140,465	\$5,693,424	\$8,570,367	\$11,809,505	\$16,720,868	\$21,530,855
O&M ENDOWMENT									
Beginning Balance	\$1,730,803	\$4,424,499	\$5,803,065	\$8,148,581	\$9,640,951	\$11,589,180	\$15,125,586	\$19,044,584	\$24,174,986
Total Revenues	\$2,718,367	\$1,378,566	\$2,438,050	\$1,565,353	\$1,948,229	\$3,536,406	\$3,918,998	\$5,130,402	\$5,284,314
Total Expenses	(\$24,671)	\$0	(\$92,534)	(\$72,983)	\$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	\$8,148,581	\$9,640,951	\$11,589,180	\$15,125,586	\$19,044,584	\$24,174,986	\$29,459,300
SUPPLEMENTAL ENDOWMENT									
Beginning Balance	\$183,631	\$456,252	\$558,086	\$784,549	\$954,819	\$1,180,864	\$1,595,708	\$2,055,898	\$2,660,046
Total Revenues	\$533,115	\$188,771	\$411,041	\$215,215	\$301,045	\$559,001	\$616,846	\$810,254	\$828,378
Total Expenditures	(\$260,495)	(\$86,936)	(\$184,578)	(\$44,945)	(\$75,000)	(\$144,156)	(\$156,656)	(\$206,106)	(\$206,106)
Ending Balance	\$456,252	\$558,086	\$784,549	\$954,819	\$1,180,864	\$1,595,708	\$2,055,898	\$2,660,046	\$3,282,319
Changed Circumstances Fund Balance	\$260,495	\$361,394	\$563,086	\$648,961	\$743,430	\$909,888	\$1,093,841	\$1,332,762	\$1,578,851

Table 4
Natomas Basin HCP
Cash Flow Summary (2007\$)

2007 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	\$15,949,331	\$16,427,811	\$16,920,645	\$17,428,264	\$17,951,112	\$18,489,646	\$19,044,335	\$19,615,665	\$20,204,135
Total Revenues	\$14,831,261	\$14,487,132	\$14,501,917	\$14,517,146	\$14,532,831	\$14,548,987	\$10,900,680	\$10,917,820	\$10,935,474
Total Expenditures	(\$14,352,781)	(\$13,994,298)	(\$13,994,298)	(\$13,994,298)	(\$13,994,298)	(\$13,994,298)	(\$10,329,350)	(\$10,329,350)	(\$10,329,350)
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	\$16,427,811	\$16,920,645	\$17,428,264	\$17,951,112	\$18,489,646	\$19,044,335	\$19,615,665	\$20,204,135	\$20,810,259
RESTORATION AND ENHANCEMENTS									
Beginning Balance	\$419,196	\$608,156	\$798,378	\$994,308	\$1,196,115	\$1,403,977	\$1,618,074	\$1,793,555	\$1,974,301
Total Revenues	\$894,494	\$878,135	\$883,842	\$889,720	\$895,774	\$902,010	\$683,237	\$688,502	\$693,924
Total Expenditures	(\$705,534)	(\$687,912)	(\$687,912)	(\$687,912)	(\$687,912)	(\$687,912)	(\$507,756)	(\$507,756)	(\$507,756)
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	\$608,156	\$798,378	\$994,308	\$1,196,115	\$1,403,977	\$1,618,074	\$1,793,555	\$1,974,301	\$2,160,469
ADMINISTRATION/O&M									
Beginning Balance	\$21,530,855	\$25,051,875	\$28,311,061	\$31,456,378	\$34,481,138	\$37,378,555	\$40,141,770	\$41,204,451	\$42,140,704
Total Revenues	\$7,310,333	\$7,273,450	\$7,387,875	\$7,498,885	\$7,606,277	\$7,709,850	\$6,177,831	\$6,222,000	\$6,262,377
Drawdown on Endowment Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	(\$3,789,313)	(\$4,014,263)	(\$4,242,559)	(\$4,474,125)	(\$4,708,860)	(\$4,946,635)	(\$5,115,150)	(\$5,285,747)	(\$5,458,254)
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	\$25,051,875	\$28,311,061	\$31,456,378	\$34,481,138	\$37,378,555	\$40,141,770	\$41,204,451	\$42,140,704	\$42,944,828
O&M ENDOWMENT									
Beginning Balance	\$29,459,300	\$34,168,182	\$38,922,792	\$43,820,041	\$48,864,207	\$54,059,698	\$59,411,053	\$63,946,219	\$68,617,440
Total Revenues	\$4,708,882	\$4,754,610	\$4,897,248	\$5,044,166	\$5,195,491	\$5,351,356	\$4,535,166	\$4,671,221	\$4,811,357
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	\$34,168,182	\$38,922,792	\$43,820,041	\$48,864,207	\$54,059,698	\$59,411,053	\$63,946,219	\$68,617,440	\$73,428,797
SUPPLEMENTAL ENDOWMENT									
Beginning Balance	\$3,282,319	\$3,835,927	\$4,394,776	\$4,970,390	\$5,563,273	\$6,173,942	\$6,802,931	\$7,334,571	\$7,882,161
Total Revenues	\$726,533	\$727,455	\$744,220	\$761,489	\$779,275	\$797,595	\$656,090	\$672,040	\$688,467
Total Expenditures	(\$172,925)	(\$168,606)	(\$168,606)	(\$168,606)	(\$168,606)	(\$168,606)	(\$124,450)	(\$124,450)	(\$124,450)
Ending Balance	\$3,835,927	\$4,394,776	\$4,970,390	\$5,563,273	\$6,173,942	\$6,802,931	\$7,334,571	\$7,882,161	\$8,446,178
Changed Circumstances Fund Balance	\$1,799,142	\$2,021,722	\$2,250,980	\$2,487,115	\$2,730,335	\$2,980,851	\$3,194,726	\$3,415,018	\$3,641,918

Table 4
Natomas Basin HCP
Cash Flow Summary (2007\$)

2007 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	\$20,810,259	\$21,434,567	\$22,077,604	\$22,739,932	\$31,722,130	\$0	\$0	\$0	\$0
Total Revenues	\$10,953,658	\$10,972,387	\$10,991,678	\$11,011,548	\$951,664	\$0	\$0	\$0	\$0
Total Expenditures	(\$10,329,350)	(\$10,329,350)	(\$10,329,350)	(\$2,029,350)	\$0	\$0	\$0	\$0	\$0
Transfers to/from Admin/O&M, R&E, Endow.	\$0	\$0	\$0	\$0	(\$32,673,794)	\$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	\$21,434,567	\$22,077,604	\$22,739,932	\$31,722,130	\$0.0	\$0	\$0	\$0	\$0
RESTORATION AND ENHANCEMENTS									
Beginning Balance	\$2,160,469	\$2,352,222	\$2,549,728	\$2,753,159	\$3,370,693	(\$0)	(\$0)	(\$0)	(\$0)
Total Revenues	\$699,509	\$705,262	\$711,187	\$717,290	\$101,121	\$0	\$0	\$0	\$0
Total Expenditures	(\$507,756)	(\$507,756)	(\$507,756)	(\$99,756)	\$0	\$0	\$0	\$0	\$0
Transfers to/from O&M/Admin, LA, Endowment	\$0	\$0	\$0	\$0	(\$3,471,814)	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$2,352,222	\$2,549,728	\$2,753,159	\$3,370,693	\$0	(\$0)	(\$0)	(\$0)	(\$0)
ADMINISTRATION/O&M									
Beginning Balance	\$42,944,828	\$43,611,152	\$44,134,074	\$44,523,210	\$44,992,731	\$40,967,128	\$36,897,688	\$32,783,098	\$28,622,001
Total Revenues	\$6,298,791	\$6,331,070	\$6,359,169	\$6,373,135	\$1,801,079	\$1,680,311	\$1,558,228	\$1,434,790	\$1,309,958
Drawdown on Endowment Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	(\$5,632,467)	(\$5,808,148)	(\$5,970,033)	(\$5,903,614)	(\$5,826,683)	(\$5,749,751)	(\$5,672,819)	(\$5,595,887)	(\$5,518,956)
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	\$43,611,152	\$44,134,074	\$44,523,210	\$44,992,731	\$40,967,128	\$36,897,688	\$32,783,098	\$28,622,001	\$24,413,003
O&M ENDOWMENT									
Beginning Balance	\$73,428,797	\$78,384,495	\$83,488,863	\$88,746,363	\$94,161,588	\$133,132,043	\$137,126,005	\$141,239,785	\$145,476,978
Total Revenues	\$4,955,698	\$5,104,369	\$5,257,500	\$5,415,225	\$2,824,848	\$3,993,961	\$4,113,780	\$4,237,194	\$4,364,309
Total Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer from Land Acq. and R&E	\$0	\$0	\$0	\$0	\$36,145,607	\$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	\$78,384,495	\$83,488,863	\$88,746,363	\$94,161,588	\$133,132,043	\$137,126,005	\$141,239,785	\$145,476,978	\$149,841,288
SUPPLEMENTAL ENDOWMENT									
Beginning Balance	\$8,446,178	\$9,027,116	\$9,625,482	\$10,241,799	\$10,876,605	\$11,202,903	\$11,538,990	\$11,885,160	\$12,241,715
Total Revenues	\$705,388	\$722,816	\$740,767	\$759,256	\$326,298	\$336,087	\$346,170	\$356,555	\$367,251
Total Expenditures	(\$124,450)	(\$124,450)	(\$124,450)	(\$124,450)	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$9,027,116	\$9,625,482	\$10,241,799	\$10,876,605	\$11,202,903	\$11,538,990	\$11,885,160	\$12,241,715	\$12,608,966
Changed Circumstances Fund Balance	\$3,875,626	\$4,116,345	\$4,364,285	\$4,619,664	\$4,758,254	\$4,901,001	\$5,048,031	\$5,199,472	\$5,355,456

Table 4
Natomas Basin HCP
Cash Flow Summary (2007\$)

2007 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	\$24,413,003	\$20,116,201	\$15,690,495	\$11,132,017	\$6,436,786	\$1,600,697	(\$0)	(\$0)	(\$0)
Total Revenues	\$1,183,688	\$1,054,784	\$922,012	\$785,258	\$644,401	\$499,318	\$451,298	\$451,298	\$451,298
Drawdown on Endowment Fund	\$0	\$0	\$0	\$0	\$0	\$3,380,474	\$5,029,192	\$5,029,192	\$5,029,192
Total Expenditures	(\$5,480,490)	(\$5,480,490)	(\$5,480,490)	(\$5,480,490)	(\$5,480,490)	(\$5,480,490)	(\$5,480,490)	(\$5,480,490)	(\$5,480,490)
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	\$20,116,201	\$15,690,495	\$11,132,017	\$6,436,786	\$1,600,697	(\$0)	(\$0)	(\$0)	(\$0)
O&M ENDOWMENT									
Beginning Balance	\$149,841,288	\$154,336,526	\$158,966,622	\$163,735,621	\$168,647,689	\$173,707,120	\$175,537,860	\$175,774,804	\$176,018,856
Total Revenues	\$4,495,239	\$4,630,096	\$4,768,999	\$4,912,069	\$5,059,431	\$5,211,214	\$5,266,136	\$5,273,244	\$5,280,566
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	(\$3,380,474)	(\$5,029,192)	(\$5,029,192)	(\$5,029,192)
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$154,336,526	\$158,966,622	\$163,735,621	\$168,647,689	\$173,707,120	\$175,537,860	\$175,774,804	\$176,018,856	\$176,270,229
SUPPLEMENTAL ENDOWMENT									
Beginning Balance	\$12,608,966	\$12,987,235	\$13,376,852	\$13,778,158	\$14,191,503	\$14,617,248	\$15,055,765	\$15,507,438	\$15,972,661
Total Revenues	\$378,269	\$389,617	\$401,306	\$413,345	\$425,745	\$438,517	\$451,673	\$465,223	\$479,180
Total Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$12,987,235	\$13,376,852	\$13,778,158	\$14,191,503	\$14,617,248	\$15,055,765	\$15,507,438	\$15,972,661	\$16,451,841
Changed Circumstances Fund Balance	\$5,516,120	\$5,681,604	\$5,852,052	\$6,027,613	\$6,208,442	\$6,394,695	\$6,586,536	\$6,784,132	\$6,987,656

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Table 4
Natomas Basin HCP
Cash Flow Summary (2007\$)

2007 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	\$451,298	\$451,298	\$451,298	\$451,298	\$451,298	\$451,298	\$451,298	\$451,298	\$451,298
Drawdown on Endowment Fund	\$5,029,192	\$5,029,192	\$5,029,192	\$5,029,192	\$5,029,192	\$5,029,192	\$5,029,192	\$5,029,192	\$5,029,192
Total Expenditures	(\$5,480,490)	(\$5,480,490)	(\$5,480,490)	(\$5,480,490)	(\$5,480,490)	(\$5,480,490)	(\$5,480,490)	(\$5,480,490)	(\$5,480,490)
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	\$176,270,229	\$176,529,144	\$176,795,826	\$177,070,509	\$177,353,432	\$177,644,843	\$177,944,996	\$178,254,154	\$178,572,586
Total Revenues	\$5,288,107	\$5,295,874	\$5,303,875	\$5,312,115	\$5,320,603	\$5,329,345	\$5,338,350	\$5,347,625	\$5,357,178
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	(\$5,029,192)	(\$5,029,192)	(\$5,029,192)	(\$5,029,192)	(\$5,029,192)	(\$5,029,192)	(\$5,029,192)	(\$5,029,192)	(\$5,029,192)
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$176,529,144	\$176,795,826	\$177,070,509	\$177,353,432	\$177,644,843	\$177,944,996	\$178,254,154	\$178,572,586	\$178,900,572
SUPPLEMENTAL ENDOWMENT									
Beginning Balance	\$16,451,841	\$16,945,396	\$17,453,758	\$17,977,371	\$18,516,692	\$19,072,193	\$19,644,358	\$20,233,689	\$20,840,700
Total Revenues	\$493,555	\$508,362	\$523,613	\$539,321	\$555,501	\$572,166	\$589,331	\$607,011	\$625,221
Total Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$16,945,396	\$17,453,758	\$17,977,371	\$18,516,692	\$19,072,193	\$19,644,358	\$20,233,689	\$20,840,700	\$21,465,921
Changed Circumstances Fund Balance	\$7,197,285	\$7,413,204	\$7,635,600	\$7,864,668	\$8,100,608	\$8,343,626	\$8,593,935	\$8,851,753	\$9,117,306

"cash flow"

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Table 5
Natomas Basin HCP
Land Acquisition Cost

2007 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	\$40,000	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	\$40,000			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	\$41,500			Beginning 2007

"land_acq_assumps"

Source: The Natomas Basin Conservancy

Table 6
Natomas Basin HCP
Restoration and Enhancement Assumptions

2007 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 assumes an average of 180 acres per acquisition.	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 assumes an average of 180 acres per acquisition.	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		\$40 per Acquired Acre	Average cost per acre (rounded) for Bennett North Update (\$9920 / 65 acres * 25%).
Subtotal SSMP and Related Costs		\$415 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			\$2,040	
Restoration and Enhancement Contingency per Acre (25%)			\$510	
Total Restoration and Enhancement Costs per Acre			\$2,550	

"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 marsh land estimated at 0% because TNBC estimates that little to no marshland is available for acquisition. Rice land will be converted to marsh, however.
[3] Initial costs of all types of habitat land have been set to zero as no initial restoration or enhancement costs are anticipated.
[4] As of 2006, 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 2006 that are planned to be converted to upland.

Table 7
Natomas Basin HCP
Operations and Maintenance Assumptions

2007 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		
Land Management Contract	\$68.09 per acre	Land Management annual contract of \$280,000 divided by the current habitat size of 4,112 acres (including supplemental mitigation)
TNBC Costs	\$47.29 per acre	See Table 8
Fixed Assets	\$21.06 per acre	Based on TNBC's inventory of fixed asses (see Table 9)
Subtotal	\$136.44 per acre	
Special Assessments		
Reclamation District #1000	\$12.05 per acre	Based on published tariffs and rates (assumes habitat land split as 49% Sutter County and 51% Sacramento County)
NCMWC	\$66.51 per acre	Based on published tariffs and rates. Assumptions: 1) 15% of acres are not in the NCMWC area 2) TNBC pays all of the \$140 per acre average costs, then gets reimbursed by farmers for \$65 per acre, so TNBC pays a net amount of \$75 per acre. 3) Bad debt allowance of 5% <i>Estimate = 85% * (\$75 per acre + \$65 per acre * 5%)</i>
Subtotal	\$78.56 per acre	
Property Taxes for Existing Habitat (1%)	\$106.41 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>2007 +</u>		
One-Time/Fixed Costs	\$2,900 per year	
On-Going Monitoring	\$320,577 per year	
Subtotal	\$323,477 per year	See Table 12 for detail
Administrative Costs		
During Development	\$1,130,627 per year	See Table 13 for detail
After All Land Acquired	\$1,130,627 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	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 Land Management contract and TNBC costs included in other tables)

2007 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	Land Management Contract	annual					
water-control structure maintenance/repair	Land Management Contract	annual					
water-control structure replacement							
pump maintenance							
lift pump	Land Management Contract	annual					
well pump	Land Management Contract	annual					
electricity	Land Management 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	822	\$16,450	1	\$16,450
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	\$100	200 acres	\$20,000	1	\$20,000
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							\$66,050
Vegetation Management							
marsh plant management							
labor	Land Management Contract	annual					
marsh water level management labor	Land Management Contract	annual					
upland plant management							
mowing perimeter	TNBC	annual			\$22,640	1	\$22,640
round-up, remedy	TNBC	annual	\$125	32	\$4,000	1	\$4,000
labor for spraying	TNBC	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 Land Management contract and TNBC costs included in other tables)

2007 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			Recurrence Interval	Total Annual Cost
		Type	Cost/Item	Items		
Pest Management						
pest management (beaver/muskrat/mosquito)						
muskrat traps	Land Management Contract					
beaver traps	Land Management Contract					
labor for beaver and muskrat control	Land Management Contract					
cottonwood/willow protection	Land Management Contract					
Subtotal Pest Management						\$0
Agriculture Management (rice and alfalfa farming)						
coordination with farmers and grazing tenants	TNBC (See Table 13)	annual			\$0	\$0
field leveling and cleanup	TNBC	annual	\$200	200 acres	\$40,000	\$40,000
Subtotal Agricultural Management						\$40,000
Hunting Management						
manage hunting program	TNBC (See Table 13)	annual			\$0	\$0
coordinate with Sacramento Int. Airport	TNBC (See Table 13)	annual			\$0	\$0
winter water	TNBC	annual			\$0	\$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 Land Management contract and TNBC costs included in other tables)

2007 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			\$5,084	1	\$5,084
truck	Land Management Contract						
atv	Land Management Contract						
trailer for atv	Land Management Contract						
hand tools	Land Management Contract						
backpack sprayer	Land Management Contract						
weed eater	Land Management Contract						
fuels and oils	Land Management Contract						
tractor with implements	Land Management Contract						
trailer for tractor	Land Management Contract						
misc. equipment maintenance	Land Management Contract						
road maintenance	Land Management Contract						
access gate (heavy duty)	Land Management Contract						
access gate (light duty)	Land Management Contract						
perimeter fence (6 strand barbed wire)	Land Management Contract						
perimeter fence (mesh + 2 strand barbed wire)	Land Management 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)	Land Management Contract	annual					
Subtotal Miscellaneous							\$35,304
Subtotal All Costs							\$176,794
Contingency						10%	\$17,679
Total Costs							\$194,473
Acre Allocation							4,112
Estimated Cost per Acre							\$47.29

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 (2007 \$)

2007 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		Total Cost	Total Cost (2007 \$)	Annual Cost	
		Acquired	Interval	Remaining	Per Item	Items				
<i>3% annual inflation</i>										
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	9	\$12,500	1	\$12,500	\$15,835	\$792	
BTS	Pump (irrigation pump)	1999	20	4	\$80,000	1	\$80,000	\$101,342	\$5,067	
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			
26	SLV	Well & Pump (Quonset hut - domestic)	1999	20	9	\$12,500	1	\$12,500	\$15,835	\$792
	SLV	Well & Pump (Northern barn)	2005	20	19	\$80,000	1	\$80,000	\$84,872	\$4,244
		Well & Pump (Northern barn - new well & pump)	2006	20	20		1	\$78,563	\$80,920	\$4,046
	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	17	\$42,000	1	\$42,000	\$47,271	\$2,364

* 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	14		9,632.59 ft	\$18,302	\$22,509	\$1,125
BKS	16' Stock Gates	2000	20	14	\$115	4	\$460	\$566	\$28
BKS	BW Fencing 5-strand	2001	20	15		3,959 ft	\$7,522	\$8,982	\$449
BKS	16' Stock Gates	2001	20	15	\$123	3	\$370	\$442	\$22
BKS	16' Stock Gate and setup	2001	20	15	\$275	1	\$275	\$328	\$16
BKS	BW Fencing 5-strand	2001	20	15		2,293.3 ft	\$4,365	\$5,212	\$261
BKS	BW Fencing 2-strand	2001	15	10		621 ft	\$2,329	\$2,781	\$185
BKS	BW Fencing 5-strand	2001	20	15		1,749 ft	\$1,185	\$1,415	\$71
BKS	Stock Gates	2001	20	15	\$100	2	\$200	\$239	\$12
SLV	BW Fencing	2001	20	15		730 ft	\$1,643	\$1,961	\$98
BTS	BW Fencing 5-strand	2002	20	16		1,340 ft	\$3,015	\$3,495	\$175
SLV	BW Fencing 3-strand	2003	15	12		350 ft	\$1,365	\$1,536	\$102
SLV	BW Fencing 1-strand	2003	15	12		526 ft	\$2,051	\$2,309	\$154

Table 9
Natomas Basin HCP
Estimated TNBC Fixed Asset Annual Costs (2007 \$)

2007 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 (2007 \$)	Annual Cost
SLV	Security Gates	2003	25	21	\$450	6	\$2,700	\$3,039	\$122
** 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	45	\$2,500	9	\$22,500	\$26,866	\$537
BKS	New gates over WCS 3x4	2001	10	5	\$105	11	\$1,155	\$1,379	\$138
BKS	4'x4' Water Control Structure Assembly w/30" Dia Pipe	2001	50	45	\$2,750	9	\$24,750	\$29,553	\$591
BKS	New gates over WCS 4x4	2001	10	5	\$130	10	\$1,300	\$1,552	\$155
BKS	4'x5' Water Control Structure Assembly w/36" Dia Pipe	2001	50	45	\$4,200	2	\$8,400	\$10,030	\$201
BKS	75'x15'x1' rock pad with Geotech Fabric	2001	15	10	\$3,000	1	\$3,000	\$3,582	\$239
BKS	Spillway Assembly	2001	20	15	\$4,850	18	\$87,300	\$104,241	\$5,212
BKS	Soil cover over 15 spillways (sealing)	2001	10	5	\$150	15	\$2,250	\$2,687	\$269
KSM	Water lift pump, standpipe, pipeline assembly (barn area)	2001	25	20	\$57,753	1	\$57,753	\$68,960	\$2,758
BKS	30" Dia Corrugated Polyethylene pipe, Installed	2001	20	15	\$65	90	\$5,850	\$6,985	\$349
BKS	Canal Gate & Pipe Assembly	2001	20	15	\$6,000	1	\$6,000	\$7,164	\$358
BKS	12" water slides in diversion structure	2001	15	10	\$1,100	2	\$2,200	\$2,627	\$175
AYA	26' Gate	2002	20	10	\$1,200	1	\$1,200	\$1,391	\$70
LUCN/FR:	Gates (incl Dbl Wide)	2003	20	17	\$495	5	\$2,473	\$2,783	\$139
FRZ	Well & pump (50 hp)	2004	20	18	\$80,000	1	\$80,000	\$87,418	\$4,371
LUCN	Well & pump (75 hp)	1999	20	11	\$95,000	1	\$95,000	\$120,343	\$6,017
LUCN/FR:	3'x5' Water Control Structure Assemblies w/18" dia pimp, 40'	2004	50	48	\$2,350	9	\$21,150	\$23,111	\$462
LUCN/FR:	3'x5' Water Control Structure Assemblies w/24" dia pimp, 40'	2004	50	48	\$2,550	7	\$17,850	\$19,505	\$390
LUCN/FR:	5'x5' Water Control Structure Assemblies w/24" dia pimp, 40'	2004	50	48	\$2,900	3	\$8,700	\$9,507	\$190
LUCN/FR:	Grates over WCS 3'x5' - existing (5) and proposed structures	2004	10	8	\$110	21	\$2,310	\$2,524	\$252
LUCN/FR:	Grates over WCS 3'x5' - proposed structures	2004	10	8	\$150	3	\$450	\$492	\$49
BENS	16' Gate (Dbl Wide)	2004	15	13	\$375	1	\$375	\$410	\$27
BENS	14' Gate	2005	15	14	\$275	3	\$825	\$875	\$58
BENS	BW Fencing 3-strand	2004	15	13		1,600 ft	\$6,240	\$6,819	\$455

3% annual inflation

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Table 9
Natomas Basin HCP
Estimated TNBC Fixed Asset Annual Costs (2007 \$)

2007 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 (2007 \$)	Annual Cost
								<i>3% annual inflation</i>	
LB2	3'x3' Water Control Structure Assembly w/24" Dia Pipe, 40'	2002	50	46	\$2,350	1	\$2,350	\$2,724	\$54
LB2	3'x4' Water Control Structure Assembly w/18" Dia Pipe, 40'	2002	50	46	\$2,350	1	\$2,350	\$2,724	\$54
LB2	3'x4' Water Control Structure Assembly w/24" Dia Pipe, 40'	2002	50	46	\$2,400	2	\$4,800	\$5,565	\$111
LB2	3'x4' Water Control Structure Assembly w/24" Dia Pipe, 20'	2002	50	46	\$2,000	2	\$4,000	\$4,637	\$93
LB2	3'x6' Water Control Structure Assembly w/18" Dia Pipe, 40'	2002	50	46	\$2,600	2	\$5,200	\$6,028	\$121
LB2	3'x5' Water Control Structure Assembly w/18" Dia Pipe, 40'	2002	50	46	\$2,550	4	\$10,200	\$11,825	\$236
LB2	3'x6' Water Control Structure Assembly w/24" Dia Pipe, 40'	2002	50	46	\$2,650	4	\$10,600	\$12,288	\$246
LB2	3'x5' Water Control Structure Assembly w/24" Dia Pipe, 40'	2002	50	46	\$2,600	1	\$2,600	\$3,014	\$60
LB2	3'x5' Canal Gate Structure Assembly w/18" Dia Pipe, 40'	2002	50	46	\$3,650	1	\$3,650	\$4,231	\$85
LB2	3'x5' Canal Gate Structure Assembly w/24" Dia Pipe, 40'	2002	50	46	\$3,850	2	\$7,700	\$8,926	\$179
LB2	3'x8' Canal Gate Structure Assembly w/24" Dia Pipe, 40'	2002	50	46	\$4,300	1	\$4,300	\$4,985	\$100
LB2	Grates over WCS 3'x4'	2002	10	6	\$105	21	\$2,205	\$2,556	\$256
LB2	Security Gates and Gateways	2002	15	11			\$2,922	\$3,388	\$226
LB2	21' Custom made Security Gates with Lock Boxes and Hangars	2002	20	16	\$450	5	\$2,250	\$2,608	\$130
HUFW	Well & pump (50 hp)	2003	20	4	\$80,000	1	\$80,000	\$90,041	\$4,502
HUFW	Diversion Pump (20 hp)(1/2 Interest)	2003	20	9	\$30,000	1	\$30,000	\$33,765	\$1,688
ATKE	Gate	2003	20	17	\$450	1	\$450	\$506	\$25
ATKE	Water Control Structures	2003	10	0		0	\$0	\$0	\$0
ATKE	Lift pump (25 hp)	2003	20	9	\$45,000	1	\$45,000	\$50,648	\$2,532
ATKE	Recirculating pump (15 hp)	2003	20	9	\$30,000	1	\$30,000	\$33,765	\$1,688
ATKW	Well & pump (30 hp)	2003	20	4	\$50,000	1	\$50,000	\$56,275	\$2,814
RUR	Gate (Dbl Wide)	2003	20	17	\$450	2	\$900	\$1,013	\$51
SILS	15' Security Gate wih Lock Boxes and Hangars	2002	20	16	\$450	2	\$900	\$1,043	\$52
SOU/NAF	BW Fencing 1-strand	2003	15	12		11,210 ft	\$43,719	\$49,206	\$3,280
SOU/NAF	Gates (incl Rainey)	2003	15	12	\$773	6	\$4,635	\$5,217	\$348
NAF	Ballards around well	2005	50	49	\$280	8	\$2,237	\$2,373	\$47
NAF	BW Fencing 10-strand	2005	20	19		4,500 ft	\$35,821	\$38,002	\$1,900
NAF	Well & pump (60 hp)	2005	20	19	\$95,000	1	\$95,000	\$100,786	\$5,039
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 (2007 \$)

2007 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 (2007 \$)	Annual Cost
	Acquired	Interval	Remaining	Per Item				
<i>3% annual inflation</i>								
SOU/NAF 3'x5' Water Control Structure Assembly w/18" Dia Pipe, 40'	2003	50	46	\$2,500	1	\$2,500	\$2,814	\$56
SOU/NAF 3'x5' Water Control Structure Assembly w/18" Dia Pipe, 60'	2003	50	46	\$2,800	1	\$2,800	\$3,151	\$63
SOU/NAF 3'x5' Canal Gate Structure Assembly w/18" Dia Pipe, 20'	2003	50	46	\$3,075	1	\$3,075	\$3,461	\$69
SOU/NAF 3'x5' Canal Gate Structure Assembly w/18" Dia Pipe, 40'	2003	50	46	\$3,500	3	\$10,500	\$11,818	\$236
SOU/NAF Grates over WCS	2003	10	6	\$105	6	\$630	\$709	\$71
CMS 13' Security Gate with Lock Boxes and Hangars	2002	20	16	\$450	2	\$900	\$1,043	\$52
CMS Gates (incl Dbl Wide)	2004	15	13	\$776	4	\$3,105	\$3,393	\$226
CMS Fencing	2004	15	13		7,400 ft	\$33,300	\$36,388	\$2,426
CMS 3'x3' Water Control Structure Assembly w/24" Dia Pipe, 20'	2004	50	48	\$2,546	1	\$2,546	\$2,782	\$56
CMS 3'x5' Water Control Structure Assembly w/18" Dia Pipe, 40'	2004	50	48	\$2,988	4	\$11,952	\$13,060	\$261
CMS 3'x5' Canal Gate Structure Assembly w/24" Dia Pipe, 40'	2004	50	48	\$3,289	1	\$3,289	\$3,594	\$72
CMS Grates over WCS 3'x3'	2004	10	8	\$602	1	\$602	\$658	\$66
CMS Grates over WCS 3'x5'	2004	10	8	\$602	5	\$3,012	\$3,292	\$329
CMS Well & pump (20 hp)	2004	20	14	\$80,000	1	\$80,000	\$87,418	\$4,371
ALG Security Gate	2002	20	16	\$1,131	1	\$1,131	\$1,311	\$66
All propret Signage	2002	5	1	\$120	70	\$8,416	\$9,756	\$1,951
BOLS Well & pump (60 hp)	2004	20	19	\$95,000	1	\$95,000	\$103,809	\$5,190
BOLN Gate (Dbl Wide)	2005	20	9	\$2,500	1	\$2,500	\$2,652	\$133
BOLN Gate	2005	20	9	\$1,500	1	\$1,500	\$1,591	\$80
ROSA BW Fencing 10-strand	2006	20	20	\$7	2,350	\$16,450	\$16,944	\$847
ROSA Gates/ signs / painting	2006	20	20	\$1,631	5.00	\$8,155	\$8,400	\$420
						\$2,630,879		\$86,612
Habitat Acres								4,112
Cost per Habitat Acre								\$21.06

fixed assets

Source: TNBC

Table 10
Natomas Basin HCP
Estimated Property Taxes (2007-2047)

2007 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 (2007 \$)
				Taxes on New Acres (inflated \$)	Taxes on New Acres (2007 \$)	Total Annual Property Taxes (2007 \$)	Percentage Adjustment	
1999-2006 [1]	4,112.38	\$ 10,641	\$ 43,759,442	\$ 437,594	\$ 437,594			
		<i>10% annual increase after 2007</i>		<i>1% of total value</i>	<i>assumes 3% inflation rate</i>			
2007	62.85	\$ 40,000	\$ 2,514,000	\$ 25,140	\$ 25,140	\$ 462,734	95%	\$ 439,598
2008	62.81	\$ 44,000	\$ 2,763,603	\$ 27,636	\$ 26,831	\$ 489,566	93%	\$ 455,296
2009	313.31	\$ 48,400	\$ 15,164,301	\$ 151,643	\$ 142,938	\$ 632,504	91%	\$ 575,578
2010	412.21	\$ 53,240	\$ 21,946,167	\$ 219,462	\$ 200,839	\$ 833,342	89%	\$ 741,674
2011	412.21	\$ 58,564	\$ 24,140,784	\$ 241,408	\$ 214,488	\$ 1,047,830	87%	\$ 911,612
2012	345.85	\$ 64,420	\$ 22,279,805	\$ 222,798	\$ 192,188	\$ 1,240,017	85%	\$ 1,054,015
2013	337.21	\$ 70,862	\$ 23,895,665	\$ 238,957	\$ 200,122	\$ 1,440,140	83%	\$ 1,195,316
2014	337.21	\$ 77,949	\$ 26,285,232	\$ 262,852	\$ 213,723	\$ 1,653,863	81%	\$ 1,339,629
2015	337.21	\$ 85,744	\$ 28,913,755	\$ 289,138	\$ 228,248	\$ 1,882,111	79%	\$ 1,486,867
2016	337.21	\$ 94,318	\$ 31,805,130	\$ 318,051	\$ 243,760	\$ 2,125,871	77%	\$ 1,636,920
2017	337.21	\$ 103,750	\$ 34,985,643	\$ 349,856	\$ 260,326	\$ 2,386,197	75%	\$ 1,789,647
2018	248.90	\$ 114,125	\$ 28,405,630	\$ 284,056	\$ 205,208	\$ 2,591,405	73%	\$ 1,891,726
2019	248.90	\$ 125,537	\$ 31,246,193	\$ 312,462	\$ 219,155	\$ 2,810,559	71%	\$ 1,995,497
2020	248.90	\$ 138,091	\$ 34,370,812	\$ 343,708	\$ 234,049	\$ 3,044,608	69%	\$ 2,100,779
2021	248.90	\$ 151,900	\$ 37,807,893	\$ 378,079	\$ 249,955	\$ 3,294,563	67%	\$ 2,207,357
2022	248.90	\$ 167,090	\$ 41,588,683	\$ 415,887	\$ 266,942	\$ 3,561,505	65%	\$ 2,314,978
2023	248.90	\$ 183,799	\$ 45,747,551	\$ 457,476	\$ 285,084	\$ 3,846,588	63%	\$ 2,423,351
2024	48.90		\$ 0	\$ 0	\$ 0	\$ 3,846,588	61%	\$ 2,346,419
2025	-		\$ 0	\$ 0	\$ 0	\$ 3,846,588	59%	\$ 2,269,487
2026	-		\$ 0	\$ 0	\$ 0	\$ 3,846,588	57%	\$ 2,192,555
2027	-		\$ 0	\$ 0	\$ 0	\$ 3,846,588	55%	\$ 2,115,623
2028	-		\$ 0	\$ 0	\$ 0	\$ 3,846,588	53%	\$ 2,038,692
2029	-		\$ 0	\$ 0	\$ 0	\$ 3,846,588	51%	\$ 1,961,760
2030	-		\$ 0	\$ 0	\$ 0	\$ 3,846,588	50%	\$ 1,923,294
2031	-		\$ 0	\$ 0	\$ 0	\$ 3,846,588	50%	\$ 1,923,294
2032	-		\$ 0	\$ 0	\$ 0	\$ 3,846,588	50%	\$ 1,923,294
2033	-		\$ 0	\$ 0	\$ 0	\$ 3,846,588	50%	\$ 1,923,294
2034	-		\$ 0	\$ 0	\$ 0	\$ 3,846,588	50%	\$ 1,923,294
2035	-		\$ 0	\$ 0	\$ 0	\$ 3,846,588	50%	\$ 1,923,294
2036	-		\$ 0	\$ 0	\$ 0	\$ 3,846,588	50%	\$ 1,923,294
2037	-		\$ 0	\$ 0	\$ 0	\$ 3,846,588	50%	\$ 1,923,294
2038	-		\$ 0	\$ 0	\$ 0	\$ 3,846,588	50%	\$ 1,923,294
2039	-		\$ 0	\$ 0	\$ 0	\$ 3,846,588	50%	\$ 1,923,294
2040	-		\$ 0	\$ 0	\$ 0	\$ 3,846,588	50%	\$ 1,923,294
2041	-		\$ 0	\$ 0	\$ 0	\$ 3,846,588	50%	\$ 1,923,294
2042	-		\$ 0	\$ 0	\$ 0	\$ 3,846,588	50%	\$ 1,923,294
2043	-		\$ 0	\$ 0	\$ 0	\$ 3,846,588	50%	\$ 1,923,294
2044	-		\$ 0	\$ 0	\$ 0	\$ 3,846,588	50%	\$ 1,923,294
2045	-		\$ 0	\$ 0	\$ 0	\$ 3,846,588	50%	\$ 1,923,294
2046	-		\$ 0	\$ 0	\$ 0	\$ 3,846,588	50%	\$ 1,923,294
2047	-		\$ 0	\$ 0	\$ 0	\$ 3,846,588	50%	\$ 1,923,294
Total [3]	8,949.99		\$ 497,620,289	\$ 4,976,203	\$ 3,846,588	\$ 125,661,516		

prop taxes

[1] See **Table 11** for the estimated assessed value (in 2006 \$) 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
2007 Property Tax Assumptions**

2007 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	Assessed Value			Estimated 2007 Value per Acre
		Sacramento County	Sutter County			Cost	Adjustment Factor	2007 Value	
						2.00% per year			
Silva	1999	155.31	3.89	159.20	\$ 478,500	1.172	\$ 560,639	\$ 3,522	
Betts	1999	121.78	17.21	138.99	\$ 451,265	1.172	\$ 528,729	\$ 3,804	
Kismat	1999	40.29		40.29	\$ 140,000	1.172	\$ 164,032	\$ 4,071	
Bennett North	1999		226.68	226.68	\$ 816,030	1.172	\$ 956,109	\$ 4,218	
Bennett South	1999		132.49	132.49	\$ 476,950	1.172	\$ 558,822	\$ 4,218	
Lucich North	1999		267.99	267.99	\$ 1,071,944	1.172	\$ 1,255,953	\$ 4,687	
Lucich South	1999		351.89	351.89	\$ 1,324,836	1.172	\$ 1,552,257	\$ 4,411	
Brennan [1]	2000		-	-	\$ 0	1.149	\$ 0	\$ 0	
Frazer	2000		92.60	92.60	\$ 388,920	1.149	\$ 446,747	\$ 4,824	
Souza	2001	44.68		44.68	\$ 444,882	1.126	\$ 501,009	\$ 11,213	
Natomas Farms	2001	96.46		96.46	\$ 1,060,000	1.126	\$ 1,193,732	\$ 12,375	
Ayala	2002	317.37		317.37	\$ 3,491,041	1.104	\$ 3,854,391	\$ 12,145	
Sills [2]	2002	436.41		436.41	\$ 3,272,753	1.104	\$ 3,613,384	\$ 8,280	
Alleghany	2002	50.26		50.26	\$ 415,933	1.104	\$ 459,224	\$ 9,137	
Cummings	2002	66.83		66.83	\$ 553,092	1.104	\$ 610,658	\$ 9,137	
Atkinson	2003		205.40	205.40	\$ 1,853,694	1.082	\$ 2,006,498	\$ 9,769	
Ruby Ranch	2003		91.08	91.08	\$ 1,092,960	1.082	\$ 1,183,055	\$ 12,989	
Huffman West	2003		181.00	181.00	\$ 2,190,420	1.082	\$ 2,370,981	\$ 13,099	
Huffman East	2003		135.75	135.75	\$ 1,085,968	1.082	\$ 1,175,487	\$ 8,659	
Tufts	2004	147.95		147.95	\$ 2,963,000	1.061	\$ 3,144,359	\$ 21,253	
Bolen North	2005		113.6	113.62	\$ 1,704,285	1.040	\$ 1,773,138	\$ 15,606	
Bolen South	2005		102.38	102.38	\$ 1,535,715	1.040	\$ 1,597,758	\$ 15,606	
Rosa [3]	2005	206.30		206.30	\$ 2,069,880	1.040	\$ 2,153,503	\$ 10,439	
Vestal	2005		94.95	94.95	\$ 3,798,040	1.040	\$ 3,951,481	\$ 41,616	
Nestor [3]	2006	233.16		233.16	\$ 4,796,334	1.020	\$ 4,892,261	\$ 20,982	
Bolen West [3]	2006	155.14		155.14	\$ 3,191,406	1.020	\$ 3,255,234	\$ 20,982	
RD1000 @ LUCS (easement)	2003		4.64	4.64		1.082			
RD1000 @ BENN (easement)	2003		1.12	1.12		1.082			
Sills South-West border (easement)	2005	12.58		12.58		1.040			
Sills South-East border (easement)	2005	5.20		5.20		1.040			
TOTAL		2,089.71	2,022.67	4,112.38	\$ 40,667,848		\$ 43,759,442	\$ 10,641	
Percent of Total Acres		51%	49%						
Estimated 2007 Property Taxes per Acre								\$ 106.41	

[1] Costs reduced to \$0 because the Brennan tract was surrendered in a land trade for Nestor and Bolen West.

prop tax assumps

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

	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

[3] Costs reflect the 2006 assessed value. The actual costs were \$0 because the Rosa, Nestor, and Bolen West tracts were acquired in a land trade.

Table 12
Natomas Basin HCP
Species and Habitat Monitoring Cost Assumptions (2007 \$)

2007 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	Amount
BIOLOGICAL EFFECTIVENESS MONITORING (Jones & Stokes 2007 contract costs)	
Project Management	29,880
Vegetation Management	10,740
Other Covered Species Monitoring	43,740
Giant Garter Snake Monitoring	116,208
Swainson's Hawk Monitoring	15,300
Draft Annual Report	45,490
Final Annual Report	10,720
Direct Expenses	31,379
Total	\$303,457
Other Costs	
Midpoint Program Reviews [1]	\$2,900
Connectivity -- Assessment	\$2,400
Connectivity -- O&M	\$5,000
Adaptive Management -- Periodic Review of NBHCP Monitoring Data	\$3,600
Adaptive Management -- Report to Review Adaptive Management.	\$6,120
Total	\$20,020
TOTAL SPECIES AND HABITAT MONITORING COSTS	\$323,477

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

2007 Update
17,500 acres of development
1/2 acre of mitigation land per gross acre of developed land
25% marsh, 50% rice, 25% other

	2007 Annual Cost	2006 Annual Cost	Notes
<u>Administrative Expenses</u>			
Staff	\$297,395	\$249,395	
Benefits and Charges	\$98,140	\$82,300	
Board Expense	\$10,000	\$10,000	
Subtotal	\$405,536	\$341,695	
<u>Office Expense</u>			
Rent	\$61,618	\$59,484	
Telephone	\$10,000	\$7,500	
Copying and Printing	\$25,000	\$25,000	
Office Supplies	\$20,000	\$10,000	
Postage	\$3,000	\$1,500	
Equipment	\$50,000	\$15,000	
Auto Expense	\$18,000	\$12,000	
Subtotal	\$187,618	\$130,484	
<u>Miscellaneous Expense</u>			
Insurance	\$60,000	\$60,000	Liability and D&O
Accounting	\$20,000	\$20,000	
Legal	\$60,000	\$60,000	
Fees and Taxes	\$100,000	\$140,000	
Subtotal	\$240,000	\$280,000	
<u>Contract Work</u>			
Contract Work, Public Education, and Publications [1]	\$150,000	\$150,000	
Subtotal Costs	\$983,154	\$902,179	
Contingency	\$147,473	\$135,327	15% Contingency
Total Administration during Habitat Acquisition	\$1,130,627	\$1,037,506	
Total Administration after Habitat Acquisition	\$1,130,627	\$1,037,506	

"admin_assumps"

Source: TNBC FY 2007 budget estimate

[1] Excludes:

Land management contract amount, which is included in the O&M costs in **Table 7**.
Monitoring costs, which are included in **Table 12**.

Table 14
Natomas Basin HCP
Supplemental Endowment Cost Assumptions

2007 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
200-Acre Reserve or Purchase of Final 200 Acres	
Total Cost per Acre	\$40,000
Acres	200
Total Estimated Acquisition Cost	\$8,000,000
Less Supplemental Endowment Fund Balance (excluding Changed Circum. portion)	(\$954,819)
Total Remaining Cost	\$7,045,181
Remaining Development (acres)	10,701
Total Cost per Developed Acre	\$658
Total Cost per Habitat Acre	\$1,317
Changed Circumstance Contingency	
Total Cost per Habitat Acre	\$500
TOTAL COST PER HABITAT ACRE	\$1,817

supp_endow_assumps

Source: The Natomas Basin Conservancy and EPS

Table 15
Natomas Basin HCP
Development Projections

2007 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	City of Sacramento	Metro Air Park	Sutter County	Total Acres	Adjustment for Acres with Prepaid Fees	Acres for Fee Calculations
Actual Acres						
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] 925.22	116.76		1,041.98		1,041.98
2004	178.08			178.08	169.67	347.74
2005	848.06			848.06	(169.67)	678.39
2006	132.27			132.27		132.27
Subtotal	6,682.72	116.76	0.00	6,799.48	0.00	6,799.48
Projected Acres						
2007	200.00	100.00		300.00		300.00
2008	400.00	176.62		576.62		576.62
2009	450.00	176.62		626.62		626.62
2010	150.00	176.62	497.80	824.42		824.42
2011	150.00	176.62	497.80	824.42		824.42
2012	17.28	176.62	497.80	691.70		691.70
2013		176.62	497.80	674.42		674.42
2014		176.62	497.80	674.42		674.42
2015		176.62	497.80	674.42		674.42
2016		176.62	497.80	674.42		674.42
2017		176.62	497.80	674.42		674.42
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			497.80	497.80		497.80
2024			497.80	497.80		497.80
2025				-		-
2026				-		-
2027				-		-
2028				-		-
2029				-		-
2030				-		-
2031				-		-
2032				-		-
2033				-		-
Subtotal	1,367.28	1,866.24	7,467.00	10,700.52	0.00	10,700.52
TOTAL	8,050.00	1,983.00	7,467.00	17,500.00	0.00	17,500.00

development

[1] Excludes 200 acres of development required to pay supplemental habitat fees

Table 16
Natomas Basin HCP
Habitat Status

2007 Update
 17,500 acres of development
 1/2 acre of mitigation land per gross acre of developed land
 25% marsh, 50% rice, 25% other

Habitat Properties	Year Acquired	Total Acres	Hunting Acres	2005				2006				2007+			
				Rice	Marsh	Other	Total [4]	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 [1]	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 [1]	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	151.9	74.2	0.5	226.7	151.9	74.2	0.5	226.7
Bennett South [3]	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 [3], [5]	2000	0.0	0.0	0.0	3.9	237.5	241.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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 [2]	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 [2]	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 [2]	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 [4]	2002	436.4	218.2	402.6	0.0	33.8	436.4	402.6	0.0	33.8	436.4	402.6	0.0	33.8	436.4
Cummings [2]	2002	66.8	0.0	0.0	40.0	26.8	66.8	0.0	40.0	26.8	66.8	0.0	40.0	26.8	66.8
Alleghany [2]	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 [3]	2003	205.4	0.0	50.0	5.4	150.0	205.4	50.0	5.4	150.0	205.4	50.0	5.4	150.0	205.4
Ruby Ranch [3]	2003	91.1	0.0	0.0	0.0	91.1	91.1	0.0	0.0	91.1	91.1	0.0	0.0	91.1	91.1
Huffman East	2003	116.8	0.0	97.7	0.0	19.1	116.8	97.7	0.0	19.1	116.8	97.7	0.0	19.1	116.8
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	85.2	0.0	28.4	113.6	85.2	0.0	28.4	113.6	85.2	0.0	28.4	113.6
Bolen South	2005	102.4	0.0	76.8	0.0	25.6	102.4	0.0	0.0	102.4	102.4	0.0	0.0	102.4	102.4
Rosa East [3]	2005	106.3	0.0	0.0	0.0	106.3	106.3	0.0	0.0	106.3	106.3	0.0	0.0	106.3	106.3
Rosa Central [3]	2005	100.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0	100.0	100.0	0.0	0.0	100.0	100.0
Vestal South	2005	95.0	0.0	71.2	0.0	23.7	95.0	71.2	0.0	23.7	95.0	71.2	0.0	23.7	95.0
Nestor	2006	233.2	0.0	0.0	0.0	0.0	0.0	225.0	0.0	8.2	233.2	225.0	0.0	8.2	233.2
Bolen West	2006	155.1	0.0	0.0	0.0	0.0	0.0	145.0	0.0	10.1	155.1	145.0	0.0	10.1	155.1
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	12.6	12.6	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	5.2	5.2	0.0	0.0	5.2	5.2	0.0	0.0	5.2	5.2
Subtotal		3,912.4	1,023.9	1,855.4	657.5	1,252.5	3,765.5	2,083.7	718.7	1,110.1	3,912.4	2,083.7	718.7	1,110.1	3,912.4
			26%												
Supplemental Mitigation															
Huffman East	2003	19.0	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	181.0	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		4,112.4	1,023.9	1,855.4	657.5	1,452.5	3,965.5	2,083.7	718.7	1,310.1	4,112.4	2,083.7	718.7	1,310.1	4,112.4

habitat status

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

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

[3] Not hunted for safety reasons.

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

[5] Brennan traded in 2006 for Nestor and Bolen West

Table 17
Natomas Basin HCP
TNEC 2007 Budget Proposal
Budget Line Item Information

Amount	Line item	Discussion	Table in NBHCP Fee Update Model
I. Revenue			
\$4,335,164	Mitigation fees-Sacramento	<p>Estimate 200 acres in the City for which HCP fees will be paid. The fees paid do not necessarily correlate to the number of acres of mitigation lands budgeted for acquisition within the budget year. The Conservancy will often acquire mitigation lands in the next fiscal year. Therefore, mitigation land acquisition costs may extend to the future year's budget.</p> <p>The budgeted fee amount is calculated based on the proposed 2007 per acre fee adjusted to account for the many cases in which the entire fee is not paid, but rather, the land is dedicated and all but the non-Land Acquisition Fund portion of the fee is paid. To adjust for these cases, it is assumed that only 20% of the fee payers will pay the Land Acquisition portion of the fee, whereas 100% of the fee payers will pay all other portions of the fee.</p>	<p>Table 2: proposed fee per acre by fee component.</p> <p>Table 15: annual development projections.</p>
\$0	Mitigation fees-Sutter County	Estimate zero acres for Sutter County mitigation in 2007.	<p>Table 2: proposed fee per acre by fee component.</p> <p>Table 15: annual development projections.</p>
\$2,167,582	Mitigation fees-other	<p>Estimate 100 acres in the Metro Air Park for which HCP fees will be paid. The fees paid do not necessarily correlate to the number of acres of mitigation lands budgeted for acquisition within the budget year. The Conservancy will often acquire mitigation lands in the next fiscal year. Therefore, mitigation land acquisition costs may extend to the future year's budget.</p> <p>The budgeted fee amount is calculated as described above for development in Sacramento.</p>	<p>Table 2: proposed fee per acre by fee component.</p> <p>Table 15: annual development projections.</p>
\$106,601	Investment income-land aquisition fund	Interest is accrued on account balances. Interest fluctuates periodically, and the total investment income will vary depending on the date available funds are used for various expenditures as well as interest rate changes. Assumes interest earned at rate of 3% of prior year ending balance. Please see current financial statement to derive "corpus" amounts upon which interest income will be accrued.	Table A-4: estimated annual interest earnings

Table 17
Natomas Basin HCP
TNEC 2007 Budget Proposal
Budget Line Item Information

Amount	Line item	Discussion	Table in NBHCP Fee Update Model
\$171,313	Investment income-admin/o&m fund	Interest is accrued on account balances. Interest fluctuates periodically, and the total investment income will vary depending on the date available funds are used for various expenditures as well as interest rate changes. Assumes interest earned at rate of 3% of prior year ending balance. Please see current financial statement to derive "corpus" amounts upon which interest income will be accrued.	Table A-6: estimated annual interest earnings
\$19,983	Investment income-restoration and enhancement fund	Interest is accrued on account balances. Interest fluctuates periodically, and the total investment income will vary depending on the date available funds are used for various expenditures as well as interest rate changes. Assumes interest earned at rate of 3% of prior year ending balance. Please see current financial statement to derive "corpus" amounts upon which interest income will be accrued.	Table A-5: estimated annual interest earnings
\$289,229	Investment income-endowment fund	Interest is accrued on account balances. Interest fluctuates periodically, and the total investment income will vary depending on the date available funds are used for various expenditures as well as interest rate changes. Assumes interest earned at rate of 3% of prior year ending balance. Please see current financial statement to derive "corpus" amounts upon which interest income will be accrued.	Table A-7: estimated annual interest earnings
\$48,113	Investment income-supplemental endowment fund	Interest is accrued on account balances. Interest fluctuates periodically, and the total investment income will vary depending on the date available funds are used for various expenditures as well as interest rate changes. Assumes interest earned at rate of 3% of prior year ending balance. Please see current financial statement to derive "corpus" amounts upon which interest income will be accrued.	Table A-8: estimated annual interest earnings
\$268,494	Farm rent	Projected cash rent for 2007 for farms currently under contract. In future years, farm rent is based on the model assumptions of \$100 per acre on 90% of rice acres.	Table 7: assumptions for years after 2007. Table A-6: estimated annual rice acres.
\$21,014	Miscellaneous income	Gross rent from residence, grazing, hunting, etc. Assumes \$15 per acre on 50% of upland acres and \$10 per acre on all hunting acres. There are a projected 1,348 upland acres and 1,130 hunting acres in 2007.	Table 7: per acre revenue assumptions Table A-6: estimated annual upland and hunting acres.
\$7,427,493	Subtotal		
\$230,700	Fee Collection Administration		
\$7,658,193	Total revenue		

Table 17
Natomas Basin HCP
TNBC 2007 Budget Proposal
Budget Line Item Information

Amount	Line item	Discussion	Table in NBHCP Fee Update Model
II. Expenditures			
Administration			
Administrative			
\$297,395	Staff	This includes four staff members: Executive Director, Manager of Finance and Accounting, Office Manager and a new position for 2007, Habitat Land Supervisor.	Table 13
\$98,140	Benefits and charges	Includes the same overhead factor (33%) used in the original budget, and includes statutory payments and fringe benefits. Includes basic retirement plan and group health insurance plan. Retirement plan involves no on-going liability to the Conservancy after employee separation and can be discontinued in any given year by action of the Board. Eligibility for participation in the plan (a Simplified Employee Pension-Individual Retirement Account, or SEP-IRA) at 10% of gross salary begins after completion of 12 months employment.	Table 13
\$10,000	Board expense	Includes \$100/meeting fee; anticipates 10 Board members for entire year. Includes small amount for miscellaneous Board expenses.	Table 13
Office expense			
\$61,618	Rent	Includes use of copier, postage, break room, security, certain telecommunications facilities and certain tenant improvements in addition to basic office space (\$5,135 per month, months 16 through 27, for 2,542 square feet).	Table 13
\$10,000	Telephone	For basic telecommunications service.	Table 13
\$25,000	Copying & printing	For photocopying and non-project associated printing.	Table 13
\$20,000	Office supplies	Essential and common office supplies.	Table 13
\$3,000	Postage	General postage for TNBC business.	Table 13
\$50,000	Equipment	For basic office equipment, furniture. Excludes a special add this year for field equipment acquisition (see Operations section).	Table 13
\$18,000	Vehicle expense	For vehicle allowance and mileage expenses for TNBC staff as well as Board and TAC as needed.	Table 13

Table 17
Natomas Basin HCP
TNBC 2007 Budget Proposal
Budget Line Item Information

Amount	Line item	Discussion	Table in NBHCP Fee Update Model
Miscellaneous expense			
\$60,000	Insurance	Basic business insurance for TNBC.	Table 13
\$20,000	Accounting	For general accounting work and fiscal year-end audit.	Table 13
\$60,000	Legal	General legal work. Budgeted amount will likely decrease in future years.	Table 13
\$100,000	Fees & taxes	These are general corporation fees, property taxes on equipment at TNBC headquarters and Endowment Fund management fees.	Table 13
Contract work, monitoring, and contingency			
\$150,000	Contract work, public education and publications	Similar to last year's budget, and includes general contract work, public education and publications. Includes \$20,000 for the Ag Water Waiver program instituted by regional and state water regulatory agencies.	Table 13
\$147,473	Contingency	15% contingency on all above administration items.	Table 13
\$280,000	Land Management	Estimated amount based on 2006 contract amount and estimated increase.	Table 7
\$323,477	Biological monitoring	2007 contract amount with Jones & Stokes plus cost of midpoint reviews, connectivity, and adaptive management.	Table 12
Mitigation land			
\$0	Mitigation land	For mitigation land acquisitions. Most land acquisition is covered by the "dedication" requirement, so there will be no direct outlay of cash proposed for this. Even if the dedication is not required, since the Conservancy has 12 months to mitigate fee-paid land, there is a good deal of fungibility in this budgeted amount. The Conservancy remains in a small surplus mitigation land situation.	Table 5: estimated cost per acre for years after 2007. Table A-4: estimated annual acres acquired
Loan repayment			
\$0	Loan repayment	The Conservancy borrows from time-to-time on its line of credit with the City of Sacramento. No outstanding indebtedness exists at the end of 2006 so no loan repayments are forecast for 2007. When repayments are made, they are made at a rate of 75 percent of non-Endowment Fund fee income.	

Table 17
Natomas Basin HCP
TNBC 2007 Budget Proposal
Budget Line Item Information

Amount	Line item	Discussion	Table in NBHCP Fee Update Model
	Operations		
\$439,598	Property taxes	This is an estimate of property taxes for TNBC real property based on land value assumptions in the Financing Model.	Table 10
\$328,005	Water -- RD 1000 and NCMWC	Estimate of water costs based on rate and acres assumptions in Financing Model. Includes the Conservancy's Sutter County mitigation lands rated by RD1000 at 80%, which means the assessment will be \$13.80 per acre. The Conservancy's Sacramento County mitigation lands are rated by RD1000 at 60%, or \$10.35 per acre. The Natomas Mutual Water Company's assessment rate is projected to be \$140.00 per acre, but Conservancy farm tenants pay 1/2 on rented ground up to \$65.00 per acre leased. Adjustments are made for marsh watering, fallow ground and winter water.	Table 7: estimated cost per acre Table A-6: estimated annual acres including supplemental mitigation.
\$197,445	Property maintenance	General property maintenance items, including electricity, fences, signs, road maintenance, weed control, field leveling and general repairs.	Table 8: estimated cost per acre. Table A-6: estimated annual acres including supplemental mitigation.
\$170,000	Field Equipment	Estimated amount by TNBC. In future years, covered by fixed asset annual estimate.	Table 9: estimated cost per acre for years after 2007. Table A-6: estimated annual acres including supplemental mitigation.
\$2,869,151	Subtotal		
\$527,500	Restoration and enhancement	Estimated amount by TNBC. In future years, subject to model assumptions. The only restoration and enhancement costs estimated for 2007 are on 65 acres of Bennett North and planning costs for various properties. Total amount consists of: \$6,500 * 65 acres = \$422,500 \$70,000 for SSMP's for 5 new properties \$35,000 for an overall SSMP revision	Table 6: estimated costs per acre for years after 2007. Table A-5: estimated annual acres for restoration and enhancement.
\$3,396,651	Total expenses		

budget