



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Conduct a Public Hearing to adopt a Resolution amending the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan Development Fees.

MEETING DATE: February 7, 2007

PREPARED BY: Randy Hatch, Community Development Director

RECOMMENDED ACTION: Conduct a Public Hearing to adopt a Resolution amending the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan Development Fees.

BACKGROUND INFORMATION: On February 21, 2001 the City of Lodi adopted the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP). The Plan included a schedule of fees to be paid by land-owners who propose to develop their property with non-agricultural uses. These fees are used to mitigate for the cumulative impacts of new development on habitat lands within Lodi and San Joaquin County. According to the San Joaquin Council of Governments (SJCOG), it is necessary for all jurisdictions covered by the Plan to approve the increase in Habitat Conservation Plan (HCP) fees in order for those jurisdictions to continue to participate in the Plan. SJCOG has prepared a SJMSCP Financial Analysis Update in 2006 that provides the justification for the fee increase (attachment). The original fee study and economic analysis conducted for SJCOG are also available for the Council's review. Based on the Financial Analysis Update, SJCOG has determined that a significant increase in the fee structure is necessary in order for the SJMSCP to fulfill its obligation to purchase permanent habitat land or easements to mitigate for the loss of existing habitat land to urban development. The price of land in San Joaquin County has increased substantially in the past 5-years and this has affected the ability of SJCOG to purchase habitat acreage, whether in fee title or as an easement.

On November 30, 2006 the SJCOG Board unanimously approved the HCP fee increase. All local jurisdictions are asked to now approve the new fee schedule that will take effect on April 1, 2007. Given that this development fee increase will not be effective until 60 days after adoption, it is essential that the City adopt the new fees at the earliest possible date in order for the City to remain a participant in the Plan. With the adoption of this fee increase, the fee per acre will be \$6,511.00 for Multi-Purpose Open Space land (276% increase), \$13,022 for Natural and Agriculture land (276% increase) and between \$34,958.00 - upland (231% increase) and \$69,858 - wetted (10% increase) for Vernal Pool land. The fees will be paid by land owners who develop their property with projects that are subject to the fees.

FISCAL IMPACT: No fiscal impact on the City.

APPROVED:

Blair King, City Manager

FUNDING AVAILABLE: None required.



Randy Hatch, Community Development Director

Attachments: 1) Memo from SJCOG w/Fee Analysis Update summary
2) Fee schedule

RH/dm/kjc

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COMMUNITY DEVELOPMENT DEPT
CITY OF LODI



Economic &
Planning Systems

Real Estate Economics
Regional Economics
Public Finance
Land Use Policy

MEMORANDUM

To: Steve Mayo, San Joaquin Council of Governments
From: Teifion Rice-Evans and Jason Moody
Subject: San Joaquin County Multi-Species Habitat Conservation and Open Space
Plan Financial Analysis Update; EPS #15126
Date: January 10, 2007

Economic & Planning Systems, Inc. (EPS) and Jones & Stokes (J&S) were retained by the San Joaquin Council of Governments (SJCOG) to update the financial analysis determining the mitigation fees charged under the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP). The results of this update are included in the attached financial model. The completion of this fee update included three public workshops as well as several meetings of the SJMSCP's Habitat Technical Advisory Committee (HTAC) financing subcommittee. This memorandum summarizes the purpose, approach, and results of the financial update.

PURPOSE AND APPROACH

- **Update Purpose.** The original financial analysis was completed in 1997 and established a fee schedule to cover mitigation requirements and costs. Since that time, changes in costs have rendered the current fees too low. The purpose of the update was to establish a new fee schedule that could cover costs based on current conditions and provide a fee updating process that would tie annual fee adjustments more closely with cost changes through time.
- **Mitigation Ratios and Conservation Requirements.** The original financial analysis was based on several key components of the SCMSCP, including the amount of take permitted, the required mitigation ratios, and the associated conservation requirements. These key components were approved by the relevant regulatory agencies as part of SJMSCP adoption in 2001. This financial update maintains these key components of the SJMSCP and does not alter the SJMSCP's linkage between land conversion and the mitigation required.



- **Financial Model and Cost Updates.** The financial update provides revised estimates of mitigation costs based on current conditions and integrates these costs into the original financial model to identify the new set of fees required to cover mitigation costs. The attached financial model shows the new unit costs and their application to the SCMSCP's original mitigation requirements. Cost estimates and the associated fee calculations are divided into the three major cost categories: (1) acquisition costs, (2) assessment and enhancement costs, and (3) management and administrative costs.
- **Updated Cost Estimates.** The updated cost estimates are based on current information concerning the three cost components. Acquisition costs, the majority of mitigation costs, are based on recent land sales in San Joaquin County. Relevant sales comparables were identified based on conversations with appraisers, real estate brokers, and others active in the San Joaquin County land market.

Assessment and enhancement costs are based on the current costs of assessing and enhancing habitat both in San Joaquin County and elsewhere. Management and administration costs are based on the current SJCOG, Inc., costs of managing and administering the Conservation Plan as well as estimates of endowment contributions required to ensure continued SJMSCP implementation beyond the acquisition phase of the plan.

- **Fee Structure.** Consistent with the SJMSCP and the original financial analysis, different fees are charged for the conversion of four different land types: natural/agricultural lands, vernal pool grasslands, vernal pool wetted, and other open space.
- **Annual Fee Adjustments.** An appropriate approach to updating fees is critical to avoid funding shortfalls. The original financial analysis included annual fee updates based on the California Construction Cost Index. This index has not reflected changes in mitigation costs. As a result, a new approach to annual fee adjustments was developed.

RESULTS

FEE SCHEDULE

The table below shows the new fee schedule. In addition, it shows the fee schedule when originally estimated in 1996 and the current fee schedule, adopted in January 2006, which incorporated the annual fee adjustments as well as a correction concerning the level of non-mitigation funding available. The new fee schedule represents the fees required at the current time to generate sufficient funding to cover mitigation costs.

| Habitat Type | Original Fees (1997) | 2006 Interim Fees | Updated Fees |
|-------------------------|----------------------|-------------------|--------------|
| Other Open Space | \$750 | \$1,651 | \$6,511 |
| Natural/Agricultural | \$1,500 | \$3,304 | \$13,022 |
| Vernal Pool (Grassland) | \$5,000 | \$10,081 | \$34,958 |
| Vernal Pool (Wetted) | \$30,000 | \$60,379 | \$69,858 |

ANNUAL FEE ADJUSTMENTS

Annual fee adjustments that reflect the relevant drivers of mitigation costs are a critical part of the fee program. To reflect the different factors driving changes in the different components of mitigation costs, the following updated approach was developed:

- **Acquisition Costs.** The acquisition cost component of the fee will be adjusted by tracking relevant, recent land sales. Specifically, on an annual basis, SJCOG, Inc., will develop a list of its own acquisitions in addition to other arms-length acquisitions in the County that are between 40 and 500 acres in size, represent suitable mitigation under the SJMSCP, and are not improved with vineyards or orchards. Combining this data with data from the prior year, new per acre land cost estimates will be estimated and used to adjust the acquisition cost component of the fee. A minimum of ten acceptable comparables will be required for this calculation. If ten comparables are unavailable within the last two years, the time frame will be shifted back in three month intervals until ten comparables are identified.
- **Other Costs.** The other cost components of the fee, including the assessment and enhancement costs and the management and administration costs, will be adjusted annually using the Consumer Price Index (CPI). At the end of each fiscal year (July through June), the fees will be adjusted based on the change in the CPI over the fiscal year.

FEE SUMMARY

Table 1
Fee Results
 SJCMSCP Fee Update, EPS#15126

| Fee | % of Land Preservation | Acquisition Costs (1) | Assessment & Enhancement (2) | Management and Admin. (3) | TOTAL | TOTAL (rounded) |
|---|------------------------|-----------------------|------------------------------|---------------------------|---------------------|-----------------|
| | | A | B | C | A + B + C | A + B + C |
| Other Open Space (4) Percent of Total | | \$4,435.03 68% | \$1,327.58 20% | \$748.45 11% | \$6,511.06 100% | \$6,511 |
| Natural/ Agricultural Lands (4) Percent of Total | 82% (5) | \$8,870.05 68% | \$2,655.16 20% | \$1,496.90 11% | \$13,022.11 100% | \$13,022 |
| Vernal Pool Grasslands (4) Percent of Total | 16% (6) | \$28,980.00 88% | \$500.01 1% | \$5,478.00 16% | \$34,958.01 100% | \$34,958 |
| Vernal Pool Wetted (4) Percent of Total | 2% (7) | \$28,980.00 44% | \$35,400.03 51% | \$5,478.00 8% | \$69,858.03 100% | \$69,858 |

(1) Includes land acquisition and transaction costs. See Exhibit A.

(2) Includes biological assessment, preserve management plan preparation, and restoration and enhancement costs. See Exhibit B.

(3) Includes monitoring endowment, SJCOG project management, SJCOG administration, and administrative endowment. See Exhibit C.

(4) Figures are rounded to the nearest \$0.01 throughout this analysis and as a result may not compute precisely.

(5) Fees associated with other open space and natural/ agricultural lands fees will contribute to 82.361 percent of the overall land preservation under the plan, specifically 82,560 acres of natural/ agricultural lands.

(6) Fee associated with vernal pool grasslands conversion will contribute to 15.523 percent of the overall land preservation under the plan or 15,561 acres.

(7) Fee associated with vernal pool wetted conversion will contribute to 2.116 percent of the overall land preservation under the plan or 2,121 acres.

Sources: Jones & Stokes; Economic & Planning Systems, Inc.

FEE SUMMARY

Table 2
Detailed Breakdown of Fees
SJCMSCP Fee Update, EPS#15126

| Fee | Fee Per Acre | | | | | | | | | |
|---|--------------------|------------------------|-------------------------|--------------------------|-----------------------------|--------------------|----------------|--------------------------|-----------------------|---------------------|
| | Acquisition Costs | | | Assessment & Enhancement | Management & Administration | | | | | TOTAL |
| | Land Acquisition | Transaction Costs (5%) | Total Acquisition Costs | | Monitoring Endowment | Project Management | Administration | Administrative Endowment | Total Mgt. and Admin. | |
| a | b | A = a + b | B | d | e | f | g | C = d + e + f + g | A + B + C | |
| Other Open Space Percent of Total | \$4,223.84 65% | \$211.19 3% | \$4,435.03 68% | \$1,327.58 20% | \$467.64 7% | \$165.75 3% | \$95.56 1% | \$19.50 0% | \$748.45 11% | \$6,511.06 100% |
| Natural/ Agricultural Lands Percent of Total | \$8,447.67 65% | \$422.38 3% | \$8,870.05 68% | \$2,655.16 20% | \$935.28 7% | \$331.52 3% | \$191.11 1% | \$39.00 0% | \$1,496.90 11% | \$13,022.11 100% |
| Vernal Pool Grasslands Percent of Total | \$27,600.00 79% | \$1,380.00 4% | \$28,980.00 83% | \$500.01 1% | \$3,750.00 11% | \$1,020.00 3% | \$588.00 2% | \$120.00 0% | \$5,478.00 16% | \$34,958.01 100% |
| Vernal Pool Wetted Percent of Total | \$27,600.00 40% | \$1,380.00 2% | \$28,980.00 41% | \$35,400.03 51% | \$3,750.00 5% | \$1,020.00 1% | \$588.00 1% | \$120.00 0% | \$5,478.00 8% | \$69,858.03 100% |

Sources: Jones & Stokes; Economic & Planning Systems, Inc.

EXHIBIT A: ACQUISITION COSTS

Exhibit A-1

Land Conversion through Development in San Joaquin County, 1997 - Buildout

SJCMSCP Fee Update, EPS #15126

| Activity | Habitat Type | | | Total Development |
|------------------------------------|---------------|-------------------|------------------|-------------------|
| | Natural Lands | Ag. Habitat Lands | Other Open Space | |
| Urban Development | 4,100 | 47,453 | 24,217 | 75,770 |
| Aggregate Mining | 1,769 | 1,813 | 7,317 | 10,899 |
| Public Agency Activities | 488 | 2,132 | 1,095 | 3,715 |
| Non-Ag Activities on Ag-Zoned Land | 2,030 | 4,457 | 2,428 | 8,915 |
| Ag Activities Triggering Sec. 404 | 5,000 | -- | -- | 5,000 |
| Contingency | 812 | 1,780 | 2,408 | 5,000 |
| Total Acres | 14,199 | 57,635 | 37,465 | 109,299 |
| Percent of Total Acres | 13% | 53% | 34% | 100% |

Source: 1996 Economic Analyses for the SJCMSCP.

EXHIBIT A: ACQUISITION COSTS

Exhibit A-2
SJCMSCP Preserve Land Requirement, 1997 - Buildout
SJCMSCP Fee Update, EPS #15126

| Habitat Type | Ratio (Preserve Acres: 1 Acre Conversion) | Total Preserve Acres | Percent Total Acres |
|--|--|-------------------------|------------------------|
| Natural Lands | 3 | | |
| Riparian | | 19,185 | 19% |
| Delta Aquatic | | 10 | 0% |
| Other Water's Edge | | 1,584 | 2% |
| Southwest Grasslands | | 4,146 | 4% |
| Vernal Pool Grasslands (incl. vernal pool wetted) | | <u>17,682</u> | <u>18%</u> |
| Subtotal Natural Lands (1) | | 42,607 | 43% |
| Agricultural Habitat Lands | 1 | 57,635 | 57% |
| Total | | 100,242 | 100% |

(1) Approximately equal to total natural lands converted (14,199 acres) times 3 (=42,597). Discrepancy due to 10 acres of land associated with levees.

Source: 1996 Economic Analyses for the SJCMSCP.

EXHIBIT A: ACQUISITION COSTS

Exhibit A-3

Per-Acre Land Value Summary

SJCMSCP Fee Update, EPS #15126

| Land Use | | Central Zone | Primary Zone of the Delta | Southwest Zone |
|--------------------|-------|--------------|------------------------------|-------------------|
| Fee Title | a | \$11,821 (1) | \$8,285 (2) | \$1,500 |
| Row Crops/ Grazing | b | \$2,591 (3) | \$2,341 (3) | \$500 |
| Easement Cost | a - b | \$9,230 | \$5,944 | \$1,000 (4) |

(1) See Exhibit A-5.

(2) See Exhibit A-6.

(3) See Exhibit A-7. Comparable sales of properties encumbered by natural features are used as a proxy, as comparable sales of land encumbered by easement are not available. Estimate for encumbered land in the primary zone of the delta is \$250 lower than that of the central zone based on lower market rents for row crop land.

(4) Based on recent 2005/ 2006 SJCOG land transactions.

Sources: SJCOG, Inc; Individual Appraisers Data; Economic & Planning Systems, Inc.

EXHIBIT A: ACQUISITION COSTS

Exhibit A-4
Per-Acre Acquisition Cost Summary
SJCMSCP Fee Update, EPS #15126

| Land Use Category | | SJCMSCP Zone | | | Total Weighted Acquisition Cost A + B + C |
|----------------------------|-------|-------------------|-----------------------------------|------------------------|--|
| | | Central Zone A | Primary Zone of the Delta B | Southwest Zone C | |
| Easement Cost by Zone (1) | d | \$9,230 | \$5,944 | \$1,000 | |
| Natural Lands | | | | | |
| Riparian | | | | | |
| Percent in Zone (2) | e | 89% | 11% | 0% | |
| Weighted Cost (3) | d * e | \$8,214.70 | \$653.84 | \$0.00 | \$8,868.54 |
| Delta Submerged Aquatic | | | | | |
| Percent in Zone (2) | f | 0% | 100% | 0% | |
| Weighted Cost (3) | d * f | \$0.00 | \$5,944.00 | \$0.00 | \$5,944.00 |
| Other Water's Edge | | | | | |
| Percent in Zone (2) | g | 100% | 0% | 0% | |
| Weighted Cost (3) | d * g | \$9,230.00 | \$0.00 | \$0.00 | \$9,230.00 |
| Southwest Grasslands | | | | | |
| Percent in Zone (2) | h | 0% | 0% | 100% | |
| Weighted Cost (3) | d * h | \$0.00 | \$0.00 | \$1,000.00 | \$1,000.00 |
| Vernal Pool Wetted (4) | | n/a | n/a | n/a | \$9,200.00 |
| Vernal Pool Grasslands (4) | | n/a | n/a | n/a | \$9,200.00 |
| Agricultural Lands | | | | | |
| Percent in Zone (2) | i | 97% | 3% | 0% | |
| Weighted Cost (3) | d * i | \$8,953.10 | \$178.32 | \$0.00 | \$9,131.42 |

(1) See Exhibit A-3.

(2) Percent of total lands in each category assumed to be in a given zone. Based on 1996 Economic Analysis.

(3) Weighted average cost based on proportion of total land in each zone. Assumes easement acquisition for lands categorized as agricultural, riparian, delta submerged, other water's edge, and southwest grasslands.

(4) Assumes fee title acquisition for vernal pool lands. Vernal pools fee title land costs assumed to be about 80 percent of average Central Zone fee title costs.

Sources: 1996 Economic Analyses for the SJCMSCP; SJCOG, Inc; Individual Appraisers Data; Economic & Planning Systems, Inc.

EXHIBIT A: ACQUISITION COSTS

Exhibit A-5.1

Sales Comparables, Central Zone Unencumbered Properties (1)

SJMSCP Fee Update, EPS #15126

| Transaction | No. of Parcels | Location | Zoning | Existing Use | Recording Date | Parcel Size (ac) | Sale Price | Price/ Acre | Appreciated Price/Ac. (2) |
|----------------------------|-------------------|--|--------|-----------------------|-------------------|---------------------|---------------|----------------|------------------------------|
| Wentworth/ Popescu | 1 | East side of Cherokee Ln. S/O Liberty Rd. | AG-40 | Pasture, Crop Land | 3/26/2004 | 78.00 | \$630,000 | \$8,077 | \$9,773 |
| Nakagawa Trust/ Costa | 1 | S/O Woodbridge Rd, E/O Dustin Rd | AG-80 | Crop land | 10/21/2003 | 90.48 | \$810,000 | \$8,952 | \$11,915 |
| Leffler/ Origone | 2 | N/S Eight Mile Rd, E/O Hwy 99 | AG-40 | Pasture, Crop Land | 6/6/2003 | 95.50 | \$859,500 | \$9,000 | \$11,979 |
| Mart Family Partnership | 1 | NWC Tredway & Neeley Rds | AG-40 | Pasture, Crop Land | 6/30/2003 | 39.92 | \$450,000 | \$11,273 | \$15,004 |
| Spencer Ranch/ Franmar | 2 | N/S Eight Mile Rd near Davis Rd | AG-40 | Pasture, Crop Land | 5/16/2003 | 331.40 | \$3,806,500 | \$11,486 | \$15,288 |
| Ferdun Trust/ Vien | 1 | N/O Highway 12, E/O Kennison Rd | AG-40 | Pasture | 8/22/2005 | 115.30 | \$1,650,000 | \$14,310 | \$15,742 |

EXHIBIT A: ACQUISITION COSTS

Exhibit A-5.2

Sales Comparables, Central Zone Unencumbered Properties (1)
 SJMSCP Fee Update, EPS #15126

| Transaction | No. of Parcels | Location | Zoning | Existing Use | Recording Date | Parcel Size (ac) | Sale Price | Price/ Acre | Appreciated Price/Ac. (2) |
|---------------------------------------|-------------------|---|--------|-----------------|--|---------------------|---------------|----------------|------------------------------|
| Sprowl/ Hall | 1 | N/O Highway 12, W/O McInteire Road | AG-40 | Pasture | 7/13/2004 | 41.48 | \$680,000 | \$16,393 | \$19,836 |
| Virtue/ Dewit | 1 | S/S Liberty Rd, E/O Bruella Rd | AG-80 | Pasture | 10/16/2004 | 183.94 | \$1,045,000 | \$5,681 | \$6,874 |
| Teselle | 1 | S/End Johnson @ E. Acampo Rd. | AG-80 | Pasture | NA (listed at time of appraisal - 9/05) | 69.00 | \$1,050,000 | \$15,217 | \$16,739 |
| Farias | 1 | N/O Brandt Rd, W/O Clements Rd | AG-40 | Pasture | NA (sale pending at time of appraisal - 9/05) | 40.31 | \$675,000 | \$16,745 | \$18,420 |
| Applin Trust/ Old Homestead Rd LLC | 1 | S/S of Homestead Rd, E/S Kasson Rd | AG-40 | Crop land | 6/20/2005 | 206.63 | \$1,900,966 | \$9,200 | \$10,120 |

EXHIBIT A: ACQUISITION COSTS

Exhibit A-5.3
Sales Comparables, Central Zone Unencumbered Properties (1)
SJMSCP Fee Update, EPS #15126

| Transaction | No. of Parcels | Location | Zoning | Existing Use | Recording Date | Parcel Size (ac) | Sale Price | Price/ Acre | Appreciated Price/Ac. (2) |
|-----------------------------|-------------------|--|--------|--------------------------|-------------------|---------------------|---------------|----------------|------------------------------|
| Richland B2 | 2 | W side of Kasson Rd north of Lorentzen Rd | AG-40 | Irrigated field crops | 6/1/2006 | 240.56 | \$1,575,000 | \$6,547 | \$6,547 |
| Total | | | | | | 1,533 | | | |
| Weighted Average (3) | | | | | | | | \$9,874 | \$11,821 |

(1) Includes all available comparables except for vineyard properties.

(2) Appreciated at 10 percent per annum.

(3) Weighted average calculated by dividing sum of all sale prices by sum of all acreage.

Sources: Various San Joaquin County Appraisals; Economic & Planning Systems, Inc.

Exhibit A-6**Sales Comparables, Primary Zone of the Delta Unencumbered Properties
SJMSCP Fee Update, EPS #15126**

| Transaction | No. of Parcels | Location | Zoning | Existing Use | Recording Date | Parcel Size (ac) | Sale Price | Price/ Acre | Appreciated Price/ Ac. (1) |
|-----------------------------|-------------------|---|--------|-----------------|-------------------|---------------------|---------------|----------------|----------------------------------|
| Rodgers/ Rodriguez | 1 | S/S Undine Rd @ Willow Glen | AG-80 | Crop land | 12/5/2003 | 103.86 | \$500,000 | \$4,814 | \$6,408 |
| Foppiano/ Tran | 7 | E/ & W/S Blossom Rd, N/O Beaver Slough | AG-40 | Crop land | 10/15/2004 | 346.00 | \$2,500,000 | \$7,225 | \$8,743 |
| Azia/ L&O Farms | 1 | S/S of Howard Rd, E/O Tracy Blvd | AG-80 | Crop land | 2/25/2005 | 112.72 | \$1,000,000 | \$8,872 | \$9,759 |
| Saunders/ Chiu & Ngo | 1 | E/S of Roberts Rd, N/O Howard Rd | AG-80 | Row Crop | 3/11/2005 | 167.56 | \$960,000 | \$5,729 | \$6,302 |
| Axland/ Sarale | 1 | E/S of Roberts Rd @ Carlin Rd. | AG-80 | Row Crop | 11/15/2005 | 260.00 | \$1,508,000 | \$5,800 | \$6,380 |
| Van Loben Sels 1 | 1 | S/S of Walnut Grove | AG-40 | Row Crop | 2006 | 133.00 | \$1,368,570 | \$10,290 | \$10,290 |
| Van Loben Sels 2 | 1 | S/S of Walnut Grove | AG-40 | Row Crop | 2006 | 270.00 | \$2,667,600 | \$9,880 | \$9,880 |
| Total | | | | | | 1,393 | | | |
| Weighted Average (2) | | | | | | | | \$7,540 | \$8,285 |

(1) Appreciated at 10 percent per annum.

(2) Weighted average calculated by dividing sum of all sale prices by sum of all acreage.

Sources: SJCOG, Inc; Various San Joaquin County Appraisals; Economic & Planning Systems.

Exhibit A-7

Sales Comparables, Central Zone and Primary Zone of the Delta Proxies for Encumbered Properties *
SJMSCP Fee Update, EPS #15126

| Transaction | No. of Parcels | Location | Zoning | Existing Use | SJMSCP Zone | Recording Date | Parcel Size (ac) | Sale Price | Price/ Acre | Appreciated Price/ Acre (1) |
|--|-------------------|---|--------|--------------------------|------------------------------|-------------------|---------------------|---------------|----------------|-----------------------------------|
| Hammer Trust/ Morais | 1 | S/S of Guard Rd, N/O White Slough | AG-40 | Pasture, crop land | Central Zone | 6/25/2004 | 388.89 | \$854,000 | \$2,196 | \$2,330 |
| Nature Conservancy/ DeSnayers | 1 | N/S Walnut Grove Thornton Rd, W/O Vail Rd | AG-40 | Crop Land | Primary Zone of the Delta | 7/22/2004 | 328.80 | \$658,000 | \$2,001 | \$2,123 |
| Caffese Trust/ Leventini | 1 | S/O Eight Mile Rd, Empire Tract | AG-80 | Crop land (row crops) | Primary Zone of the Delta | 10/17/2003 | 179.91 | \$550,000 | \$3,057 | \$3,341 |
| Rurup Trust/ Surprenant | 1 | S/S of Eight Mile Road at west end of road | AG-40 | Pasture, Crop land | Primary Zone of the Delta | 1/9/2004 | 195.00 | \$425,000 | \$2,179 | \$2,312 |
| Heritage Land Co./ Olagaray Bros PTP | 1 | S/O Highway 12, W/O Guard Rd | AG-80 | Row crops | Primary Zone of the Delta | 4/13/2005 | 215.64 | \$712,000 | \$3,302 | \$3,401 |
| Total | | | | | | | 1,308 | | | |
| Weighted Average (2) | | | | | | | | | \$2,445 | \$2,591 |

* Most properties not encumbered by easement, though good proxies as limited potential for uses other than row crops.

(1) Appreciated at 3 percent per annum. Encumbered properties are assumed to appreciate at a lower rate than properties with greater development potential.

(2) Weighted average calculated by dividing sum of all sale prices by sum of all acreage.

Sources: SJCOG, Inc; Various San Joaquin County Appraisals; Economic & Planning Systems.

EXHIBIT A: ACQUISITION COSTS

Exhibit A-9

Total Per-Acre Costs

SJCMSCP Fee Update, EPS #15126

| Preserve Type | Land Acquisition | % of Total Preserve Lands (1) |
|---|-------------------|-------------------------------|
| Agricultural Lands | \$9,587.99 | 57% |
| Natural Lands | | |
| Riparian | \$9,311.97 | 19% |
| Delta | \$6,241.20 | -- |
| Other Water's Edge | \$9,691.50 | 2% |
| Southwest Grasslands | \$1,050.00 | 4% |
| Avg. Natural/ Agricultural Lands | \$9,097.01 | 82% |
| Vernal Pool Wetted | \$9,660.00 | 2% |
| Vernal Pool Grasslands | \$9,660.00 | <u>16%</u> |
| | | 100% |

(1) See Exhibit A-2.

Sources: 1996 Economic Analyses for the SJCMSCP; SJCOG, Inc; Jones and Stokes; Economic & Planning Systems, Inc.

EXHIBIT A: ACQUISITION COSTS

Exhibit A-10

**Total Preserve Costs, Breakdown by Category
SJCMSCP Fee Update, EPS #15126**

| Preserve Type | Total Acres | Acquisition Costs | |
|-----------------------------------|----------------|-------------------|-------------------------|
| | Preserve Lands | Per Acre | Total |
| Vernal Pool Wetted | 2,121 | \$9,660.00 | \$20,488,860.00 |
| Vernal Pool Grasslands | 15,561 | \$9,660.00 | \$150,319,260.00 |
| Natural/ Agricultural Lands, Avg. | 82,560 | \$9,097.01 | \$751,049,145.60 |
| Total (1) | 100,242 | | \$921,857,265.60 |

(1) See Exhibit A-2.

Sources: 1996 Economic Analyses for the SJCMSCP; SJCOG, Inc.; Jones & Stokes; Economic & Planning Systems, Inc.

EXHIBIT A: ACQUISITION COSTS

Exhibit A-8
Total Acquisition Costs
SJCMSCP Fee Update, EPS #15126

| Preserve Type | Cost per Acre (1) | Transaction Costs (2) 5% | Total Land Acquisition Cost |
|---------------------------|--------------------------|-------------------------------------|--|
| Agricultural Lands | \$9,131.42 | \$456.57 | \$9,587.99 |
| Natural Lands | | | |
| Riparian | \$8,868.54 | \$443.43 | \$9,311.97 |
| Delta Submerged Aquatic | \$5,944.00 | \$297.20 | \$6,241.20 |
| Other Water's Edge | \$9,230.00 | \$461.50 | \$9,691.50 |
| Southwest Grasslands | \$1,000.00 | \$50.00 | \$1,050.00 |
| Vernal Pool Wetted | \$9,200.00 | \$460.00 | \$9,660.00 |
| Vernal Pool Grasslands | \$9,200.00 | \$460.00 | \$9,660.00 |

(1) See Exhibit A-4. Assumes easement purchases in all cases except fee title purchases for vernal pool lands.

(2) Transaction costs include biological baseline, appraisal, escrow, and survey costs.

Sources: 1996 Economic Analyses for the SJCMSCP; SJCOG, Inc; Economic & Planning Systems, Inc.

EXHIBIT A: ACQUISITION COSTS

Exhibit A-11

Updated 2006 Fee Calculations, Vernal Pool Surface and Grasslands
SJCMSCP Fee Update, EPS #15126

| Preserve Type | Acres Converted (1) | Acquisition Costs (2) |
|-------------------------------|---------------------|-----------------------|
| Vernal Pool Wetted | 707 | |
| Total Cost | | \$20,488,860.00 |
| Fee per Acre | | \$28,980.00 |
| Vernal Pool Grasslands | 5,187 | |
| Total Cost | | \$150,319,260.00 |
| Fee per Acre | | \$28,980.00 |

(1) From 1996 Economic Analyses for the SJCMSCP.

(2) See Exhibit A-10.

Sources: 1996 Economic Analyses for the SJCMSCP; SJCOG, Jones and Stokes;
Economic & Planning Systems, Inc.

EXHIBIT A: ACQUISITION COSTS

Exhibit A-12

**Updated 2006 Fee Calculations, Natural/ Agricultural Land and Open Space*
SJCMSCP Fee Update, EPS #15126**

| Preserve Type | Land Acquisition | | Total |
|---|-------------------|-----------------|-------------------|
| | Land Acquisition | Transaction | |
| Cost associated with Natural/ Agricultural Lands Conversion (1) | \$715,284,979.20 | \$35,764,166.40 | \$751,049,145.60 |
| Natural/ Agricultural Land conversion (acres) (2) | 65,940 | 65,940 | 65,940 |
| Other Open Space conversion (acres) | 37,465 | 37,465 | 37,465 |
| Multiplier for Natural/ Agricultural Land Conversion | 1 | 1 | 1 |
| Multiplier for Other Open Space | 0.5 | 0.5 | 0.5 |
| Land Acquisition Component of Natural/ Agricultural Lands Fee | \$8,447.67 | \$422.38 | \$8,870.05 |
| Acquisition Fee Component = Acquisition Cost / ((65,940 * 1.0) +(37,465 * 0.5)) | | | |

(1) See Exhibit A-10.

(2) Sum of Natural and Agricultural Land Conversion, less total Vernal Pool Surface and Grassland conversion acreage, i.e.,
14,199 + 57,635 - 707 - 5,187. See Exhibit A-1 and Exhibit A-11.

• Open space fee calculated as 0.5 * \$8,870, or \$4,435.

Sources: SJCOG, Jones and Stokes, Economic & Planning Systems, Inc.

EXHIBIT B: ASSESSMENT & ENHANCEMENT COSTS

Exhibit B-1

Land Conversion through Development in San Joaquin County, 1997 - Buildout
 SJCMSCP Fee Update, EPS #15126

| Activity | Habitat Type | | | Total Development |
|------------------------------------|---------------|-------------------|------------------|-------------------|
| | Natural Lands | Ag. Habitat Lands | Other Open Space | |
| Urban Development | 4,100 | 47,453 | 24,217 | 75,770 |
| Aggregate Mining | 1,769 | 1,813 | 7,317 | 10,899 |
| Public Agency Activities | 488 | 2,132 | 1,095 | 3,715 |
| Non-Ag Activities on Ag-Zoned Land | 2,030 | 4,457 | 2,428 | 8,915 |
| Ag Activities Triggering Sec. 404 | 5,000 | -- | -- | 5,000 |
| Contingency | 812 | 1,780 | 2,408 | 5,000 |
| Total Acres | 14,199 | 57,635 | 37,465 | 109,299 |
| Percent of Total Acres | 13% | 53% | 34% | 100% |

Source: 1996 Economic Analyses for the SJCMSCP.

EXHIBIT B: ASSESSMENT & ENHANCEMENT COSTS

Exhibit B-2

SJCMSCP Preserve Land Requirement, 1997 - Buildout

SJCMSCP Fee Update, EPS #15126

| Habitat Type | Ratio (Preserve Acres: 1 Acre Conversion) | Total Preserve Acres | Percent Total Acres |
|--|--|-------------------------|------------------------|
| Natural Lands | 3 | | |
| Riparian | | 19,185 | 19% |
| Delta Aquatic | | 10 | 0% |
| Other Water's Edge | | 1,584 | 2% |
| Southwest Grasslands | | 4,146 | 4% |
| Vernal Pool Grasslands (incl. vernal pool wetted) | | <u>17,682</u> | <u>18%</u> |
| Subtotal Natural Lands (1) | | 42,607 | 43% |
| Agricultural Habitat Lands | 1 | 57,635 | 57% |
| Total | | 100,242 | 100% |

(1) Approximately equal to total natural lands converted (14,199 acres) times 3 (=42,597). Discrepancy due to 10 acres of land associated with levees.

Source: 1996 Economic Analyses for the SJCMSCP.

EXHIBIT B: ASSESSMENT & ENHANCEMENT COSTS

Exhibit B-3
Assessment and Enhancement Costs
SJCMSCP Fee Update, EPS #15126

| | Biological Site Assessment | | Preserve Mgt. Plan Preparation | | Restoration & Enhancement | | Total Costs per Acre |
|---------------------------|-----------------------------|------------------|--------------------------------|------------------|-----------------------------|------------------|----------------------------|
| | Cost per Acquisition (1) | Cost per Acre | Cost per Acquisition (1) | Cost per Acre | Cost per Acquisition (1) | Cost per Acre | |
| Agricultural Lands | \$1,000 | \$8.33 | \$7,500 | \$62.50 | \$37,500 | \$312.50 | \$383.33 |
| Natural Lands | | | | | | | |
| Riparian | \$2,000 | \$16.67 | \$14,000 | \$116.67 (2) | \$1,130,400 | \$9,420.00 (4) | \$9,553.34 |
| Delta Aquatic | \$2,000 | \$16.67 | \$14,000 | \$116.67 (2) | \$1,800,000 | \$15,000.00 | \$15,133.34 |
| Other Water's Edge | \$1,000 | \$8.33 | \$7,500 | \$62.50 (3) | \$1,380,000 | \$11,500.00 (3) | \$11,570.83 |
| Southwest Grasslands | \$1,200 | \$10.00 | \$7,500 | \$62.50 | \$22,848 | \$190.40 (5) | \$262.90 |
| Vernal Pool Wetted | \$2,000 | \$16.67 | \$14,000 | \$116.67 (2) | \$1,400,000 | \$11,666.67 (6) | \$11,800.01 |
| Vernal Pool Grasslands | \$2,000 | \$16.67 | \$12,000 | \$100.00 | \$6,000 | \$50.00 (7) | \$166.67 |

(1) Assumes average preserve size of 120 acres and blended hourly rate of \$100 for biological assessment and preserve management plan preparation.

(2) Assumes detailed preserve management plan required.

(3) Assumes riparian restoration in matrix of agricultural land.

(4) Assumes 80 percent of total riparian reserve area is restored.

(5) Assumes 1 acre of riparian restoration per Southwest Grasslands acquisition, 2 to 4 artificial owl burrows per acquisition, and fencing required around restoration area.

(6) Per-acre cost to create/ enhance vernal pools. Assumes one out of every three vernal pool preserve acres must be created/ enhanced.

(7) Assumes 2 to 4 artificial owl burrows per acquisition.

Sources: SJCOG, Inc.; Jones and Stokes; Economic & Planning Systems, Inc.

EXHIBIT B: ASSESSMENT & ENHANCEMENT COSTS

Exhibit B-4

Total Per-Acre Costs

SJCMSCP Fee Update, EPS #15126

| Preserve Type | Assessment & Enhancement Costs/ Acre (1) | % of Total Preserve Lands (2) |
|---|--|----------------------------------|
| Agricultural Lands | \$383.33 | 57% |
| Natural Lands | | |
| Riparian | \$9,553.34 | 19% |
| Delta | \$15,133.34 | -- |
| Other Water's Edge | \$11,570.83 | 2% |
| Southwest Grasslands | \$262.90 | 4% |
| Avg. Natural/ Agricultural Lands | \$2,723.10 | 82% |
| Vernal Pool Wetted | \$11,800.01 | 2% |
| Vernal Pool Grasslands | \$166.67 | <u>16%</u> |
| | | 100% |

(1) Includes biological assessment, preserve management plan preparation, and restoration & enhancement costs. See Exhibit B-3.

(2) See Exhibit B-2.

Sources: 1996 Economic Analyses for the SJCMSCP; SJCOG, Inc; Jones and Stokes; Economic & Planning Systems, Inc.

EXHIBIT B: ASSESSMENT & ENHANCEMENT COSTS

Exhibit B-5

**Total Preserve Costs, Breakdown by Category
SJCMSCP Fee Update, EPS #15126**

| Preserve Type | Total Acres Preserve Lands | Assessment & Enhancement | |
|-----------------------------------|-------------------------------|-----------------------------|-------------------------|
| | | Per Acre | Total |
| Vernal Pool Wetted | 2,121 | \$11,800.01 | \$25,027,821.21 |
| Vernal Pool Grasslands | 15,561 | \$166.67 | \$2,593,551.87 |
| Natural/ Agricultural Lands, Avg. | 82,560 | \$2,723.10 | \$224,819,136.00 |
| Total (1) | 100,242 | | \$252,440,509.08 |

(1) See Exhibit B-2.

Sources: 1996 Economic Analyses for the SJCMSCP; SJCOG, Inc.; Jones & Stokes; Economic & Planning Systems, Inc.

EXHIBIT B: ASSESSMENT & ENHANCEMENT COSTS

Exhibit B-6
Updated 2006 Fee Calculations, Vernal Pool Surface and Grasslands
SJCMSCP Fee Update, EPS #15126

| Preserve Type | Acres Converted (1) | Assessment & Enhancement Costs (2) |
|-------------------------------|----------------------------|---|
| Vernal Pool Wetted | 707 | |
| Total Cost | | \$25,027,821.21 |
| Fee per Acre | | \$35,400.03 |
| Vernal Pool Grasslands | 5,187 | |
| Total Cost | | \$2,593,551.87 |
| Fee per Acre | | \$500.01 |

(1) From 1996 Economic Analyses for the SJCMSCP.

(2) See Exhibit B-5.

Sources: SJCOG; 1996 Economic Analyses for the SJCMSCP; Jones and Stokes;
Economic & Planning Systems, Inc.

EXHIBIT B: ASSESSMENT & ENHANCEMENT COSTS

Exhibit B-7

**Updated 2006 Fee Calculations, Natural/ Agricultural Land and Open Space*
SJCMSCP Fee Update, EPS #15126**

| Item | Assessment & Enhancement Costs |
|--|--------------------------------|
| Cost associated with Natural/ Agricultural Lands Conversion (1) | \$224,819,136.00 |
| Natural/ Agricultural Land conversion (acres) (2) | 65,940 |
| Other Open Space conversion (acres) | 37,465 |
| Multiplier for Natural/ Agricultural Land Conversion | 1 |
| Multiplier for Other Open Space | 0.5 |
| Assessment & Enhancement Component of Natural/ Agricultural Lands Fee | \$2,655.16 |
| Assessment & Enhancement Fee Component = $\$224,819,136 / ((65,940 \cdot 1.0) + (37,465 \cdot 0.5))$ | |

(1) See Exhibit B-5.

(2) Sum of Natural and Agricultural Land Conversion, less total Vernal Pool Surface and Grassland conversion acreage, i.e.,
14,199 + 57,635 - 707 - 5,187. See Exhibit B-1 and Exhibit B-6.

* Open space fee calculated as $0.5 \cdot \$2,655$, or \$1,328.

Sources: SJCOG, Jones and Stokes, Economic & Planning Systems, Inc.

EXHIBIT C: MANAGEMENT & ADMINISTRATION COSTS

Exhibit C-1
Land Conversion through Development in San Joaquin County, 1997 - Buildout
SJCMSCP Fee Update, EPS #15126

| Activity | Habitat Type | | | Total Development |
|------------------------------------|---------------|-------------------|------------------|-------------------|
| | Natural Lands | Ag. Habitat Lands | Other Open Space | |
| Urban Development | 4,100 | 47,453 | 24,217 | 75,770 |
| Aggregate Mining | 1,769 | 1,813 | 7,317 | 10,899 |
| Public Agency Activities | 488 | 2,132 | 1,095 | 3,715 |
| Non-Ag Activities on Ag-Zoned Land | 2,030 | 4,457 | 2,428 | 8,915 |
| Ag Activities Triggering Sec. 404 | 5,000 | -- | -- | 5,000 |
| Contingency | 812 | 1,780 | 2,408 | 5,000 |
| Total Acres | 14,199 | 57,635 | 37,465 | 109,299 |
| Percent of Total Acres | 13% | 53% | 34% | 100% |

Source: 1996 Economic Analyses for the SJCMSCP.

EXHIBIT C: MANAGEMENT & ADMINISTRATION COSTS

Exhibit C-2

SJCMSCP Preserve Land Requirement, 1997 - Bulldozer

SJCMSCP Fee Update, EPS #15126

| Habitat Type | Ratio (Preserve Acres: 1 Acre Conversion) | Total Preserve Acres | Percent Total Acres |
|--|--|-------------------------|------------------------|
| Natural Lands | 3 | | |
| Riparian | | 19,185 | 19% |
| Delta Aquatic | | 10 | 0% |
| Other Water's Edge | | 1,584 | 2% |
| Southwest Grasslands | | 4,146 | 4% |
| Vernal Pool Grasslands (incl. vernal pool wetted) | | <u>17,682</u> | <u>18%</u> |
| Subtotal Natural Lands (1) | | 42,607 | 43% |
| Agricultural Habitat Lands | 1 | 57,635 | 57% |
| Total | | 100,242 | 100% |

(1) Approximately equal to total natural lands converted (14,199 acres) times 3 (=42,597). Discrepancy due to 10 acres of land associated with levees.

Source: 1996 Economic Analyses for the SJCMSCP.

EXHIBIT C: MANAGEMENT & ADMINISTRATION COSTS

Exhibit C-3
Ongoing Monitoring and Administrative Costs
SJCMSCP Fee Update, EPS #15126

| | Annual Monitoring (1) | | | Project Management (3) b | Administration (3) c | Administrative Endowment (4) d | Total Per-Acre Monitoring and Admin Costs a + b + c + d |
|---------------------------|-----------------------|---------------|------------------------------------|-----------------------------|-------------------------|-----------------------------------|--|
| | Cost per Acquisition | Cost per Acre | Monitoring Endowment/ Ac. (2) a | | | | |
| Agricultural Lands | \$2,000 | \$16.67 | \$833.50 | \$340.00 | \$196.00 | \$40.00 | \$1,409.50 |
| Natural Lands | | | | | | | |
| Riparian | \$3,000 | \$25.00 | \$1,250.00 | \$340.00 | \$196.00 | \$40.00 | \$1,826.00 |
| Delta Aquatic | \$3,000 | \$25.00 | \$1,250.00 | \$340.00 | \$196.00 | \$40.00 | \$1,826.00 |
| Other Water's Edge | \$3,000 | \$25.00 | \$1,250.00 | \$340.00 | \$196.00 | \$40.00 | \$1,826.00 |
| Southwest Grasslands | \$3,000 | \$25.00 | \$1,250.00 | \$340.00 | \$196.00 | \$40.00 | \$1,826.00 |
| Vernal Pool Wetted | \$3,000 | \$25.00 | \$1,250.00 | \$340.00 | \$196.00 | \$40.00 | \$1,826.00 |
| Vernal Pool Grasslands | \$3,000 | \$25.00 | \$1,250.00 | \$340.00 | \$196.00 | \$40.00 | \$1,826.00 |

(1) Assumes average preserve size of 120 acres.

(2) Assumes 2% interest rate.

(3) Total annual administration costs of \$536,000 for acquisition of approx. 1,000 acres (i.e., \$536 per acre) based on SJCOG Annual Reports. Does not include SJCOG legal costs.

(4) Administrative endowment is calculated to generate annual interest equivalent to \$80,000 once all conversion has occurred. This is about half of estimated administrative costs during the preserve acquisition phase of the plan.

Sources: SJCOG, Inc., Annual Reports; Jones and Stokes; Economic & Planning Systems, Inc.

EXHIBIT C: MANAGEMENT & ADMINISTRATION COSTS

Exhibit C-4

Total Per-Acre Costs

SJCMSCP Fee Update, EPS #15126

| Preserve Type | Mgt. and Admin Costs / Acre (1) | % of Total Preserve Lands (2) |
|---|------------------------------------|----------------------------------|
| Agricultural Lands | \$1,409.50 | 57% |
| Natural Lands | | |
| Riparian | \$1,826.00 | 19% |
| Delta | \$1,826.00 | -- |
| Other Water's Edge | \$1,826.00 | 2% |
| Southwest Grasslands | \$1,826.00 | 4% |
| Avg. Natural/ Agricultural Lands | \$1,535.21 | 82% |
| Vernal Pool Wetted | \$1,826.00 | 2% |
| Vernal Pool Grasslands | \$1,826.00 | <u>16%</u> |
| | | 100% |

(1) Includes Monitoring Endowment, Project Management Administration, and Overhead Administration. See Exhibit C-3.

(2) See Exhibit C-2.

Sources: 1996 Economic Analyses for the SJCMSCP; SJCOG, Inc; Jones and Stokes; Economic & Planning Systems, Inc.

EXHIBIT C: MANAGEMENT & ADMINISTRATION COSTS

Exhibit C-5

**Total Preserve Costs, Breakdown by Category
SJCMSCP Fee Update, EPS #15126**

| Preserve Type | Total Acres Preserve Lands | Monitoring & Admin. | |
|-----------------------------------|---------------------------------------|--------------------------------|-------------------------|
| | | Per Acre | Total |
| Vernal Pool Wetted | 2,121 | \$1,826.00 | \$3,872,946.00 |
| Vernal Pool Grasslands | 15,561 | \$1,826.00 | \$28,414,386.00 |
| Natural/ Agricultural Lands, Avg. | 82,560 | \$1,535.21 | \$126,746,937.60 |
| Total (1) | 100,242 | | \$159,034,269.60 |

(1) See Exhibit C-2.

Sources: 1996 Economic Analyses for the SJCMSCP; SJCOG, Inc.; Jones & Stokes; Economic & Planning Systems, Inc.

Exhibit C-6
Total Preserve Costs - Detailed Breakdown, Natural and Agricultural Lands Average
SJCMSCP Fee Update, EPS #15126

| Item | Natr'l/ Agricultural Lands | | Vernal Pool Grasslands | | Vernal Pool Wetted | |
|--|----------------------------|-----------------------|------------------------|---------------------|--------------------|--------------------|
| | Cost per Acre | Total Cost | Cost per Acre | Total Cost | Cost per Acre | Total Cost |
| Total Acres Preserved | | 82,560 acres | | 15,561 acres | | 2,121 acres |
| Monitoring and Administration Costs | | | | | | |
| Monitoring Endowment | \$959.21 | \$79,192,114.57 | \$1,250.00 | \$19,451,250.00 | \$1,250.00 | \$2,651,250.00 |
| Project Management | \$340.00 | \$28,070,400.00 | \$340.00 | \$5,290,740.00 | \$340.00 | \$721,140.00 |
| Administration | \$196.00 | \$16,181,760.00 | \$196.00 | \$3,049,956.00 | \$196.00 | \$415,716.00 |
| Administrative Endowment | <u>\$40.00</u> | <u>\$3,302,400.00</u> | <u>\$40.00</u> | <u>\$622,440.00</u> | <u>\$40.00</u> | <u>\$84,840.00</u> |
| Total | \$1,535.21 | \$126,746,674.57 | \$1,826.00 | \$28,414,386.00 | \$1,826.00 | \$3,872,946.00 |

Sources: 1996 Economic Analyses for the SJCMSCP; SJCOG, Inc.; Jones & Stokes; Economic & Planning Systems, Inc.

EXHIBIT C: MANAGEMENT & ADMINISTRATION COSTS

Exhibit C-7

**Updated 2006 Fee Calculations, Vernal Pool Grasslands and Vernal Pool Wetted
SJCMSCP Fee Update, EPS #15126**

| Preserve Type | Monitoring and Administration (1) | | | | Total |
|--|-----------------------------------|-----------------------|-----------------|---------------------|-------------------|
| | Monitoring Endowment | Project Management | Administration | Admin. Endowment | |
| Cost associated with Vernal Pool Grasslands (1) | \$19,451,250.00 | \$5,290,740.00 | \$3,049,956.00 | \$622,440.00 | \$28,414,386.00 |
| Vernal Pool Grasslands conversion (acres) (2) | 5,187 | 5,187 | 5,187 | 5,187 | 5,187 |
| Monitoring & Administration Component of Vernal Pool Grasslands Fee | \$3,750.00 | \$1,020.00 | \$588.00 | \$120.00 | \$5,478.00 |
| Cost associated with Vernal Pool Wetted (1) | \$2,651,250.00 | \$721,140.00 | \$415,716.00 | \$84,840.00 | \$3,872,946.00 |
| Vernal Pool Wetted conversion (acres) (2) | 707 | 707 | 707 | 707 | 707 |
| Monitoring & Administration Component of Vernal Pool Wetted Fee | \$3,750.00 | \$1,020.00 | \$588.00 | \$120.00 | \$5,478.00 |

(1) See Exhibit C-6.

(2) From 1996 Economic Analyses for the SJMSCP.

Sources: SJCOG, Jones and Stokes, Economic & Planning Systems, Inc.

EXHIBIT C: MANAGEMENT & ADMINISTRATION COSTS

Exhibit C-8

Updated 2006 Fee Calculations, Natural/ Agricultural Land and Open Space*

SJCMSCP Fee Update, EPS #15126

| Preserve Type | Monitoring and Administration | | | | Total |
|---|-------------------------------|--------------------|-----------------|------------------|-------------------|
| | Monitoring Endowment | Project Management | Administration | Admin. Endowment | |
| Cost associated with Natural/ Agricultural Lands Conversion (1) | \$79,192,114.57 | \$28,070,400.00 | \$16,181,760.00 | \$3,302,400.00 | \$126,746,674.57 |
| Natural/ Agricultural Land conversion (acres) (2) | 65,940 | 65,940 | 65,940 | 65,940 | 65,940 |
| Other Open Space conversion (acres) | 37,465 | 37,465 | 37,465 | 37,465 | 37,465 |
| Multiplier for Natural/ Agricultural Land Conversion | 1 | 1 | 1 | 1 | 1 |
| Multiplier for Other Open Space | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Monitoring & Administration Component of Natural/ Agricultural Lands Fee | \$935.28 | \$331.52 | \$191.11 | \$39.00 | \$1,496.90 |
| Monitoring & Admin. Fee Component = Monitoring & Admin. Cost / ((65,940 * 1.0) +(37,465 * 0.5)) | | | | | |

(1) See Exhibit C-6.

(2) Sum of Natural and Agricultural Land Conversion, less total Vernal Pool Surface and Grassland conversion acreage, i.e., 14,199 + 57,635 - 707 - 5,187. See Exhibit B-1 and Exhibit C-7.

* Open space fee calculated as 0.5 * \$1,497, or \$748.

Sources: SJCOG, Jones and Stokes, Economic & Planning Systems, Inc.



S J C O G, Inc.

555 East Weber Avenue • Stockton, CA 95202

(209) 468-3913 • FAX (209) 468-1084

San Joaquin County Multi-Species Habitat Conservation & Open Space Plan (SJMSCP)

John Harris
CHAIR

Victor Mow
VICE CHAIR

Andrew T. Chesley
PRESIDENT

Member Agencies
CITIES OF
ESCALON,
LATHROP,
LODI,
MANTECA,
RIPON,
STOCKTON,
TRACY,
AND
THE COUNTY OF
SAN JOAQUIN

2007 Interim Habitat Fees*

| Habitat Type | Fee Per Acre |
|--------------------------|--------------|
| Multi-Purpose Open Space | \$1,731 |
| Natural | \$3,463 |
| Agriculture | \$3,463 |
| Vernal Pool - uplands | \$10,565 |
| Vernal Pool - wetted | \$63,277 |

* Fees effective January 1, 2007 through December 31, 2007 or until adoption of fees resulting from updated Financial Analysis of the SJMSCP

2007 Updated Habitat Fees**

| Habitat Type | Fee Per Acre |
|--------------------------|--------------|
| Multi-Purpose Open Space | \$6,511 |
| Natural | \$ 13,022 |
| Agriculture | \$ 13,022 |
| Vernal Pool - uplands | \$ 34,958 |
| Vernal Pool - wetted | \$ 69,858 |

** Estimated Effective date: April 1, 2007 based on Financial Analysis Update adoption

RESOLUTION NO. 2007-23

A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING AMENDMENTS TO THE SAN JOAQUIN
COUNTY MULTI-SPECIES HABITAT CONSERVATION AND
OPEN SPACE PLAN DEVELOPMENT FEES

WHEREAS, on February 21, 2001, the City of Lodi adopted the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP), which included a schedule of fees to be paid by landowners who propose to develop their property with non-agricultural uses; and

WHEREAS, these fees are used to mitigate for the cumulative impacts of new development on habitat lands within Lodi and San Joaquin County; and

WHEREAS, according to the San Joaquin Council of Governments (SJCOG), it is necessary for all jurisdictions covered by the Plan to approve an increase in Habitat Conservation Plan (HCP) fees in order for those jurisdictions to continue to participate in the Plan; and

WHEREAS, SJCOG has prepared a SJMSCP Financial Analysis Update in 2006 that provides the justification for the fee increase, and based on the Financial Analysis Update, SJCOG has determined that a significant increase in the fee structure is necessary in order for the SJMSCP to fulfill it's obligation to purchase permanent habitat land or easements to mitigate for the loss of existing habitat land to urban development; and

WHEREAS, on November 30, 2006, the SJCOG Board unanimously approved the HCP fee increase, and all local jurisdictions must now approve the new fee schedule that will take effect on April 1, 2007.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby approves amendments to the SJMSCP development fees, as shown Exhibit A attached.

Dated: February 7, 2007

I hereby certify that Resolution No. 2007-23 was passed and adopted by the City Council of the City of Lodi in a regular meeting held February 7, 2007, by the following vote:

- AYES: COUNCIL MEMBERS – Hansen, Hitchcock, Katzakian, Mounce, and Mayor Johnson
- NOES: COUNCIL MEMBERS – None
- ABSENT: COUNCIL MEMBERS – None
- ABSTAIN: COUNCIL MEMBERS – None


RANDI JOHL
City Clerk



S J C O G, Inc.

555 East Weber Avenue • Stockton, CA 95202

(209) 468-3913 • FAX (209) 468-1084

San Joaquin County Multi-Species Habitat Conservation & Open Space Plan (SJMSCP)

John Harris
CHAIR

Victor Mow
VICE CHAIR

Andrew T. Cusley
PRESIDENT

Member Agencies
CITIES OF
ESCALON,
LATHROP,
LODI,
MANTECA,
RIPON,
STOCKTON,
TRACY,
AND
THE COUNTY OF
SAN JOAQUIN

2007 Interim Habitat Fees*

| Habitat Type | Fee Per Acre |
|--------------------------|--------------|
| Multi-Purpose Open Space | \$1,731 |
| Natural | \$3,463 |
| Agriculture | \$3,463 |
| Vernal Pool - uplands | \$10,565 |
| Vernal Pool - wetted | \$63,277 |

* Fees effective January 1, 2007 through December 31, 2007 or until adoption of fees resulting from updated Financial Analysis of the SJMSCP

2007 Updated Habitat Fees**

| Habitat Type | Fee Per Acre |
|--------------------------|--------------|
| Multi-Purpose Open Space | \$6,511 |
| Natural | \$ 13,022 |
| Agriculture | \$ 13,022 |
| Vernal Pool - uplands | \$ 34,958 |
| Vernal Pool - wetted | \$ 69,858 |

** Estimated Effective date: April 1, 2007 based on Financial Analysis Update adoption



*Please immediately confirm receipt
of this fax by calling 333-6702*

CITY OF LODI
P. O. BOX 3006
LODI, CALIFORNIA 95241-1910

ADVERTISING INSTRUCTIONS

SUBJECT: NOTICE OF PUBLIC HEARING TO CONSIDER ADOPTING A RESOLUTION
AMENDING THE SAN JOAQUIN COUNTY MULTI-SPECIES HABITAT
CONSERVATION AND OPEN SPACE PLAN DEVELOPMENT FEES

LEGAL AD

PUBLISH DATE: SATURDAY, JANUARY 27, 2007

TEAR SHEETS WANTED: Three (3) please

SEND AFFIDAVIT AND BILL TO: RANDI JOHL, CITY CLERK
City of Lodi
P.O. Box 3006
Lodi, CA 95241-1910

DATED: TUESDAY, JANUARY 23, 2007

ORDERED BY: RANDI JOHL
CITY CLERK


JENNIFER M. PERRIN, CMC
DEPUTY CITY CLERK

DANA R. CHAPMAN
ADMINISTRATIVE CLERK

Verify Appearance of this Legal in the Newspaper – Copy to File

Faxed to the Sentinel at 369-1084 at 3:45p (time) on 1/23/07 (date) 2 (pages)
LNS _____ Phoned to confirm receipt of all pages at _____ (time) _____ JLT _____ DRC _____ JMP (initials)



DECLARATION OF POSTING

NOTICE OF PUBLIC HEARING TO CONSIDER ADOPTING A RESOLUTION AMENDING THE SAN JOAQUIN COUNTY MULTI-SPECIES HABITAT CONSERVATION AND OPEN SPACE PLAN DEVELOPMENT FEES

On Wednesday, January 24, 2007, in the City of Lodi, San Joaquin County, California, a Notice of Public Hearing to consider adopting a resolution amending the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan Development Fees (attached and marked as Exhibit A) was posted at the following locations:

Lodi Public Library
Lodi City Clerk's Office
Lodi City Hall Lobby
Lodi Carnegie Forum

I declare under penalty of perjury that the foregoing is true and correct.

Executed on January 24, 2007, at Lodi, California.

ORDERED BY:

**RANDI JOHL
CITY CLERK**


JENNIFER M. PERRIN, CMC
DEPUTY CITY CLERK

DANA R. CHAPMAN
ADMINISTRATIVE CLERK



CITY OF LODI

Carnegie Forum
305 West Pine Street, Lodi

NOTICE OF PUBLIC HEARING

Date: February 7, 2007

Time: 7:00 p.m.

For information regarding this notice please contact:

Randi Johl

City Clerk

Telephone: (209) 333-6702

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on **Wednesday, February 7, 2007**, at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider the following matter:

- a) adopting a resolution amending the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan development fees

Information regarding this item may be obtained in the Community Development Department, 221 West Pine Street, Lodi, (209) 333-6711. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk, City Hall, 221 W. Pine Street, 2nd Floor, Lodi, 95240, at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the close of the public hearing.

By Order of the Lodi City Council:

A handwritten signature in black ink, appearing to be "Randi Johl", written over a circular stamp or mark.

Randi Johl
City Clerk

Dated: January 23, 2007

Approved as to form:

A handwritten signature in black ink, appearing to be "D. Stephen Schwabauer", written in a cursive style.

D. Stephen Schwabauer
City Attorney

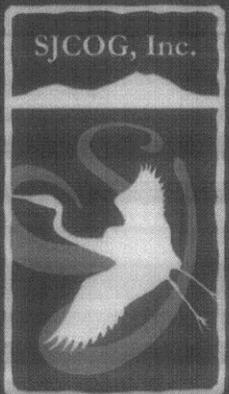
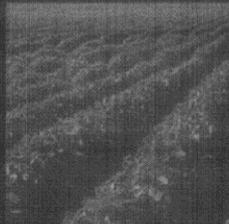
**San Joaquin County
Multi-Species
Habitat Conservation &
Open Space Plan
Financial Analysis Update**

Workshop #3

Thursday, November 9, 2006 1:30pm

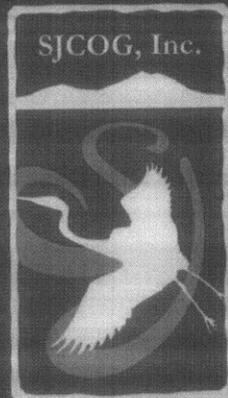
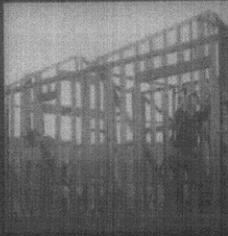
SJCOG Regional Center

Stockton, CA



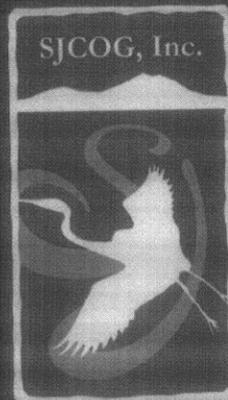
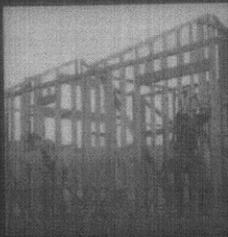
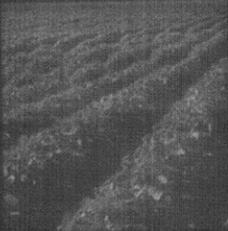
WHY THE ANALYSIS UPDATE?

- SJMSCP Financial/Permit Sustainability
- Funding Shortfall
 - Adopted Fees Lower Than Original Financial Analysis
 - 30% Funding from “Soft Money”
 - Grants (Federal, State or Private)
 - California Construction Cost Index (CCCI) Falls Short of Inflation



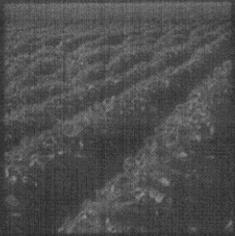
EXISTING PLAN UPDATE

- Original Financial Analysis Assumptions Maintained
- Evaluate All Costs of SJMSCP
 - No Shortfall
- Annual Adjustments & Updates to Fees



KEEPING THE PARAMETERS

- **Blended Rate Approach**
 - Agricultural & Natural Lands Combined Into One Fee Rate
 - Open Space Fee
- **Ratio for Mitigation**



AREAS OF FOCUS FOR UPDATE

A. Acquisition Costs

- Agricultural Land Sales / Easement Value
- Keeping Pace with Market Conditions

B. Assessment & Enhancement

C. Management & Administration

- Preserve Endowments
- Development Projects
- Administration of HCP



ACQUISITION

“A”

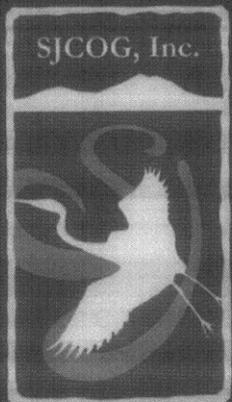
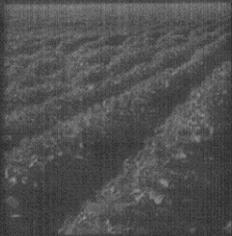
Actual Cost per Acre

– Criteria for Comparables

- Weighted vs. Unweighted
- Open Market Transactions & SJMSCP
- Discard Outliers

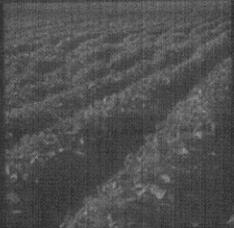
– SJMSCP Mitigation

- Ratio (Ag = 1:1 & Nat. = 3:1)
- Zone Specific





ASSESSMENT & ENHANCEMENT “B”



Requirements Under SJMSCP:

- 
- Biological Site Assessment
 - Preserve Management Plan Preparation
 - Restoration & Enhancement

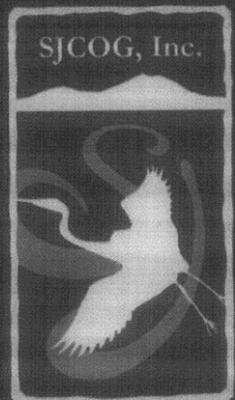


MANAGEMENT & ADMINISTRATION

“C”

Costs for SJMSPC

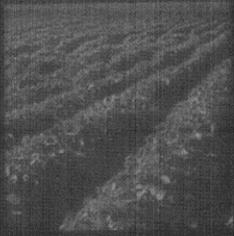
- Monitoring & Endowment of Preserves
 - Funding for Preserve in Perpetuity
- Specific Project Management
 - Development Project
 - Acquisition Project
- Administration of SJMSCP





FINAL NUMBERS

(PRICE PER ACRE)



Other Open Space **\$6,511**

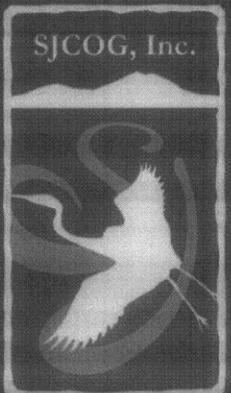
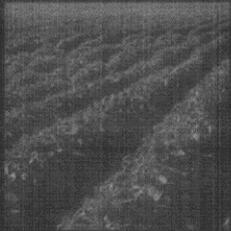
Natural / Agricultural **\$13,022**



Vernal Pool (Grasslands) **\$34,958**

Vernal Pool (Wetted) **\$69,858**





ACQUISITION COST SPREADSHEETS “A”

Exhibit A-1

Land Conversion through Development in San Joaquin County, 1997 - Buildout

SJCMSCP Fee Update, EPS #15126

| Activity | Habitat Type | | | Total Development |
|------------------------------------|---------------|-------------------|------------------|-------------------|
| | Natural Lands | Ag. Habitat Lands | Other Open Space | |
| Urban Development | 4,100 | 47,453 | 24,217 | 75,770 |
| Aggregate Mining | 1,769 | 1,813 | 7,317 | 10,899 |
| Public Agency Activities | 488 | 2,132 | 1,095 | 3,715 |
| Non-Ag Activities on Ag-Zoned Land | 2,030 | 4,457 | 2,428 | 8,915 |
| Ag Activities Triggering Sec. 404 | 5,000 | — | — | 5,000 |
| Contingency | 812 | 1,780 | 2,408 | 5,000 |
| Total Acres | 14,199 | 57,635 | 37,465 | 109,299 |
| Percent of Total Acres | 13% | 53% | 34% | 100% |

Source: 1996 Economic Analyses for the SJCMSCP.

Exhibit A-2
 SJCMSCP Preserve Land Requirement, 1997 - Buildout
 SJCMSCP Fee Update, EPS #15126

| Habitat Type | Ratio (Preserve Acres: 1 Acre Conversion) | Total Preserve Acres | Percent Total Acres |
|--|--|-------------------------|------------------------|
| Natural Lands | 3 | | |
| Riparian | | 19,185 | 19% |
| Delta Aquatic | | 10 | 0% |
| Other Water's Edge | | 1,584 | 2% |
| Southwest Grasslands | | 4,146 | 4% |
| Vernal Pool Grasslands (incl. vernal pool wetted) | | <u>17,682</u> | <u>18%</u> |
| Subtotal Natural Lands (1) | | 42,607 | 43% |
| Agricultural Habitat Lands | 1 | 57,635 | 57% |
| Total | | 100,242 | 100% |

(1) Approximately equal to total natural lands converted (14,199 acres) times 3 (=42,597). Discrepancy due to 10 acres of land associated with levees.

Source: 1996 Economic Analyses for the SJCMSCP.

**Exhibit A-3
Per-Acre Land Value Summary
SJCMSCP Fee Update, EPS #15126**

| Land Use | | Central Zone | Primary Zone of the Delta | Southwest Zone |
|--------------------|-------|--------------|------------------------------|-------------------|
| Fee Title | a | \$11,821 (1) | \$8,285 (2) | \$1,500 |
| Row Crops/ Grazing | b | \$2,591 (3) | \$2,341 (3) | \$500 |
| Easement Cost | a - b | \$9,230 | \$5,944 | \$1,000 (4) |

(1) See Exhibit A-5.

(2) See Exhibit A-6.

(3) See Exhibit A-7. Comparable sales of properties encumbered by natural features are used as a proxy, as comparable sales of land encumbered by easement are not available. Estimate for encumbered land in the primary zone of the delta is \$250 lower than that of the central zone based on lower market rents for row crop land.

(4) Based on recent 2005/ 2006 SJCOG land transactions.

Sources: SJCOG, Inc; Individual Appraisers Data; Economic & Planning Systems, Inc.

Exhibit A-4

Per-Acre Acquisition Cost Summary
SJCMSCP Fee Update, EPS #15126

| Land Use Category | | SJCMSCP Zone | | | Total Weighted Acquisition Cost A + B + C |
|----------------------------|-------|-------------------|-----------------------------------|------------------------|--|
| | | Central Zone A | Primary Zone of the Delta B | Southwest Zone C | |
| Easement Cost by Zone (1) | d | \$9,230 | \$5,944 | \$1,000 | |
| Natural Lands | | | | | |
| Riparian | | | | | |
| Percent in Zone (2) | e | 89% | 11% | 0% | |
| Weighted Cost (3) | d * e | \$8,214.70 | \$653.84 | \$0.00 | \$8,868.54 |
| Delta Submerged Aquatic | | | | | |
| Percent in Zone (2) | f | 0% | 100% | 0% | |
| Weighted Cost (3) | d * f | \$0.00 | \$5,944.00 | \$0.00 | \$5,944.00 |
| Other Water's Edge | | | | | |
| Percent in Zone (2) | g | 100% | 0% | 0% | |
| Weighted Cost (3) | d * g | \$9,230.00 | \$0.00 | \$0.00 | \$9,230.00 |
| Southwest Grasslands | | | | | |
| Percent in Zone (2) | h | 0% | 0% | 100% | |
| Weighted Cost (3) | d * h | \$0.00 | \$0.00 | \$1,000.00 | \$1,000.00 |
| Vernal Pool Wetted (4) | | n/a | n/a | n/a | \$9,200.00 |
| Vernal Pool Grasslands (4) | | n/a | n/a | n/a | \$9,200.00 |
| Agricultural Lands | | | | | |
| Percent in Zone (2) | i | 97% | 3% | 0% | |
| Weighted Cost (3) | d * i | \$8,953.10 | \$178.32 | \$0.00 | \$9,131.42 |

(1) See Exhibit A-3.

(2) Percent of total lands in each category assumed to be in a given zone. Based on 1996 Economic Analysis.

(3) Weighted average cost based on proportion of total land in each zone. Assumes easement acquisition for lands categorized as agricultural, riparian, delta submerged, other water's edge, and southwest grasslands.

(4) Assumes fee title acquisition for vernal pool lands. Vernal pools fee title land costs assumed to be about 80 percent of average Central Zone fee title costs.

Sources: 1996 Economic Analyses for the SJMSCP, SJCOG, Inc, Individual Appraisers Data, Economic & Planning Systems, Inc.

Exhibit A-5.1

Sales Comparables, Central Zone Unencumbered Properties (1)

SJMSCP Fee Update, EPS #15126

| Transaction | No. of Parcels | Location | Zoning | Existing Use | Recording Date | Parcel Size (ac) | Sale Price | Price/ Acre | Appreciated Price/Ac. (2) |
|----------------------------|-------------------|--|--------|-----------------------|-------------------|---------------------|---------------|----------------|------------------------------|
| Wentworth/ Popescu | 1 | East side of Cherokee Ln. S/O Liberty Rd. | AG-40 | Pasture, Crop Land | 3/26/2004 | 78.00 | \$630,000 | \$8,077 | \$9,773 |
| Nakagawa Trust/ Costa | 1 | S/O Woodbridge Rd, E/O Dustin Rd | AG-80 | Crop land | 10/21/2003 | 90.48 | \$810,000 | \$8,952 | \$11,915 |
| Leffler/ Origone | 2 | N/S Eight Mile Rd, E/O Hwy 99 | AG-40 | Pasture, Crop Land | 6/6/2003 | 95.50 | \$859,500 | \$9,000 | \$11,979 |
| Mart Family Partnership | 1 | NWC Tredway & Neeley Rds | AG-40 | Pasture, Crop Land | 6/30/2003 | 39.92 | \$450,000 | \$11,273 | \$15,004 |
| Spencer Ranch/ Franmar | 2 | N/S Eight Mile Rd near Davis Rd | AG-40 | Pasture, Crop Land | 5/16/2003 | 331.40 | \$3,806,500 | \$11,486 | \$15,288 |
| Ferdun Trust/ Vien | 1 | N/O Highway 12, E/O Kennison Rd | AG-40 | Pasture | 8/22/2005 | 115.30 | \$1,650,000 | \$14,310 | \$15,742 |

Exhibit A-5.2

Sales Comparables, Central Zone Unencumbered Properties (1)

SJMSCP Fee Update, EPS #15126

| Transaction | No. of Parcels | Location | Zoning | Existing Use | Recording Date | Parcel Size (ac) | Sale Price | Price/ Acre | Appreciated Price/Ac. (2) |
|---------------------------------------|-------------------|---|--------|-----------------|--|---------------------|---------------|----------------|------------------------------|
| Sprowl/ Hall | 1 | N/O Highway 12, W/O McInteire Road | AG-40 | Pasture | 7/13/2004 | 41.48 | \$680,000 | \$16,393 | \$19,836 |
| Virtue/ Dewit | 1 | S/S Liberty Rd, E/O Bruella Rd | AG-80 | Pasture | 10/16/2004 | 183.94 | \$1,045,000 | \$5,681 | \$6,874 |
| Teselle | 1 | S/End Johnson @ E. Acampo Rd. | AG-80 | Pasture | NA (listed at time of appraisal - 9/05) | 69.00 | \$1,050,000 | \$15,217 | \$16,739 |
| Farias | 1 | N/O Brandt Rd, W/O Clements Rd | AG-40 | Pasture | NA (sale pending at time of appraisal - 9/05) | 40.31 | \$675,000 | \$16,745 | \$18,420 |
| Applin Trust/ Old Homestead Rd LLC | 1 | S/S of Homestead Rd, E/S Kasson Rd | AG-40 | Crop land | 6/20/2005 | 206.63 | \$1,900,966 | \$9,200 | \$10,120 |

Exhibit A-5.3

Sales Comparables, Central Zone Unencumbered Properties (1)
 SJMSCP Fee Update, EPS #15126

| Transaction | No. of Parcels | Location | Zoning | Use | Existing | Recording Date | Parcel Size (ac) | Sale Price | Price/ Acre | Appreciated Price/Ac. (2) |
|-------------|-------------------|---|--------|--------------------------|----------|-------------------|---------------------|---------------|----------------|------------------------------|
| Richland B2 | 2 | W side of Kasson Rd north of Lorenzen Rd AG-40 | AG-40 | Irrigated field crops | | 6/1/2006 | 240.56 | \$1,575,000 | \$6,547 | \$6,547 |
| Total | | | | | | | 1,533 | | \$9,874 | \$11,821 |

Weighted Average (3)

(1) Includes all available comparables except for vineyard properties.

(2) Appreciated at 10 percent per annum.

(3) Weighted average calculated by dividing sum of all sale prices by sum of all acreage.

Sources: Various San Joaquin County Appraisals; Economic & Planning Systems, Inc.

Exhibit A-6
Sales Comparables, Primary Zone of the Delta Unencumbered Properties
SJMSCP Fee Update, EPS #15126

| Transaction | No. of Parcels | Location | Zoning | Existing Use | Recording Date | Parcel Size (ac) | Sale Price | Price/ Acre | Appreciated Price/ Ac. (1) |
|-----------------------------|-------------------|---|--------|-----------------|-------------------|---------------------|---------------|----------------|----------------------------------|
| Rodgers/ Rodriguez | 1 | S/S Undine Rd @ Willow Glen | AG-80 | Crop land | 12/5/2003 | 103.86 | \$500,000 | \$4,814 | \$6,408 |
| Foppiano/ Tran | 7 | E/ & W/S Blossom Rd. N/O Beaver Slough | AG-40 | Crop land | 10/15/2004 | 346.00 | \$2,500,000 | \$7,225 | \$8,743 |
| Azia/ L&O Farms | 1 | S/S of Howard Rd, E/O Tracy Blvd | AG-80 | Crop land | 2/25/2005 | 112.72 | \$1,000,000 | \$8,872 | \$9,759 |
| Saunders/ Chiu & Ngo | 1 | E/S of Roberts Rd, N/O Howard Rd | AG-80 | Row Crop | 3/11/2005 | 167.56 | \$960,000 | \$5,729 | \$6,302 |
| Axland/ Sarale | 1 | E/S of Roberts Rd @ Carlin Rd. | AG-80 | Row Crop | 11/15/2005 | 260.00 | \$1,508,000 | \$5,800 | \$6,380 |
| Van Loben Sels 1 | 1 | S/S of Walnut Grove | AG-40 | Row Crop | 2006 | 133.00 | \$1,368,570 | \$10,290 | \$10,290 |
| Van Loben Sels 2 | 1 | S/S of Walnut Grove | AG-40 | Row Crop | 2006 | 270.00 | \$2,667,600 | \$9,880 | \$9,880 |
| Total | | | | | | 1,393 | | | |
| Weighted Average (2) | | | | | | | | \$7,540 | \$8,285 |

(1) Appreciated at 10 percent per annum.

(2) Weighted average calculated by dividing sum of all sale prices by sum of all acreage.

Sources: SJCOG, Inc; Various San Joaquin County Appraisals; Economic & Planning Systems.

Exhibit A-7

Sales Comparables, Central Zone and Primary Zone of the Delta Proxies for Encumbered Properties *
 SJMSCP Fee Update, EPS #15126

| Transaction | No. of Parcels | Location | Zoning | Existing Use | SJMSCP Zone | Recording Date | Parcel Size (ac) | Sale Price | Price/ Acre | Appreciated Price/ Acre (1) |
|---|-------------------|---|--------|--------------------------|------------------------------|-------------------|---------------------|---------------|----------------|-----------------------------------|
| Hammer Trust/ Morais | 1 | S/S of Guard Rd. N/O White Slough | AG-40 | Pasture, crop land | Central Zone | 6/25/2004 | 388.89 | \$854,000 | \$2,196 | \$2,330 |
| Nature Conservancy/ DeSnayers | 1 | N/S Walnut Grove Thornton Rd. W/O Vail Rd | AG-40 | Crop Land | Primary Zone of the Delta | 7/22/2004 | 328.80 | \$658,000 | \$2,001 | \$2,123 |
| Caffese Trust/ Leventini | 1 | S/O Eight Mile Rd. Empire Tract | AG-80 | Crop land (row crops) | Primary Zone of the Delta | 10/17/2003 | 179.91 | \$550,000 | \$3,057 | \$3,341 |
| Rurup Trust/ Surprenant | 1 | S/S of Eight Mile Road at west end of road | AG-40 | Pasture, Crop land | Primary Zone of the Delta | 1/9/2004 | 195.00 | \$425,000 | \$2,179 | \$2,312 |
| Heritage Land Co./ Olgaray Bros PTP | 1 | S/O Highway 12, W/O Guard Rd | AG-80 | Row crops | Primary Zone of the Delta | 4/13/2005 | 215.64 | \$712,000 | \$3,302 | \$3,401 |
| Total | | | | | | | 1,308 | | | |
| Weighted Average (2) | | | | | | | | | \$2,445 | \$2,591 |

* Most properties not encumbered by easement, though good proxies as limited potential for uses other than row crops.

(1) Appreciated at 3 percent per annum. Encumbered properties are assumed to appreciate at a lower rate than properties with greater development potential.

(2) Weighted average calculated by dividing sum of all sale prices by sum of all acreage.

Sources: SJCOG, Inc; Various San Joaquin County Appraisals; Economic & Planning Systems.

**Exhibit A-8
Total Acquisition Costs
SJCMSCP Fee Update, EPS #15126**

| Preserve Type | Cost per Acre (1) | Transaction Costs (2) 5% | Total Land Acquisition Cost |
|---------------------------|-------------------|-----------------------------|--------------------------------|
| Agricultural Lands | \$9,131.42 | \$456.57 | \$9,587.99 |
| Natural Lands | | | |
| Riparian | \$8,868.54 | \$443.43 | \$9,311.97 |
| Delta Submerged Aquatic | \$5,944.00 | \$297.20 | \$6,241.20 |
| Other Water's Edge | \$9,230.00 | \$461.50 | \$9,691.50 |
| Southwest Grasslands | \$1,000.00 | \$50.00 | \$1,050.00 |
| Vernal Pool Wetted | \$9,200.00 | \$460.00 | \$9,660.00 |
| Vernal Pool Grasslands | \$9,200.00 | \$460.00 | \$9,660.00 |

(1) See Exhibit A-4. Assumes easement purchases in all cases except fee title purchases for vernal pool lands.

(2) Transaction costs include biological baseline, appraisal, escrow, and survey costs.

Sources: 1996 Economic Analyses for the SJCMSCP; SJCOG, Inc; Economic & Planning Systems, Inc.

Exhibit A-9
 Total Per-Acre Costs
 SJCMSCP Fee Update, EPS #15126

| Preserve Type | Land Acquisition | % of Total Preserve Lands (1) |
|---|-------------------|-------------------------------|
| Agricultural Lands | \$9,587.99 | 57% |
| Natural Lands | | |
| Riparian | \$9,311.97 | 19% |
| Delta | \$6,241.20 | -- |
| Other Water's Edge | \$9,691.50 | 2% |
| Southwest Grasslands | \$1,050.00 | 4% |
| Avg. Natural/ Agricultural Lands | \$9,097.01 | 82% |
| Vernal Pool Wetted | \$9,660.00 | 2% |
| Vernal Pool Grasslands | \$9,660.00 | 16% |
| | | 100% |

(1) See Exhibit A-2.

Sources: 1996 Economic Analyses for the SJCMSCP; SJCOG, Inc; Jones and Stokes; Economic & Planning Systems, Inc.

Exhibit A-10

Total Preserve Costs, Breakdown by Category SJCMSCP Fee Update, EPS #15126

| Preserve Type | Total Acres | Acquisition Costs | |
|-----------------------------------|----------------|-------------------|-------------------------|
| | Preserve Lands | Per Acre | Total |
| Vernal Pool Wetted | 2,121 | \$9,660.00 | \$20,488,860.00 |
| Vernal Pool Grasslands | 15,561 | \$9,660.00 | \$150,319,260.00 |
| Natural/ Agricultural Lands, Avg. | 82,560 | \$9,097.01 | \$751,049,145.60 |
| Total (1) | 100,242 | | \$921,857,265.60 |

(1) See Exhibit A-2.

Sources: 1996 Economic Analyses for the SJCMSCP; SJCOG, Inc.; Jones & Stokes; Economic & Planning Systems, Inc.

Exhibit A-11

**Updated 2006 Fee Calculations, Vernal Pool Surface and Grasslands
SJCMSCP Fee Update, EPS #15126**

| Preserve Type | Acres Converted (1) | Acquisition Costs (2) |
|-------------------------------|----------------------------|------------------------------|
| Vernal Pool Wetted | 707 | |
| Total Cost | | \$20,488,860.00 |
| Fee per Acre | | \$28,980.00 |
| Vernal Pool Grasslands | 5,187 | |
| Total Cost | | \$150,319,260.00 |
| Fee per Acre | | \$28,980.00 |

(1) From 1996 Economic Analyses for the SJCMSCP.

(2) See Exhibit A-10.

Sources: 1996 Economic Analyses for the SJCMSCP; SJCOG, Jones and Stokes;
Economic & Planning Systems, Inc.

Exhibit A-12

Updated 2006 Fee Calculations, Natural/ Agricultural Land and Open Space*
 SJCMSCP Fee Update, EPS #15126

| Preserve Type | Land Acquisition | | Total |
|---|-------------------|-----------------|-------------------|
| | Land Acquisition | Transaction | |
| Cost associated with Natural/ Agricultural Lands Conversion (1) | \$715,284,979.20 | \$35,764,166.40 | \$751,049,145.60 |
| Natural/ Agricultural Land conversion (acres) (2) | 65,940 | 65,940 | 65,940 |
| Other Open Space conversion (acres) | 37,465 | 37,465 | 37,465 |
| Multiplier for Natural/ Agricultural Land Conversion | 1 | 1 | 1 |
| Multiplier for Other Open Space | 0.5 | 0.5 | 0.5 |
| Land Acquisition Component of Natural/ Agricultural Lands Fee | \$8,447.67 | \$422.38 | \$8,870.05 |
| Acquisition Fee Component = Acquisition Cost / ((65,940 * 1.0) +(37,465 * 0.5)) | | | |

(1) See Exhibit A-10.

(2) Sum of Natural and Agricultural Land Conversion, less total Vernal Pool Surface and Grassland conversion acreage, i.e.,
 14,199 + 57,635 - 707 - 5,187. See Exhibit A-1 and Exhibit A-11.

* Open space fee calculated as 0.5 * \$8,870, or \$4,435.

Sources: SJCOG, Jones and Stokes, Economic & Planning Systems, Inc.

THE NUMBERS

(PRICE PER ACRE)

| | A | | B | | C | | TOTAL |
|-----------------------------|-------------|---|---|---|---|---|-------|
| Other Open Space | \$4,435.03 | + | | + | | = | |
| Agriculture/ Natural | \$8,870.05 | + | | + | | = | |
| Vernal Pool (Grasslands) | \$28,980.00 | + | | + | | = | |
| Vernal Pools (Wetted) | \$28,980.00 | + | | + | | = | |

ASSESSMENT & ENHANCEMENT COSTS SPREADSHEETS “B”



Exhibit B-1

Land Conversion through Development in San Joaquin County, 1997 - Buildout
 SJCMSCP Fee Update, EPS #15126

| Activity | Habitat Type | | | Total Development |
|------------------------------------|---------------|-------------------|------------------|-------------------|
| | Natural Lands | Ag. Habitat Lands | Other Open Space | |
| Urban Development | 4,100 | 47,453 | 24,217 | 75,770 |
| Aggregate Mining | 1,769 | 1,813 | 7,317 | 10,899 |
| Public Agency Activities | 488 | 2,132 | 1,095 | 3,715 |
| Non-Ag Activities on Ag-Zoned Land | 2,030 | 4,457 | 2,428 | 8,915 |
| Ag Activities Triggering Sec. 404 | 5,000 | -- | -- | 5,000 |
| Contingency | 812 | 1,780 | 2,408 | 5,000 |
| Total Acres | 14,199 | 57,635 | 37,465 | 109,299 |
| Percent of Total Acres | 13% | 53% | 34% | 100% |

Source: 1996 Economic Analyses for the SJCMSCP.

Exhibit B-2
 SJCMSCP Preserve Land Requirement, 1997 - Buildout
 SJCMSCP Fee Update, EPS #15126

| Habitat Type | Ratio (Preserve Acres: 1 Acre Conversion) | Total Preserve Acres | Percent Total Acres |
|--|--|-------------------------|------------------------|
| Natural Lands | 3 | | |
| Riparian | | 19,185 | 19% |
| Delta Aquatic | | 10 | 0% |
| Other Water's Edge | | 1,584 | 2% |
| Southwest Grasslands | | 4,146 | 4% |
| Vernal Pool Grasslands (incl. vernal pool wetted) | | <u>17,682</u> | <u>18%</u> |
| Subtotal Natural Lands (1) | | 42,607 | 43% |
| Agricultural Habitat Lands | 1 | 57,635 | 57% |
| Total | | 100,242 | 100% |

(1) Approximately equal to total natural lands converted (14,199 acres) times 3 (=42,597). Discrepancy due to 10 acres of land associated with levees.

Source: 1996 Economic Analyses for the SJCMSCP.

Exhibit B-3
 Assessment and Enhancement Costs
 SJCMSCP Fee Update, EPS #15126

| | Biological Site Assessment | | Preserve Mgt. Plan Preparation | | Restoration & Enhancement | | Total Costs per Acre |
|------------------------|-----------------------------|------------------|--------------------------------|------------------|-----------------------------|------------------|----------------------------|
| | Cost per Acquisition (1) | Cost per Acre | Cost per Acquisition (1) | Cost per Acre | Cost per Acquisition (1) | Cost per Acre | |
| Agricultural Lands | \$1,000 | \$8.33 | \$7,500 | \$62.50 | \$37,500 | \$312.50 | \$383.33 |
| Natural Lands | | | | | | | |
| Riparian | \$2,000 | \$16.67 | \$14,000 | \$116.67 (2) | \$1,130,400 | \$9,420.00 (4) | \$9,553.34 |
| Delta Aquatic | \$2,000 | \$16.67 | \$14,000 | \$116.67 (2) | \$1,800,000 | \$15,000.00 | \$15,133.34 |
| Other Water's Edge | \$1,000 | \$8.33 | \$7,500 | \$62.50 (3) | \$1,380,000 | \$11,500.00 (3) | \$11,570.83 |
| Southwest Grasslands | \$1,200 | \$10.00 | \$7,500 | \$62.50 | \$22,848 | \$190.40 (5) | \$262.90 |
| Vernal Pool Wetted | \$2,000 | \$16.67 | \$14,000 | \$116.67 (2) | \$1,400,000 | \$11,666.67 (6) | \$11,800.01 |
| Vernal Pool Grasslands | \$2,000 | \$16.67 | \$12,000 | \$100.00 | \$6,000 | \$50.00 (7) | \$166.67 |

(1) Assumes average preserve size of 120 acres and blended hourly rate of \$100 for biological assessment and preserve management plan preparation.

(2) Assumes detailed preserve management plan required.

(3) Assumes riparian restoration in matrix of agricultural land.

(4) Assumes 80 percent of total riparian reserve area is restored.

(5) Assumes 1 acre of riparian restoration per Southwest Grasslands acquisition, 2 to 4 artificial owl burrows per acquisition, and fencing required around restoration area.

(6) Per-acre cost to create/ enhance vernal pools. Assumes one out of every three vernal pool preserve acres must be created/ enhanced.

(7) Assumes 2 to 4 artificial owl burrows per acquisition.

Sources: SJCOG, Inc., Jones and Stokes; Economic & Planning Systems, Inc.

Exhibit B-4
 Total Per-Acre Costs
 SJCMSCP Fee Update, EPS #15126

Assessment &
 Enhancement
 Costs/Acre (1)
 % of Total
 Preserve Lands (2)

| Preserve Type | Assessment & Enhancement Costs/Acre (1) | % of Total Preserve Lands (2) |
|---|---|-------------------------------|
| Agricultural Lands | \$383.33 | 57% |
| Natural Lands | | |
| Riparian | \$9,553.34 | 19% |
| Delta | \$15,133.34 | -- |
| Other Water's Edge | \$11,570.83 | 2% |
| Southwest Grasslands | \$262.90 | 4% |
| Avg. Natural/ Agricultural Lands | \$2,723.10 | 82% |
| Vernal Pool Wetted | \$11,800.01 | 2% |
| Vernal Pool Grasslands | \$166.67 | 16% |
| | | 100% |

(1) Includes biological assessment, preserve management plan preparation, and restoration & enhancement costs. See Exhibit B-3.
 (2) See Exhibit B-2.

Sources: 1996 Economic Analyses for the SJCMSCP; SJCOP, Inc; Jones and Stokes; Economic & Planning Systems, Inc.

**Exhibit B-5
Total Preserve Costs, Breakdown by Category
SJCMSCP Fee Update, EPS #15126**

| Preserve Type | Total Acres Preserve Lands | Assessment & Enhancement | |
|-----------------------------------|-------------------------------|-----------------------------|-------------------------|
| | | Per Acre | Total |
| Vernal Pool Wetted | 2,121 | \$11,800.01 | \$25,027,821.21 |
| Vernal Pool Grasslands | 15,561 | \$166.67 | \$2,593,551.87 |
| Natural/ Agricultural Lands, Avg. | 82,560 | \$2,723.10 | \$224,819,136.00 |
| Total (1) | 100,242 | | \$252,440,509.08 |

(1) See Exhibit B-2.

Sources: 1996 Economic Analyses for the SJCMSCP; SJCOG, Inc.; Jones & Stokes; Economic & Planning Systems, Inc.

Exhibit B-6

**Updated 2006 Fee Calculations, Vernal Pool Surface and Grasslands
SJCMSCP Fee Update, EPS #15126**

| Preserve Type | Acres Converted (1) | Assessment & Enhancement Costs (2) |
|-------------------------------|----------------------------|---|
| Vernal Pool Wetted | 707 | |
| Total Cost | | \$25,027,821.21 |
| Fee per Acre | | \$35,400.03 |
| Vernal Pool Grasslands | 5,187 | |
| Total Cost | | \$2,593,551.87 |
| Fee per Acre | | \$500.01 |

(1) From 1996 Economic Analyses for the SJCMSCP.

(2) See Exhibit B-5.

Sources: SJCOG; 1996 Economic Analyses for the SJCMSCP; Jones and Stokes;
Economic & Planning Systems, Inc.

Exhibit B-7

**Updated 2006 Fee Calculations, Natural/ Agricultural Land and Open Space*
SJCMSCP Fee Update, EPS #15126**

| Item | Assessment & Enhancement Costs |
|--|--------------------------------|
| Cost associated with Natural/ Agricultural Lands Conversion (1) | \$224,819,136.00 |
| Natural/ Agricultural Land conversion (acres) (2) | 65,940 |
| Other Open Space conversion (acres) | 37,465 |
| Multiplier for Natural/ Agricultural Land Conversion | 1 |
| Multiplier for Other Open Space | 0.5 |
| Assessment & Enhancement Component of Natural/ Agricultural Lands Fee | \$2,655.16 |
| Assessment & Enhancement Fee Component = $\$224,819,136 / ((65,940 * 1.0) + (37,465 * 0.5))$ | |

(1) See Exhibit B-5.

(2) Sum of Natural and Agricultural Land Conversion, less total Vernal Pool Surface and Grassland conversion acreage, i.e., 14,199 + 57,635 - 707 - 5,187. See Exhibit B-1 and Exhibit B-6.

* Open space fee calculated as 0.5 * \$2,655, or \$1,328.

Sources: SJCOG, Jones and Stokes, Economic & Planning Systems, Inc.

THE NUMBERS

(PRICE PER ACRE)

| | A | | B | | C | | TOTAL |
|-----------------------------|-------------|---|-------------|---|---|---|-------|
| Other Open Space | \$4,435.03 | + | \$1,327.58 | + | | = | |
| Agriculture/ Natural | \$8,870.05 | + | \$2,655.16 | + | | = | |
| Vernal Pool (Grasslands) | \$28,980.00 | + | \$500.01 | + | | = | |
| Vernal Pools (Wetted) | \$28,980.00 | + | \$35,400.00 | + | | = | |



MANAGEMENT AND ADMINISTRATION COSTS SPREADSHEETS “C”

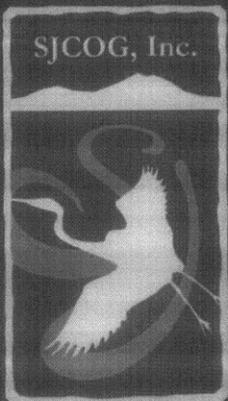


EXHIBIT C: MANAGEMENT & ADMINISTRATION COSTS

Exhibit C-1

Land Conversion through Development in San Joaquin County, 1997 - Buildout
 SJCMSCP Fee Update, EPS #15126

| Activity | Habitat Type | | | Total Development |
|------------------------------------|---------------|-------------------|------------------|-------------------|
| | Natural Lands | Ag. Habitat Lands | Other Open Space | |
| Urban Development | 4,100 | 47,453 | 24,217 | 75,770 |
| Aggregate Mining | 1,769 | 1,813 | 7,317 | 10,899 |
| Public Agency Activities | 488 | 2,132 | 1,095 | 3,715 |
| Non-Ag Activities on Ag-Zoned Land | 2,030 | 4,457 | 2,428 | 8,915 |
| Ag Activities Triggering Sec. 404 | 5,000 | — | — | 5,000 |
| Contingency | 812 | 1,780 | 2,408 | 5,000 |
| Total Acres | 14,199 | 57,635 | 37,465 | 109,299 |
| Percent of Total Acres | 13% | 53% | 34% | 100% |

Source: 1996 Economic Analyses for the SJCMSCP.

Exhibit C-2
 SJCMSCP Preserve Land Requirement, 1997 - Buildout
 SJCMSCP Fee Update, EPS #15126

| Habitat Type | Ratio (Preserve Acres: 1 Acre Conversion) | Total Preserve Acres | Percent Total Acres |
|--|--|-------------------------|------------------------|
| Natural Lands | 3 | | |
| Riparian | | 19,185 | 19% |
| Delta Aquatic | | 10 | 0% |
| Other Water's Edge | | 1,584 | 2% |
| Southwest Grasslands | | 4,146 | 4% |
| Vernal Pool Grasslands (incl. vernal pool wetted) | | <u>17,682</u> | <u>18%</u> |
| Subtotal Natural Lands (1) | | 42,607 | 43% |
| Agricultural Habitat Lands | 1 | 57,635 | 57% |
| Total | | 100,242 | 100% |

(1) Approximately equal to total natural lands converted (14,199 acres) times 3 (=42,597). Discrepancy due to 10 acres of land associated with levees.

Source: 1996 Economic Analyses for the SJCMSCP.

Exhibit C-3
 Ongoing Monitoring and Administrative Costs
 SJCMSCP Fee Update, EPS #15126

| | Annual Monitoring (1) | | | | Project Management (3) b | Administration (3) c | Administrative Endowment (4) d | Total Per-Acre Monitoring and Admin Costs a + b + c + d |
|------------------------|-----------------------|---------------|------------------------------------|--|-----------------------------|-------------------------|-----------------------------------|--|
| | Cost per Acquisition | Cost per Acre | Monitoring Endowment/ Ac. (2) a | | | | | |
| Agricultural Lands | \$2,000 | \$16.67 | \$833.50 | | \$340.00 | \$196.00 | \$40.00 | \$1,409.50 |
| Natural Lands | | | | | | | | |
| Riparian | \$3,000 | \$25.00 | \$1,250.00 | | \$340.00 | \$196.00 | \$40.00 | \$1,826.00 |
| Delta Aquatic | \$3,000 | \$25.00 | \$1,250.00 | | \$340.00 | \$196.00 | \$40.00 | \$1,826.00 |
| Other Water's Edge | \$3,000 | \$25.00 | \$1,250.00 | | \$340.00 | \$196.00 | \$40.00 | \$1,826.00 |
| Southwest Grasslands | \$3,000 | \$25.00 | \$1,250.00 | | \$340.00 | \$196.00 | \$40.00 | \$1,826.00 |
| Vernal Pool Wetted | \$3,000 | \$25.00 | \$1,250.00 | | \$340.00 | \$196.00 | \$40.00 | \$1,826.00 |
| Vernal Pool Grasslands | \$3,000 | \$25.00 | \$1,250.00 | | \$340.00 | \$196.00 | \$40.00 | \$1,826.00 |

(1) Assumes average preserve size of 120 acres.

(2) Assumes 2% interest rate.

(3) Total annual administration costs of \$536,000 for acquisition of approx. 1,000 acres (i.e., \$536 per acre) based on SJCOG Annual Reports. Does not include SJCOG legal costs.

(4) Administrative endowment is calculated to generate annual interest equivalent to \$80,000 once all conversion has occurred. This is about half of estimated administrative costs during the preserve acquisition phase of the plan.

Sources: SJCOG, Inc., Annual Reports; Jones and Stokes; Economic & Planning Systems, Inc.

Exhibit C-4
 Total Per-Acre Costs
 SJCMSCP Fee Update, EPS #15126

| Preserve Type | Mgt. and Admin Costs / Acre (1) | % of Total Preserve Lands (2) |
|---|------------------------------------|----------------------------------|
| Agricultural Lands | \$1,409.50 | 57% |
| Natural Lands | | |
| Riparian | \$1,826.00 | 19% |
| Delta | \$1,826.00 | -- |
| Other Water's Edge | \$1,826.00 | 2% |
| Southwest Grasslands | \$1,826.00 | 4% |
| Avg. Natural/ Agricultural Lands | \$1,535.21 | 82% |
| Vernal Pool Wetted | \$1,826.00 | 2% |
| Vernal Pool Grasslands | \$1,826.00 | 16% |
| | | 100% |

(1) Includes Monitoring Endowment, Project Management Administration, and Overhead Administration. See Exhibit C-3.

(2) See Exhibit C-2.

Sources: 1996 Economic Analyses for the SJCMSCP; SJCOG, Inc; Jones and Stokes; Economic & Planning Systems, Inc.

Exhibit C-5
Total Preserve Costs, Breakdown by Category
SJCMSCP Fee Update, EPS #15126

| Preserve Type | Total Acres Preserve Lands | Monitoring & Admin. | |
|-----------------------------------|-------------------------------|---------------------|-------------------------|
| | | Per Acre | Total |
| Vernal Pool Wetted | 2,121 | \$1,826.00 | \$3,872,946.00 |
| Vernal Pool Grasslands | 15,561 | \$1,826.00 | \$28,414,386.00 |
| Natural/ Agricultural Lands, Avg. | 82,560 | \$1,535.21 | \$126,746,937.60 |
| Total (1) | 100,242 | | \$159,034,269.60 |

(1) See Exhibit C-2.

Sources: 1996 Economic Analyses for the SJCMSCP; SJCOG, Inc.; Jones & Stokes; Economic & Planning Systems, Inc.

Exhibit C-6

Total Preserve Costs - Detailed Breakdown, Natural and Agricultural Lands Average
 SJCMSCP Fee Update, EPS #15126

| Item | Natr'l/ Agricultural Lands | | Vernal Pool Grasslands | | Vernal Pool Wetted | |
|--|----------------------------|-----------------------|------------------------|---------------------|--------------------|--------------------|
| | Cost per Acre | Total Cost | Cost per Acre | Total Cost | Cost per Acre | Total Cost |
| Total Acres Preserved | | 82,560 acres | | 15,561 acres | | 2,121 acres |
| Monitoring and Administration Costs | | | | | | |
| Monitoring Endowment | \$959.21 | \$79,192,114.57 | \$1,250.00 | \$19,451,250.00 | \$1,250.00 | \$2,651,250.00 |
| Project Management | \$340.00 | \$28,070,400.00 | \$340.00 | \$5,290,740.00 | \$340.00 | \$721,140.00 |
| Administration | \$196.00 | \$16,181,760.00 | \$196.00 | \$3,049,956.00 | \$196.00 | \$415,716.00 |
| Administrative Endowment | <u>\$40.00</u> | <u>\$3,302,400.00</u> | <u>\$40.00</u> | <u>\$622,440.00</u> | <u>\$40.00</u> | <u>\$84,840.00</u> |
| Total | \$1,535.21 | \$126,746,674.57 | \$1,826.00 | \$28,414,386.00 | \$1,826.00 | \$3,872,946.00 |

Sources: 1996 Economic Analyses for the SJCMSCP, SJCOG, Inc.; Jones & Stokes, Economic & Planning Systems, Inc.

Exhibit C-7

**Updated 2006 Fee Calculations, Vernal Pool Grasslands and Vernal Pool Wetted
SJMSCP Fee Update, EPS #15126**

| Preserve Type | Monitoring and Administration (1) | | | | Total |
|--|-----------------------------------|-----------------------|----------------|---------------------|-------------------|
| | Monitoring Endowment | Project Management | Administration | Admin. Endowment | |
| Cost associated with Vernal Pool Grasslands (1) | \$19,451,250.00 | \$5,290,740.00 | \$3,049,956.00 | \$622,440.00 | \$28,414,386.00 |
| Vernal Pool Grasslands conversion (acres) (2) | 5,187 | 5,187 | 5,187 | 5,187 | 5,187 |
| Monitoring & Administration Component of Vernal Pool Grasslands Fee | \$3,750.00 | \$1,020.00 | \$588.00 | \$120.00 | \$5,478.00 |
| Cost associated with Vernal Pool Wetted (1) | \$2,651,250.00 | \$721,140.00 | \$415,716.00 | \$84,840.00 | \$3,872,946.00 |
| Vernal Pool Wetted conversion (acres) (2) | 707 | 707 | 707 | 707 | 707 |
| Monitoring & Administration Component of Vernal Pool Wetted Fee | \$3,750.00 | \$1,020.00 | \$588.00 | \$120.00 | \$5,478.00 |

(1) See Exhibit C-6.

(2) From 1996 Economic Analyses for the SJMSCP.

Sources: SJCOG, Jones and Stokes, Economic & Planning Systems, Inc.

Exhibit C-8
Updated 2006 Fee Calculations, Natural/ Agricultural Land and Open Space*
SJCMSCP Fee Update, EPS #15126

| Preserve Type | Monitoring Endowment | Monitoring and Administration | | | Total |
|---|-------------------------|-------------------------------|-----------------|---------------------|-------------------|
| | | Project Management | Administration | Admin. Endowment | |
| Cost associated with Natural/ Agricultural Lands Conversion (1) | \$79,192,114.57 | \$28,070,400.00 | \$16,181,760.00 | \$3,302,400.00 | \$126,746,674.57 |
| Natural/ Agricultural Land conversion (acres) (2) | 65,940 | 65,940 | 65,940 | 65,940 | 65,940 |
| Other Open Space conversion (acres) | 37,465 | 37,465 | 37,465 | 37,465 | 37,465 |
| Multiplier for Natural/ Agricultural Land Conversion | 1 | 1 | 1 | 1 | 1 |
| Multiplier for Other Open Space | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Monitoring & Administration Component of Natural/ Agricultural Lands Fee | \$935.28 | \$331.52 | \$191.11 | \$39.00 | \$1,496.90 |
| Monitoring & Admin. Fee Component = Monitoring & Admin. Cost / ((65,940 * 1.0) +(37,465 * 0.5)) | | | | | |

(1) See Exhibit C-6.

(2) Sum of Natural and Agricultural Land Conversion, less total Vernal Pool Surface and Grassland conversion acreage, i.e.,
 14,199 + 57,635 - 707 - 5,187. See Exhibit B-1 and Exhibit C-7.

* Open space fee calculated as 0.5 * \$1,497, or \$748.

Sources: SJCOG, Jones and Stokes, Economic & Planning Systems, Inc.

THE NUMBERS

(PRICE PER ACRE)

| | A | | B | | C | | TOTAL |
|-----------------------------|-------------|---|-------------|---|------------|---|-------------|
| Other Open Space | \$4,435.03 | + | \$1,327.58 | + | \$748.45 | = | \$6,511.06 |
| Agriculture/ Natural | \$8,870.05 | + | \$2,655.16 | + | \$1,496.90 | = | \$13,022.11 |
| Vernal Pool (Grasslands) | \$28,980.00 | + | \$500.01 | + | \$5,478.00 | = | \$34,958.01 |
| Vernal Pools (Wetted) | \$28,980.00 | + | \$35,400.00 | + | \$5,478.00 | = | \$69,858.03 |

Table 1
 Fee Results
 SJCMSCP Fee Update, EPS#15126

| Fee | % of Land Preservation | A Acquisition Costs (1) | B Assessment & Enhancement (2) | C Management and Admin. (3) | A + B + C | TOTAL (rounded) A + B + C |
|---------------------------------|-----------------------------|----------------------------|-----------------------------------|--------------------------------|-------------|------------------------------|
| Other Open Space (4) | Percent of Total 82% (5) | \$4,435.03 | \$1,327.58 | \$748.45 | \$6,511.06 | \$6,511 |
| Natural/ Agricultural Lands (4) | Percent of Total 16% (6) | \$8,870.05 | \$2,655.16 | \$1,486.90 | \$13,022.11 | \$13,022 |
| Vernal Pool Grasslands (4) | Percent of Total 2% (7) | \$28,980.00 | \$500.01 | \$5,478.00 | \$34,958.01 | \$34,958 |
| Vernal Pool Wetted (4) | Percent of Total | \$28,980.00 | \$35,400.03 | \$5,478.00 | \$69,858.03 | \$69,858 |

(1) Includes land acquisition and transaction costs. See Exhibit A.

(2) Includes biological assessment, preserve management plan preparation, and restoration and enhancement costs. See Exhibit B.

(3) Includes monitoring endowment, SJCOG project management, and administrative endowment. See Exhibit C.

(4) Figures are rounded to the nearest \$0.01 throughout this analysis and as a result may not compute precisely.

(5) Fees associated with other open space and natural/ agricultural lands fees will contribute to 82.361 percent of the overall land preservation under the plan, specifically 82,560 acres of natural/ agricultural lands.

(6) Fee associated with vernal pool grasslands conversion will contribute to 15.523 percent of the overall land preservation under the plan or 15,561 acres.

(7) Fee associated with vernal pool wetted conversion will contribute to 2.116 percent of the overall land preservation under the plan or 2,121 acres.

Sources: Jones & Stokes, Economic & Planning Systems, Inc.

Table 2
 Detailed Breakdown of Fees
 SJCMSCP Fee Update, EPS#15126

| Fee | Fee Per Acre | | | | | | | | | TOTAL |
|---|--------------------|------------------------|-------------------------|--------------------------|-----------------------------|--------------------|----------------|--------------------------|-------------------|---------------------|
| | Acquisition Costs | | | Assessment & Enhancement | Management & Administration | | | | TOTAL | |
| | Land Acquisition | Transaction Costs (5%) | Total Acquisition Costs | | Monitoring Endowment | Project Management | Administration | Administrative Endowment | | |
| a | b | A = a + b | B | d | e | f | g | C = d + e + f + g | A + B + C | |
| Other Open Space Percent of Total | \$4,223.84 65% | \$211.19 3% | \$4,435.03 68% | \$1,327.58 20% | \$467.64 7% | \$165.76 3% | \$95.56 1% | \$19.50 0% | \$748.45 11% | \$6,511.06 100% |
| Natural/ Agricultural Lands Percent of Total | \$8,447.67 65% | \$422.38 3% | \$8,870.05 68% | \$2,655.16 20% | \$935.28 7% | \$331.52 3% | \$191.11 1% | \$39.00 0% | \$1,496.90 11% | \$13,022.11 100% |
| Vernal Pool Grasslands Percent of Total | \$27,600.00 79% | \$1,380.00 4% | \$28,980.00 83% | \$500.01 1% | \$3,750.00 11% | \$1,020.00 3% | \$588.00 2% | \$120.00 0% | \$5,478.00 16% | \$34,958.01 100% |
| Vernal Pool Wetted Percent of Total | \$27,600.00 40% | \$1,380.00 2% | \$28,980.00 41% | \$35,400.03 51% | \$3,750.00 5% | \$1,020.00 1% | \$588.00 1% | \$120.00 0% | \$5,478.00 8% | \$69,858.03 100% |

Sources: Jones & Stokes, Economic & Planning Systems, Inc.



FINAL NUMBERS

(PRICE PER ACRE)



Other Open Space **\$6,511**

Natural / Agricultural **\$13,022**



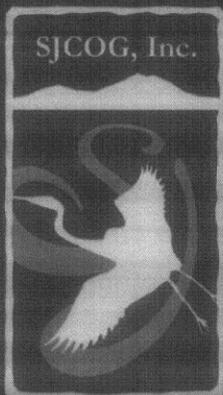
Vernal Pool (Grasslands) **\$34,958**

Vernal Pool (Wetted) **\$69,858**



ANNUAL FEE ADJUSTMENTS

- In order to keep fees current with actual costs of Acquisition
- California Construction Cost Index has not adequately represented changes in market
- Components A, B, C will be adjusted independently





ANNUAL FEE ADJUSTMENTS

A. Acquisition Costs Annual Adjustments

(Similar Process to Financial Plan Update, Evaluating Comparables Ag Sales within the County)

Criteria for Evaluating Comparable Ag Sales:

ALL SJCOG, Inc. Transactions (regardless of sale type or size)

Other Comparables that are:

- Over 40 acres in size
- Under 500 acres in size
- Not Orchard or Vineyard properties
- Consistent as mitigation under SJMSCP

Minimum of 10 acceptable comps within 2 years prior

(or 3 Month Intervals)



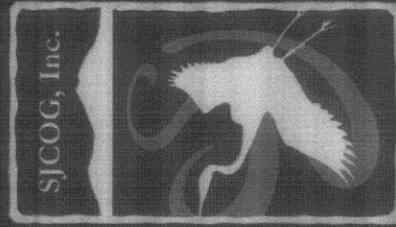
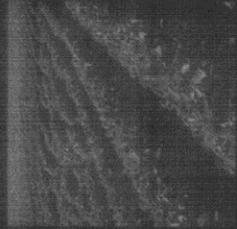
ANNUAL FEE ADJUSTMENTS

B. Assessment & Enhancement Adjustments

C. Management & Administration Adjustments

Both B & C will be adjusted annually using the Consumer Price Index (CPI)

- Reported by the California Department of Finance
- 12 month period following a fiscal year (July – June)
- CPI appropriate regarding costs for these categories

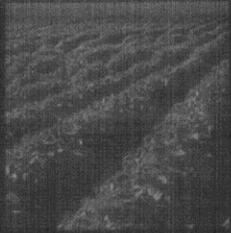


PROPOSED IMPLEMENTATION SCHEDULE

| | |
|--------------------|---------------------------|
| HTAC | November 15 th |
| SJCOG, Inc. | November 30 th |
| BOS, City Councils | December - February |

Effective:

April 1, 2007



QUESTIONS or COMMENTS?

SJCOG, Inc.

555 E. Weber Ave

Stockton, CA 95202

(209) 468-3913

Steve Dial, SJCOG, Inc. Staff

Steve Mayo, SJCOG, Inc. Staff

Kevin Torell, SJCOG, Inc. Staff

Rod Attebery, Neumiller & Beardslee, SJCOG Counsel

Monica Streeter, Neumiller & Beardslee, SJCOG Counsel

