



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Arturo Vela, Interim City Manager

PREPARED BY: Nate Smith, Deputy Director of Public Works/City Engineer

MEETING DATE: October 28, 2025

SUBJECT: Discuss Necessary Mitigation Required for the Sun Lakes Boulevard Extension Project

RECOMMENDATION:

Provide concurrence to staff to proceed with the mitigation plan for the Sun Lakes Boulevard Extension Project

BACKGROUND:

The Sun Lakes Boulevard Extension Project has been a long term capital improvement project for the City of Banning dating back nearly 30 years. The project would extend Sun Lakes Boulevard from its current terminus at Highland Home Road easterly for approximately 1-mile to the intersection of Sunset Avenue and Westward Avenue. The roadway crosses over 3 ephemeral creek systems along its course, creating permanent and temporary environmental impacts. The project also crosses habitat that is suitable habitat for the *Bombus Crotchii* (Crotch's Bumblebee), which was observed in the habitat during pre-construction surveys. *Bombus Crotchii* is identified by the State of California Department of Fish and Wildlife as a candidate species for the endangered species list, and is thus treated as such while that decision is pending. The environmental mitigation necessary for this project is thus broken into two components, with additional detail below:

Ephemeral Watercourse Mitigation

The final draft of the Streambed Alteration Agreement from the California Department of Fish and Wildlife requires that the City provide for 1.3 acres of streambed, bank, and channel for preservation and enhancement within western Riverside County. The City identified a site of 1.3 acres that is suitable for these purposes within Smith Creek that is owned by the City of Banning. The proposed mitigation site is within the stream bed of Smith Creek at the eastern municipal boundary within land that cannot be developed due its site within the creek. The proposed mitigation land is also adjacent to a proposed 760-acre mitigation site to the immediate east of this property. Utilization of this site does not require the City to purchase offsite property for mitigation purposes.

A copy of the final Streambed Alteration Agreement is attached to the staff report for reference.

Bombus Cortchii Mitigation

A requirement in the California Department of Fish and Wildlife Streambed Alteration Agreement was to conduct pre-construction field surveys of the project site to determine if suitable habitat for the bumble bee exist, and if the bee is present. During the final site visit with the biologist, a single bumble bee was found. Subsequent mapping determined that the project will create permanent loss of approximately 12-

acres of habitat, and mitigation for that habitat is required.

Consistent with the permanent conservation for the ephemeral watercourse mitigation, City staff identified the former Smith Creek Park parcel as a suitable location for permanent mitigation. The CESA Incidental Take Permit, prepared on the City's behalf by Osprey Environmental Associates, identified 14 acres of the city owned property as suitable mitigation. This area overlaps with the acreage for the watercourse mitigation and expands upon the adjacent 760-acre proposed mitigation site to the east.

A copy of the DRAFT ITP application is attached to the staff report for reference.

JUSTIFICATION:

The City of Banning has identified City owned property in the area formerly considered for Smith Creek Park as mitigation land for the Sun Lakes Boulevard project. This land is adjacent to land that is intended for mitigation land to the east, and will expand upon that creating more permanent open space at the southwest corner of the City.

This land was previously investigated by the City for an active use park site, but found that it would be infeasible to access given the requirements to cross Smith Creek with two bridges to ensure adequate public and emergency access to the site.

At this time, the City of Banning has no planned uses for the proposed mitigation site and this action would preserve the property as permanent open space.

FISCAL IMPACT:

As the land at Smith Creek Park is owned by the City, the City is able to save considerable monies in acquiring land outside the City limits to meet the mitigation requirements. Costs for mitigation land for creek areas can exceed \$500,000 per acre, and suitable habitat for Bombus Crotchii is unknown and not investigated at this time. Assuming a similar price for the Bombus Crotchii, cost may exceed \$6 million to \$8 million in land acquisition costs.

For any purchase of offsite land or dedication of City land, the City will be required to provide an endowment and select a 3rd party conservancy group to manage the land and permanent habitat and open space. The City will be required to install fencing and signage around the property to protect it from outside encroachment.

ALTERNATIVES:

City staff is seeking concurrence from City Council to proceed with the mitigation strategy to utilize City owned land that has very limited to no active development uses as the preferred mitigation sites for construction of the Sun Lakes Boulevard Extension Project.

Alternatively, City Council can provide direction to seek suitable properties outside the jurisdiction. This will increase overall project costs over previous estimates due to the large acreage required as mitigation for the Bombus Crotchii habitat. Additional project funding would be necessary to continue with this alternative direction.

BUDGETED?:

No

CONTRACT/AGREEMENT:

No

ATTACHMENTS:

1. [Final CDFW Streambed Alteration Agreement.pdf](#)
2. [DRAFT ITP Application - CBB.pdf](#)

