mitigation for private Development, funds generated by local or regional incentive programs that encourage compact growth and the creation of transit-oriented communities, and dedications of lands in conjunction with local approval of private Development projects.

The local funding program will fund the local portion of:

- Land acquisition
- Management
- Monitoring
- Adaptive Management
- Plan administration

8.5.1 Funding Sources

Local funding sources include funding from both public and private developers and regional entities in an effort to spread the financial burden of the MSHCP over a broad base. The mix of funding sources provides an equitable distribution of the cost for local mitigation under the MSHCP. In addition to equitably distributing mitigation for local projects, utilizing a mixture of funding sources will help ensure the long-term viability of the local funding program because a temporary decline in funding from one source may be offset by increases from another. The proposed local funding sources are described below and include:

- Local Development Mitigation Fees
- Density Bonus Fees
- Mitigation for Regional Infrastructure
- Landfill Tipping Fees
- Other Potential New Revenue Sources

➤ Local Development Mitigation Fees

New Development affects the environment directly through construction activity and cumulatively through population bases that result from Development. Government Code Section 66000 et seq. allows cities and counties to charge new Development for the costs of mitigating the impacts of new Development. The Cities and County will implement a Development Mitigation Fee pursuant to the MSHCP; this fee will be one of the primary sources of funding the implementation of the MSHCP. The fee ordinance adopted by the Cities and the County will provide for an annual CPI adjustment;

there will also be a provision for the fee to be reevaluated and revised should it be found to insufficiently cover mitigation of new Development. A fee of approximately $1,500 per residential unit (or an equivalent fee per acre) and $4,800 per acre of commercial or industrial Development was used in the revenue projection shown in *Appendix B-05* of this document. The projected revenues from the Development Mitigation Fee are anticipated to be approximately $540 million over the next 25 years. A nexus study is required to demonstrate that the proposed fee is proportionate to the impacts of the new Development.

➤ Density Bonus Fees

The New Riverside County General Plan creates a number of incentive plans that have the potential both to further the goals of the County's General Plan and to facilitate the implementation of the MSHCP. *Section 8.4.2* above discusses the use of the Rural Incentive Program to aid in the Conservation of lands through non-acquisition means. An additional component of the Incentive Program enables developers to acquire the right to develop at an additional 25% increase in density by providing enhancements to their projects and by paying a "Density Bonus Fee." The fee is anticipated to be $3,000 – $5,000 per additional unit. This program offers a significant incentive to developers when compared with the typical cost of creating a new buildable lot.

The Density Bonus program is new to Riverside County, and it is, therefore, difficult to project annual revenues. The Local Funding Program assumes that between 10% and 20% of the residential units built in the unincorporated County area will participate in the incentive program and that only 50% of the revenues of the program will be committed to the MSHCP, with the remaining portion staying in the local community in which the additional units are located to provide additional amenities that will help offset the greater density. Of the 330,000 units projected to be built over the next 25 years, 10% (or 33,000 units) are assumed to be built utilizing the Density Bonus Fee resulting in $132,000,000 in revenues of which 50% (or $66,000,000) will be allocated to the MSHCP.

➤ Mitigation for Regional Infrastructure Projects

Regional infrastructure projects directly affect the environment not only through the effect they have on species and their Habitats, but also by facilitating continued new Development. It is appropriate, therefore, for regional infrastructure projects to mitigate for their impacts under the MSHCP. Three general categories of infrastructure projects have been identified:

- Transportation Infrastructure
- Regional Utility Projects
- Local Public Capital Construction Projects

Transportation Infrastructure

The RCIP has identified the need for approximately $12 billion in new transportation infrastructure to support the Development proposed for the next 25 years. Each new transportation project will mitigate its impacts through the MSHCP. Historically, these projects have budgeted 3% – 5% of their construction costs to mitigate environmental impacts. The local funding program anticipates that more than one-half of the $12 billion cost of mitigation will be funded locally and will result in approximately $371 million in mitigation spending over the next 25 years as discussed below.

- **Riverside County's ½ cent sales tax for Transportation**

In 1988, Riverside County voters approved a measure to increase local sales tax by ½ cent to fund new transportation projects (Measure A). The sales tax measure is due to be reauthorized in 2002. Under the reauthorization, $121 million will be allocated as local mitigation under the MSHCP. (For further information on the sales tax measure, see *Section 13.5* of the MSHCP Implementing Agreement and *Appendix B-07* of this document).

- **Additional Local Transportation Projects**

Over $5 billion in additional transportation projects are anticipated over the next 25 years. Transportation projects, in addition to those funded by the local Measure A funds, will mitigate based on their impacts at between 3% and 5% of their cost. Based on $5 billion in cost and 5% mitigation, an additional $250M in funding for the MSHCP will be generated (*Appendix B-08* of this document).

Regional Utility Projects

As Riverside County's population doubles over the next 25 years, new regional utility infrastructure will be required. Since the utilities are not Permittees under the MSHCP, they may choose to mitigate under the Plan or seek their own regulatory permits. In either case, their mitigation will be focused on the objectives of the MSHCP and will contribute to the local implementation funding. No estimate of the number of projects or the scope or costs is available at this time; consequently, no estimate of mitigation funding has been made. The Permittees expect that regional utility projects will contribute to the implementation of the MSHCP and provide an additional contingency should other revenue sources not generate the projected levels of funding or should implementation costs be higher than projected.

Local Public Capital Construction Projects

Local public capital construction projects may include construction of new schools, universities, City or County administrative facilities, jails, courts, juvenile facilities, parks, libraries, or other facilities that serve the public. These projects will be mitigated under the MSHCP and will utilize a per acre mitigation fee based on the fee then in place for private, commercial and industrial Development. No attempt has been made to estimate the number or magnitude of these projects. The Permittees expect that local pubic construction projects will contribute to the implementation of the MSHCP and provide an additional contingency should other revenue sources not generate the projected levels of funding or should implementation costs be higher than projected.

➤ Landfill Tipping Fees

Riverside County has utilized revenues from public and private landfills in Riverside County to generate funding for conservation and open space projects for over a decade. In 1990, the County utilized $1 per ton tipping fee assessed all waste deposited in County landfills to fund the acquisition of the Santa Rosa Plateau and approximately $260,000 annually to fund the operation of the County Park and Open Space Districts. More recently, the County has negotiated agreements with two private landfills in the County to commit $1 per ton on all waste imported from outside Riverside County to Habitat Conservation within Riverside County.

El Sobrante Landfill

This privately owned landfill was permitted to expand its capacity to 10,000 tons per day in 2001. In approving the landfill expansion, the Riverside County Board of Supervisors authorized fifty cents per ton of the County's portion of the revenue from the landfill expansion to be applied to Habitat Conservation in addition to the $1 per ton that was committed under the landfill agreement. The projection of the annual tonnage and revenue for Habitat Conservation included in *Appendix B-09* of this document reflects the $1.5 per ton commitment to Habitat Conservation. Over the life of the landfill, 60 million tons of imported waste are allowed. Sixty million tons at $1.5 per ton will generate $90 million for Habitat Conservation. The Cash Flow Analysis in *Appendix B-10* of this document reflects the annual revenues from the El Sobrante Landfill.

County Landfills

The County Board of Supervisors, beginning in 1990, authorized $1 per ton for all in-county waste deposited in County landfills to go toward Habitat and open space Conservation. After adjusting for the debt service on the Santa Rosa Plateau acquisition and an annual commitment to the Park and Open Space District, there is a projected annual balance of $400,000 that can be applied to additional Habitat Conservation under the MSHCP. *Appendix B-09* of this document includes a projection of tonnage from in-County waste at County landfills. The Cash Flow Analysis in *Appendix B-10* of this document reflects the annual revenues from the County landfills. Over the next 25 years, County landfills will contribute approximately $10 million to the implementation of the MSHCP.

Eagle Mountain

In 1997, the County approved the use of the old Kaiser mine at Eagle Mountain in eastern Riverside County as a regional landfill to serve primarily Los Angeles County. Subsequently, the Los Angeles County Sanitation District has acquired the rights to the Eagle Mountain Landfill and intends to begin operation of the landfill within the next decade. At this time, litigation is still pending that could prohibit the development of the landfill. The Development Agreement with the County would require the payment of $1 per ton for Habitat Conservation if the landfill is developed. Habitat Conservation needs in the Coachella Valley would have first priority over the revenues from the Eagle Mountain Landfill; however, some portion of the revenues would be available to support Habitat Conservation needs in Western Riverside County. The Permittees expect that the Eagle Mountain Landfill will provide funding to support implementation of the MSHCP over the life of the MSHCP. However, no revenue from the Eagle Mountain Landfill has been projected in the funding program at this time. These potential revenues provide a contingency should other revenue sources not generate the projected levels of funding or should implementation costs be higher than projected.

➤ Potential New Revenue Sources

The County and Cities may levy assessments to pay for services that directly benefit the property on which the fee is levied. Under current law, a local election may be required to initially levy the assessment or to confirm the assessment if a protest is filed. No such assessments are currently projected for the MSHCP. As the MSHCP Conservation Area is developed, however, its value as open space and for recreation opportunities may lend itself to a local funding program for ongoing management and enhancement. In more urban areas, which Western Riverside County will be in 25 years, local voters routinely approve such funding programs.

Other revenue opportunities may be realized over the next 25 years. The County, Cities, and RCA will explore new revenue sources to support the acquisition of the MSHCP Conservation Area and its long-term management and enhancement. A goal of any new fee would be to spread a portion of the costs for the MSHCP across as broad a regional base as possible.

TABLE 8-5
LOCAL PUBLIC/REGIONAL FUNDING SOURCES

Source Anticipated	$ Range	Requirements to Implement	Responsible Party
Private Funding Sources:			
Cities and County Development Mitigation Fees	$539.6M	Approval of County Ordinance Approval of City(ies) Ordinance	County Cities
Density Bonus Fees	$66M	Approval of General Plan	County
Public Funding Sources			
Local Roads	$121M	Approval of Measure A, local agreement on allocation	RCTC/County
Other Transportation	$250M	% of new road construction	RCTC/County
Other infrastructure Projects	$unknown	Project-by-project negotiation	County and Cities
El Sobrante Landfill	$90M	In place	County
County Landfills	$10M	In place	County
Eagle Mountain Landfill	$unknown	In place pending start-up	County
New Regional funding	$unknown	Voter approval	County and Cities
TOTAL LOCAL FUNDS	**$1,076.6M**		

8.6 ADEQUACY OF FUNDING

The Permittees and the Wildlife Agencies will annually evaluate the performance of the funding mechanisms and, notwithstanding other provisions of the MSHCP, will develop any necessary modifications to the funding mechanisms to address additional funding needs. Additionally, this annual evaluation will include an assessment of the funding plan and anticipate funding needs over