



**Southern Edwards Plateau Habitat Conservation Plan (SEP HCP) Process and Funding**

**Introduction and Background**

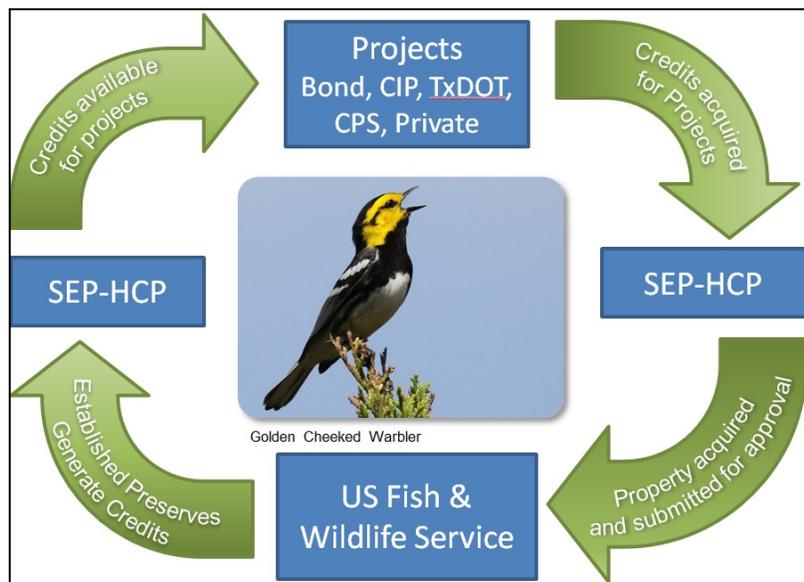
In August 2008, in an effort to support the military’s mission in San Antonio, City Council approved several initiatives based on the Joint Land Use Study (JLUS) that was created to address, support, and protect Camp Bullis. The JLUS recommended the development of a regional habitat conservation plan to conserve habitat for listed endangered species, while also accommodating compatible uses around military bases. This recommendation from the JLUS was the basis for the creation of the SEP HCP.

The SEP HCP is a voluntary, alternative method of achieving compliance with the Endangered Species Act (ESA). The program is a regional Conservation Plan in which the City of San Antonio and Bexar County are the permittees; Bexar County provides financial support, and the City of San Antonio provides financial support and administers the plan. In addition, Bexar County manages the professional services contracts for incidental contract services, such as Wildlife Biologists and Preserve Management and Monitoring.

The process to develop the SEP HCP was initiated through an Interlocal Agreement (ILA) with Bexar County in 2009. In December 2015, the HCP was approved the U.S. Fish and Wildlife Service (USFW), and in January 2016, the USFW issued the Incidental Take Permit which authorizes a limited amount of incidental take of seven karst invertebrate species and Golden-cheeked Warblers (“listed species”). In February 2017, an ILA was completed with Bexar County which outlines the roles and responsibilities of both COSA and Bexar County with relation to the administration of the SEP HCP.

**General Plan Overview**

The plan works by preserving land known to be either habitat for, or occupied by, the “listed species.” The plan has established two preserves for the listed karst invertebrate species. As the Golden-cheeked Warbler (GCW) has regional preserves already established by third party regional conservation banks, the Plan has signed Memorandums of Understanding with those regional conservation banks to facilitate the purchase of GCW conservation credits. The preserved land generates karst enrollment acres (known



colloquially as “credits”), which can then be sold to be used as mitigation for certain development activities (both public and private). The specific number of credits generated by a particular preserve is determined by USFW. Preserves can be acquired through donation, use of existing city or county-owned land (e.g. parks), and purchase. As a part of the preserve establishment, a non-wasting endowment fund is required to be set up and funded in order to conduct management and monitoring of the preserves after the expiration or termination of the plan.

Funds generated from the sale of credits are used for plan activities such as preserve monitoring and management, preserve endowments, and acquisition of additional preserves.

### **Government Canyon Preserve**

The SEP HCP requires that a certain amount of baseline conservation activity take place. In order to achieve this requirement, the plan, through a May 2017 Memorandum of Understanding (MOU) and a January 2018 ILA with Texas Parks and Wildlife Department (TPWD), agreed to monitor and manage karst fauna area in Government Canyon State Natural Area. As a part of this agreement, and based on the SEP HCP, the plan conducts management and monitoring activities to establish and maintain the required conservation baseline. The 2018 ILA requires an appropriation of \$50,000.00 per fiscal year for 15 years to cover the cost of managing and monitoring (additional funding in the amount of \$50,000 is required from Bexar County). Additionally, the plan is required to establish a non-wasting endowment fund for these activities upon expiration or termination of the SEP HCP. The funding sources for this endowment fund are indicated in the disbursement of funds section of this report.

### **Financial/Record Keeping Information**

As previously mentioned, funding is primarily derived from credit sales. The chart below summarizes the current mitigation unit costs as defined in the plan.

<b>Credit Type</b>	<b>Mitigation Ratio (credits per acre)</b>	<b>Mitigation Fee (per Credit / Acre / Feature*)</b>
GCW Habitat - Directly Impacted*	2:1	\$4,000/credit \$8,000/acre
GCW Habitat - Indirectly Impacted*	0.5:1	\$4,000/credit \$2,000/acre
BCV Habitat - Directly Impacted**	2:1	\$4,000/credit \$8,000/acre
BCV Habitat - Indirectly Impacted**	0.5:1	\$4,000/credit \$2,000/acre
Karst Zones 1 & 2	per acre	\$1,000/acre
Karst Zones 3 & 4	per acre	\$1,000/acre
Number of occupied karst features with Occupied Cave Zone A access	per feature	\$400,000/feature
Number of occupied karst features with Occupied Cave Zone B access	per feature	\$40,000/feature
GCW Preserve In Lieu	per acre	\$2,500/acre
BCV Preserve In Lieu	per acre	\$2,500/acre
Karst Preserve In Lieu	per feature	\$2,500/acre
<b>Plan Administration Fee</b>	--	<b>10% total fee (enrollment + in lieu)</b>

\* GCW Credits are currently purchased by the applicants directly from third party Conservation Banks, and no fees are received by the SEP HCP for these credits, however, the Plan Administration Fee is calculated using the total mitigation costs, including GCW credit costs.

\*\* BCV, or Black-capped Vireo, has been de-listed by USFW and is no longer being mitigated for.

In addition to the credit sales, a flat fee of \$2,500.00 is charged to applicants from application processing.

A ledger of credit sales and enrollment, as well as a ledger of projects is maintained by the SEP HCP and is the primary means of tracking plan enrollment.

A transfer of \$175,000.00 from the Development Services Fund is also used to fund the SEP HCP. These transfers are considered to be interest-free loans which are expected to be paid back to the Development Services Fund when the plan is self-sufficient.

**Disbursement of Funds from Credit Sales**

The following tables indicate how funds which are received by the plan should be disbursed.

<b>Disbursement of funds generated from Karst Zone 1 and 2 KFA enrollment fees</b>		
<b>Expense Account</b>	<b>Percentage</b>	<b>Amount</b>
Fee per KFA acre	100%	\$1,000
Program Administration	4%	\$40
Preserve Management and Monitoring (Applicable Preserve)	13%	\$130
Education and Outreach	1%	\$10
Preserve Acquisition	57%	\$570
Contingency and Endowment Funds (Applicable Preserve)	25%	\$250
Total	100%	\$1,000
<b>Disbursement of funds generated from Karst Zone 3 and 4 KFA enrollment fees*</b>		
<b>Expense Account</b>	<b>Percentage</b>	<b>Amount</b>
Fee per KFA acre	100%	\$1,000
Program Administration	4%	\$40
Preserve Management and Monitoring (Government Canyon)*	13%	\$130
Education and Outreach	1%	\$10
Preserve Acquisition	62%	\$620
Contingency and Endowment Funds (Government Canyon)*	20%	\$200
Total	100%	\$1,000

*\*Note: Karst Zone 3 and 4 enrollment is not tied to any particular preserve. In order to maintain the baseline conservation activity the baseline conservation activity at Government Canyon, a portion of Karst 3 & 4 acre enrollment fees will be earmarked for management and monitoring activities and the endowment fund of Government Canyon.*

<b>Disbursement of funds generated from Application Fee and Plan Administration Fees</b>			
<b>Expense Account</b>	<b>Percentage</b>	<b>Application Fee Amount</b>	<b>Plan Administration Fee</b>
Application Fee = \$2500.00 Plan Administration Fee = 10% of Total Mitigation Cost	100%	\$2,500	Varies
Program Administration	75%	\$1,875	Varies
Education and Outreach	5%	\$125	Varies
Preserve Acquisition	20%	\$500	Varies
<b>Total</b>	<b>100%</b>	<b>\$2,500</b>	

### **GCW Preserves**

The Plan has not set up any GCW Preserves on its own; the plan had MOUs with two regional, third party GCW Conservation Banks to provide SEP HCP applicants with coverage for GCW. The SEP HCP currently has Memorandums of Understanding with two regional GCW conservation banks – Bandera Conservation Corridor, LLC and EBX-GCW, LLC. Although the plan does not receive any revenue for GCW credits, the plan does receive application fees and plan administration fees.

### **SEP HCP Goals**

The Goals of the SEP HCP are as follows:

- Protect and manage 23,500 acres of GCW habitat
- Take action to increase protection of covered karst invertebrate species on public lands
- Acquire 1,000 acres of new recovery-quality karst preserves for covered karst invertebrate species
- Improve management at known localities for covered karst invertebrate species
- Reduce adverse impacts to the Military Mission as a result of species migration
- Increase to level of compliance with the Endangered Species Act
- Streamline the Endangered Species Act compliance process