

CITIZENS ADVISORY COMMITTEE OF THE SOUTHERN EDWARDS PLATEAU HABITAT CONSERVATION PLAN

MINUTES

DATE: October 4, 2010
LOCATION: Casa Helotes Senior Citizens Center
12070 Leslie Road Helotes, Texas 78023

1. Call to order – Kirby Brown or Jonathan Letz (CAC Co-chairs)

Jonathan Letz called the meeting to order at 5:36pm.

2. Public comment (3 minutes per speaker)

No public comments were received.

3. Review and approve minutes, with any appropriate changes, from the September 13, 2010 meeting - Kirby Brown or Jonathan Letz (CAC Co-chairs)

Michael Moore (CAC member) requested corrections to the draft minutes from the September 13, 2010 CAC meeting, including a note that development in the Hill Country will not be able to support the assumption that 65% of the new homes will be priced under \$175,000. He also suggested adding a note that there are ongoing negotiations with the U.S. Fish and Wildlife Service to provide mitigation elsewhere in the Plan Area for approximately \$2,000 per acre. Other BAT members suggested corrections to typos and other clerical errors.

MOTION (Michael Moore): Approve the draft minutes from the September 13, 2010 CAC meeting, as revised. SECOND (Randy Johnson). VOTE: Voice vote carried without opposition.

4. Discussion and possible action on Andy Winter giving SEP-HCP presentation to outside agencies – Andy Winter

Andy Winter (Bexar County) asked the CAC to allow him to give presentations to other groups regarding the SEP-HCP.

MOTION (Jennifer Nottingham): Allow Andy Winter to give presentations about the SEP-HCP to other groups. SECOND (Bob Fitzgerald). VOTE: Voice vote carried without opposition.

5. Discussion and possible action on permit holder – Kirby Brown or Jonathan Letz (CAC Co-chairs)

Jonathan Letz tabled this agenda item until a funding strategy is proposed.

6. Population and land use update (Wendell Davis)

Wendell Davis (Wendell Davis & Associated, land use sub-consultant) presented changes made to the land development projections based on comments received from the CAC and BAT. He noted that the absorption of single-family homes was smoothed out over the three decades of the plan to address concerns with the previously projected dip in absorption in the mid-decade of the plan duration. Mr. Davis indicated that this was accomplished by shifting some of the projected housing growth to other sectors or to outside of the plan area. He addressed Michael Moore's questions about home pricing in the Hill Country by explaining that some areas would be expected to receive sewer service during the plan duration and support relatively lower priced homes.

Mr. Davis explained how floodplains and steep slopes were addressed in this analysis. He stated that the approximate amount of these typically unbuildable areas were used to set the target single-family housing densities for a sector, such that areas with more floodplains and steep slopes would be expected to have larger lot sizes and lower housing densities. He further clarified that floodplains and steep slopes were not excluded from being available for future development and that they are included in the developed land estimates.

Kirby Brown (CAC co-chair) asked why there was a steep drop in new development between 2000-2009 and 2010-2020. Mr. Davis responded that the 2000 – 2009 estimates were a “backwards” projection based on the 2009 land use data and the 2000 census data. He explained that the backwards projection was necessary to bring the 2000 population and housing numbers up to the same time period as the land development data, but that he did not refine the corresponding density factors in the land development model since amount of change during that period was not an explicit factor in the future projections. Michael Moore suggested that some of the discrepancy could be explained by loose lending practices during the past decade that may have spurred particularly high development rates.

Jonathan Letz and Eric Lautzenheiser (CAC alternate) asked how vacant platted lots were accounted for in the analysis. Mr. Davis responded that new housing demand was assumed to be satisfied first by the inventory of currently platted lots, and then by developing vacant unplatted acreage. Mr. Davis explained that the land development analysis needs to consider vacant platted lots as “available” for development (even if they could be considered as already developed from a biological point of view) since these areas can absorb some of the demand for new homes. Mr. Lautzenheiser suggested that the land development analysis add some additional development at the end of the plan duration to build in an inventory of vacant platted lots. However, Mr. Davis suggested that this might be difficult to estimate accurately since the current inventory of vacant platted lots may not be a good benchmark for conditions in 30 years. Jonathan Letz suggested that “development” be rephrased as “construction” in the analysis.

7. Habitat loss and mitigation strategy (Richard Heilbrun, BAT Chair)

Richard Heilbrun stated that the BAT is waiting for the consultant team to provide golden-cheeked warbler (GCW) habitat data based on current (i.e., year 2010) conditions since the Service has indicated that they will not accept analysis based on data that is more than 3 years old. He reported that the Greater Edwards Aquifer Alliance has presented a proposal to provide updated habitat estimates for the Plan Area, but that Bexar County and the consultant team have expressed concerns with the GEAA proposal and are seeking other alternatives for estimating current habitat conditions. Several CAC members emphasized the need base the plan on the best scientific data available and expressed concern that the BAT was not getting the information they requested in a timely manner. CAC members asked the consultant team to explain why this information was not forthcoming. Andy Winter reported that the County was meeting with Loomis, the Service, and the BAT chair the following morning to determine an appropriate course of action and would report the outcome of this meeting to the CAC. Mr. Heilbrun stated that until updated data is available, the BAT would only provide preliminary recommendations to the CAC on issues like preserve size.

Richard Heilbrun presented slides outlining some of the BAT's deliberations on GCW preserve size and mitigation ratios and noted that these deliberations were not yet formally approved by the BAT. He described that the BAT was considering a recommendation that was based on substantially contributing

to recovery of the GCW and for preserves that include habitat buffers to protect from encroachment from adjacent land uses. He noted that the Service will want to know where preserves will be located, not just the total acres under protection. Mr. Heilbrun explained that the BAT considers a "substantial contribution to recovery" to mean protecting approximately 75% of the total habitat that is thought to be needed for regional recovery of the GCW (i.e., approximately 87,000 acres of protected habitat). This estimate is based on the assumption that the revised GCW Recovery Plan will delineate 2 recovery regions within the SEP-HCP Plan Area, that at least 3,000 breeding pairs must be protected in each recovery region to achieve recovery, and that approximately 45,000 acres of habitat are needed to support approximately 3,000 birds (approximately a density of approximately 15 acres per pair), and that an additional 25% area is added to accommodate buffers for protected habitats. He noted that this amount of acreage is similar to what was protected by the City of San Antonio's last bond fund proposition.

Mr. Heilbrun explained that the Service will require that the mitigation be provided as close as possible to the location of the impact and must consider the amount of ecological harm to the species. He reported that the BAT was considering a recommendation for mitigation ratios (mitigation : impact) of generally 3:1 for Bexar County and adjacent high growth areas and generally 2:1 for rural areas.

Michael Moore noted that the CAC previously discussed a mitigation ratio of 1:1 for the bird species (karst rates could be higher) and questioned why there would be different ratios for different counties. Mr. Heilbrun responded that the BAT felt it was necessary to mitigate relative to the degree of threat to the species. Eric Lautzenheiser commented that these threats are due primarily to non-compliance with the Endangered Species Act and that mitigation strategy would raise the bar for compliance in the most expensive parts of the Plan Area, which could perpetuate future non-compliance. Jesus Garza (City of San Antonio) commented that mitigation ratios for Camp Bullis were based on the quality of habitat, not on the degree of threat, and that he was concerned about required a 3:1 mitigation ratio in Bexar County just because it is a growth area. Mr. Heilbrun suggested that the mitigation fees can be adjusted to encourage compliance, even if the mitigation ratios remain high, and that the plan could find other ways to fund the difference. Some BAT members expressed concern that the Bexar County appears to contain some of the best remaining habitat in the Plan Area and that the community should understand that development in this area may have penalties. Gary Schott (CAC member) asked if leasing preserve lands is an option to protect more lands. Allison Arnold (U.S. Fish and Wildlife Service) responded that the Service cannot accept temporary mitigation for permanent take.

Richard Heilbrun presented scenarios that the BAT was considering for biologically acceptable rates of authorized take and corresponding mitigation for the plan. He noted that the BAT was considering a strategy that would balance approximately 24,000 to 26,000 acres of incidental take of the GCW with approximately 87,000 to 96,000 acres of preserve land. He noted that the Service would not necessarily require that mitigation occur in the same sector as the take, but should be placed nearby. Mr. Heilbrun continued that this scenario would require approximately 63,000 acres of preserve land to be located in or near Bexar County. He added that the BAT would like to identify some focal areas for habitat protection.

Eric Lautzenheiser asked for clarification between the amount of estimated habitat loss and the amount of take requested. Mr. Heilbrun responded that not all habitat loss will occur through voluntary participation in the plan. Annalisa Pease (CAC member) noted that the City of San Antonio will be voting on an aquifer protection initiative in the November elections and asked if some of this land could be counted towards the plan. Richard Heilbrun responded that this would depend on when, where, and how these lands will be protected and expressed hope that some overlap could occur.

Richard Heilbrun also explained that the BAT was considering a recommendation for black-capped vireo habitat protection based on the same approach outlined for the GCW. He stated that the BAT may recommend that an additional 15,000 to 20,000 acres of vireo preserve be acquired.

8. Conservation Measures (Richard Heilbrun, BAT Chair)

Topic addressed in prior agenda item.

9. Participation Process (Richard Heilbrun, BAT Chair)

Topic addressed in prior agenda item.

10. Funding strategy (Christopher Allison)

Christopher Allison (ME Allison, funding and financial analysis sub-consultant) presented some very preliminary and illustrative scenarios for the possible scale of land acquisition costs. The illustrations assumed a mix of conservation easements and fee simple land acquisitions, with proportionately more easements in the rural sectors, and mitigation fees that were discounted from actual land costs (particularly for very expensive parts of the Plan Area). The estimates did not address funding needed for plan administration, staffing, or preserve management and monitoring.

Mr. Allison described one scenario that assumed 2:1 mitigation ratios for Bexar County and other growth sectors and 1:1 mitigation for rural sectors, with mitigation located in the same category of sector as the take (i.e., Bexar County sectors, adjacent growth sectors, and rural sectors). Under this approach, approximately 44,000 acres of preserve would be located in Bexar County or adjacent growth sectors and approximately 3,200 would be located in rural sectors. This scenario resulted in total estimated land acquisition costs of approximately \$917 million and corresponding mitigation fees of approximately \$207 million, with most of the difference made up by tax benefit financing (estimated at 35% of the Bexar County tax rate). A \$142 million land acquisition budget deficit would require other funding sources, possibly bond funds.

Mr. Allison presented a second scenario for preserve acquisition that considered only a small fraction of the mitigation occurring in Bexar County and adjacent growth sectors, with the bulk of the preserve located in rural sectors. This scenario would result in approximately 4,400 acres of preserve land located in Bexar County or adjacent growth sectors and approximately 60,000 acres in rural sectors. This scenario would require approximately \$210 million to acquire the necessary preserve land and would be offset by approximately \$176 million in mitigation fees. A deficit of approximately \$33.5 million for land acquisition would require additional funding from other sources.

Richard Heilbrun noted that the scenarios presented to the CAC do not reflect the current deliberations of the BAT and asked that Mr. Allison prepare a scenario to illustrate the BAT's recommendations.

Michael Moore expressed concern about the affordability of mitigation that might cost approximately \$20,000 per acre. Mr. Allison responded that his scenarios assumed that mitigation/participation fees were discounted to more reasonable levels (i.e., approximately \$9,000 per acre for impacts in Bexar County), with the remaining cost addressed through other sources. Mr. Moore added that local government budgets are typically very lean, and that securing this additional funding through public sources may be difficult. Other BAT members suggested that ballot propositions have been successful in the past for land acquisition efforts and might be applied to this project as well. Christopher Allison cautioned that prior bond-funded land acquisition efforts were focused in very rural areas with low per acre land costs and that the CAC might need to consider the tax base implications of protecting substantial acreages in Bexar County. Annalisa Pease noted that studies suggest that protected areas do not have a substantial negative impact on local tax bases.

Michael Moore asked if requiring a 3:1 mitigation ratio could result in a property takings issue. Allison Arnold responded that the Service has not yet been convinced of that argument, but that it is a legal issue they can have their solicitor look into.

Kirby Brown asked whether or not it was appropriate to require individual participants to contribute to recovery of the species, since recovery is beyond the standard for a HCP. Allison Arnold responded that mitigation requirements are based on the degree of impact, and that if the plan could reduce the amount of take it seeks to authorize if the CAC feels the mitigation commitment is too high. Jonathan Letz asked if the 3:1 mitigation ratio represents a voluntarily high mitigation standard targeted to contribute to recovery. Ms. Arnold responded that the Service could not comment on this question since it had not yet seen a complete proposal for take and mitigation.

Jonathan Letz asked for the revised funding scenarios to include a general estimate for administration and management, based on estimates from other regional plans. BAT members expressed concern that the difference between reasonable mitigation/participation fees and actual land acquisition costs may be difficult to cover with public funds and generally agreed that the CAC should explore ways to reduce anticipated costs.

11. Next meeting, future meeting schedule and requested agenda items – Kirby Brown or Jonathan Letz(CAC Co-chairs)

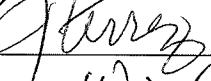
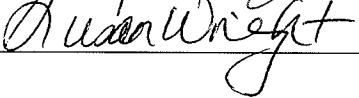
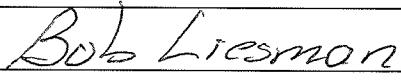
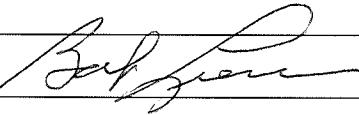
Jonathan Letz noted that the next CAC meeting is scheduled for October 18, but that it could be difficult to make progress without recommendations from the BAT.

12. Adjourn - Kirby Brown or Jonathan Letz (CAC Co-chairs)

Jonathan Letz adjourned the meeting at 8:06pm.

CAC MEMBER SIGN-IN SHEET

CAC MEMBERS		CAC ALTERNATE (FOR VOTING PURPOSES)	
	NAME	SIGNATURE (IF PRESENT)	ALTERNATE NAME (PRINTED)
1	Bradshaw, Mary (Bexar County landowner)	M. Bradshaw	
2	Brown, Kirby (Texas Wildlife Association)	Kirby Brown	Leticia Williams
3	Cain, Delmar (Kendall County landowner)	Delmar L. Cain	Delmar
4	Cude, Ian (Cude Engineering)	Ian Cude	
5	Dietert, Ann (Kerr County landowner)	Ann Dietert	Kathy Ward
6	Fenstermaker, Bebe (Bexar County landowner)	Bebe Fenstermaker	
7	Fenstermaker, Mary (Hill Country Planning Association)	Mary Fenstermaker	Susan Beavin
8	Fitzgerald, Bob (Medina County landowner)	Bob Fitzgerald	LESTER R LANDMAN
9	Forster, Charles ("Frosty") (Pape-Dawson Engineers)		
10	Hisler, Deirdre (Texas Parks and Wildlife Department)		
11	Hornseth, Tom (Comal County)	Tom Hornseth	
12	Jenkins, Sandy (City of San Antonio)	Sandy Jenkins	Erich Lautzenheiser
13	Johnson, Randy (Bexar County landowner)	Randy Johnson	
14	Letz, Jonathan (Kerr County)	Jonathan Letz	
15	McFarlen, Gerald (Cibolo Nature Center)	Gerald McFarlen	
16	Moore, Michael (Ironstone Development)	Michael D. Moore	
17	Nottingham, Jennifer (City of Grey Forest)	Jennifer Nottingham	
18	Peace, Annalisa (Greater Edwards Aquifer Alliance)	Annalisa Peace	

19	Schott, Gary (Bexar County landowner)			
20	Terrez, Jenna (CPS Energy)			
21	Wright, Susan (Susan Wright & Associates)			

GENERAL SIGN-IN SHEET

NAME	AFFILIATION	EMAIL ADDRESS	PHONE NUMBER	PLEASE NOTE IF YOU WOULD LIKE TO SPEAK DURING THE PUBLIC COMMENT PORTION OF THE AGENDA
RJ Helton	TPWD			
Rachel Barlow	ZARA			
Clifton Ladd	Cooper's			
Ananda Aurora	Cooper's			
Charlotte Kucera	USFWS			
Allison Arnold	USFWS			
Susan Beavin	HCPA			
Bob Branch	Bexar Co.			
Andrew Winter	Bexar Co.	on file	on file	
Christopher Allison	M.E. Allison & Co	"	"	

GENERAL SIGN-IN SHEET

NAME	AFFILIATION	EMAIL ADDRESS	PHONE NUMBER	PLEASE NOTE IF YOU WOULD LIKE TO SPEAK DURING THE PUBLIC COMMENT PORTION OF THE AGENDA
Sonia Jimenez	Ximene + Assoc.	on file	on file	
LEE KNEUPPER	PUBLIC	' ON FILE	ON FILE	
Judit Green	TPWD	Judit.Green@tpwd.state.tx.us	688-6444	
Jesus Garza	COSA	Jesus.garza@sanantonio.gov	207-9950	
Frank Sherman	COSA	on file	—	
MILE Barr	SAWS	—	—	
Susan Ovalle	AANN			
Kyle Cunningham	COSA	Kyle.Cunningham@sanantonio.gov	532-5765	
Wendall Davis				