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As of April 14, 2010

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c/o Parks and Recreation
350 Discovery Blvd
Ste 207
Cedar Park, TX 78613

February 22, 2011

**Williamson County Road Bond Program
c/o The Honorable Dan Gattis, County Judge
710 Main, Suite 101
Georgetown, TX 78626**

Also by fax to 512.445.7064 c/o
Prime Strategies, Inc.

Re: Ronald W. Reagan Boulevard, from south of the intersection of SH 195 and CR 239 approximately 6.6 miles eastward terminating at CR 237, just east of IH-35 application number 20110216.

Dear Judge Gattis:

The review of the referenced application has been completed in accordance with the Williamson County Regional Habitat Conservation Plan (RHCP). Based on the supporting documents provided, the Williamson County Conservation Foundation makes the following determination as to this application:

- 1. The mitigation fee for the referenced property will be \$154,796.00 (One Hundred Fifty-four thousand Seven hundred Ninety-six and no hundredth Dollars) including \$42,296.00 in karst impacts and \$112,500.00 covering 22.5 acres of Black-capped vireo habitat. This amount ("Participation Fee" will be reflected in Paragraph 2 of the Participation Agreement with adjustment as follows:**

Land in lieu of karst mitigation – Williamson County has agreed to assume perpetual management of a 39.4 acre conservation easement ("DEED") that encompasses the named Coffin Cave. The current and future expenditures associated with the management agreement for Coffin Cave are projected to exceed the indicated mitigation fee for impacts to this feature (see attachment to this letter on projected expenses). Accordingly, the mitigation fees, subject to final closing on the DEED, are reduced by \$42,296.00 representing the calculated impacts to karst and karst features. Mitigation following this adjustment will be \$112,500.00 covering only impacts to Black-capped vireo habitat. Should final closure of the DEED not occur, mitigation will revert to the full amount.

- 2. Please sign below and notify this office as soon as possible – by email scan to wccf@wilco.org or by fax to 512-260-4237 – of agreement to the mitigation terms.**
- 3. Following acceptance by the Commissioner's Court funds will be appropriately transferred to the accounts of Williamson County Conservation Foundation.**

4. Upon transfer of the Participation Fee and confirmation of closure of the DEED, the Agreement will be prepared and sent to you for signature. Please return a signed copy of the agreement to us. The cover documents for the Agreement will include instructions for filing in Williamson County official public records.

These actions will complete your participation in the RHCP for the reference project/tract. When we receive confirmation of filing under number 4 above, this office will subsequently prepare and mail a participation certificate to you. Although the certificate is not an official document, it may be posted at the project/tract site as notification of participation in the Williamson County RHCP.

Should you have any questions about this letter, please contact WCCF.

Sincerely,

Gary D. Boyd
Environmental Program Coordinator
Williamson County Conservation Foundation

Attachments: NPV analysis

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Agreed as to both form and substance:

By:  \_\_\_\_\_

Title: \_\_\_\_\_

Date: 2-23-11

Attachment to Determination Letter for Ronald Reagan Boulevard Phase IV (RR IV)

We can express the net present value of a series of cash flows in a single formula:

$$NPV = \sum_i \frac{c(i)}{(1 + p/100)^i}$$

where  $c(i)$  is the net cash flow at payment period  $i$  and  $1/(1 + p/100)^i$  is the associated discounting factor.

Williamson County, through its Williamson County Conservation Foundation, has undertaken maintenance and monitoring of a 39.4 acre preserve area known as Coffin Cave. Expenses under this agreement are projected to offset the indicated mitigation fees for karst impacts.

The application for RR IV indicates the following mitigation fee calculations:

|                                                             |   |                  |
|-------------------------------------------------------------|---|------------------|
| 143.96 acres of ROW within the Karst Zone @ \$100/acr       | = | \$14,396.00      |
| .39 acre of ROW impact to Rattlesnake Inn Cave @ \$10K/acre | = | 3,900.00         |
| 2.4 acres of ROW impact to Coffin Cave @ \$10K/acre         | = | <u>24,000.00</u> |
| Total karst mitigation                                      | = | \$42,296.00      |

The indicated NPV for the stream of expenses under the maintenance and monitoring plan for Coffin Cave is calculated to be \$112,596.76 under the following assumptions:

|                                                                                    |   |          |
|------------------------------------------------------------------------------------|---|----------|
| Monthly cost of monitoring (based on current contract with Texas Cave Conservancy) | = | \$500.00 |
| 36 month biospeleological sampling and taxonomy review of Coffin Cave              | = | 3000.00  |
| Assumed discount rate - 4.25% annual                                               |   |          |

There are 332 remaining monthly monitoring periods under the County's Regional Habitat and there will be 9 sampling periods during the remainder of the permit period.