

Mitigation as a Driver for Conservation Markets

November 5, 2008

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Questions for today

- What is mitigation?
- Is mitigation a threat or an opportunity for Northwest farmers and ranchers?
- If it's an opportunity, how can farmers and ranchers get involved?
- Where do we begin?

Mitigation is...

- Restoration work done by agencies or private entities to compensate for environmental impacts of projects
- Required as a condition of permitting
- Typically undertaken by the permittee at the same time as the development work

Mitigation is...

- Required for every significant public and private sector development
- Expensive, averaging 10% to 20% of total capital costs
- A multi-million dollar expense in Washington State

Mitigation is...

- Rarely fully effective at achieving “no net loss” standards
- Studies show failure rates of 50% to 80%
- Big reasons: poor location, design and construction problems, no maintenance

Mitigation is...



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Improving mitigation performance

- Lots of attention right now
- Changes in federal policy in 2008
- Mitigation that Works in WA and In-Lieu-Fee program in OR
- Focus: more promising restoration sites, better design and construction standards, better maintenance

Mitigation should be...



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What does this mean for the agricultural community?

- Lots of interest in farm and ranch land for mitigation
- Looking for good soils, connection to rivers and streams, rural areas
- Potentially both a threat and an opportunity

Mitigation as a threat

- Takes large blocks of land out of production
- Reduces critical mass needed to support processing and distribution services
- Brings non-farm people into the farm landscape

Mitigation as an opportunity

- Potential source of farm and ranch income
- Uses land that may not be productive for crops and livestock
- Uses skills, equipment, supplies already available to farmers and ranchers

Hickory Pass Ranch

- 3,000 acre family-owned ranch in Texas
- Habitat for endangered golden-cheeked warbler



Hickory Pass Ranch

- Landowners put a conservation easement on key habitat areas, create credits
- USFWS requires purchase of credits to mitigate for warbler impacts
- Have sold 400+ credits at \$500 each



Montana Wetlands Legacy

- Statewide wetlands restoration/mitigation program
- Funded in part through an in-lieu-fee mitigation program
- Collects fees from developers, invests in habitat on private land

Montana Wetlands Legacy

- Projects include Gordon Ranch, a 15,000 acre working cattle ranch that protects prairie habitat and wetlands under conservation easements



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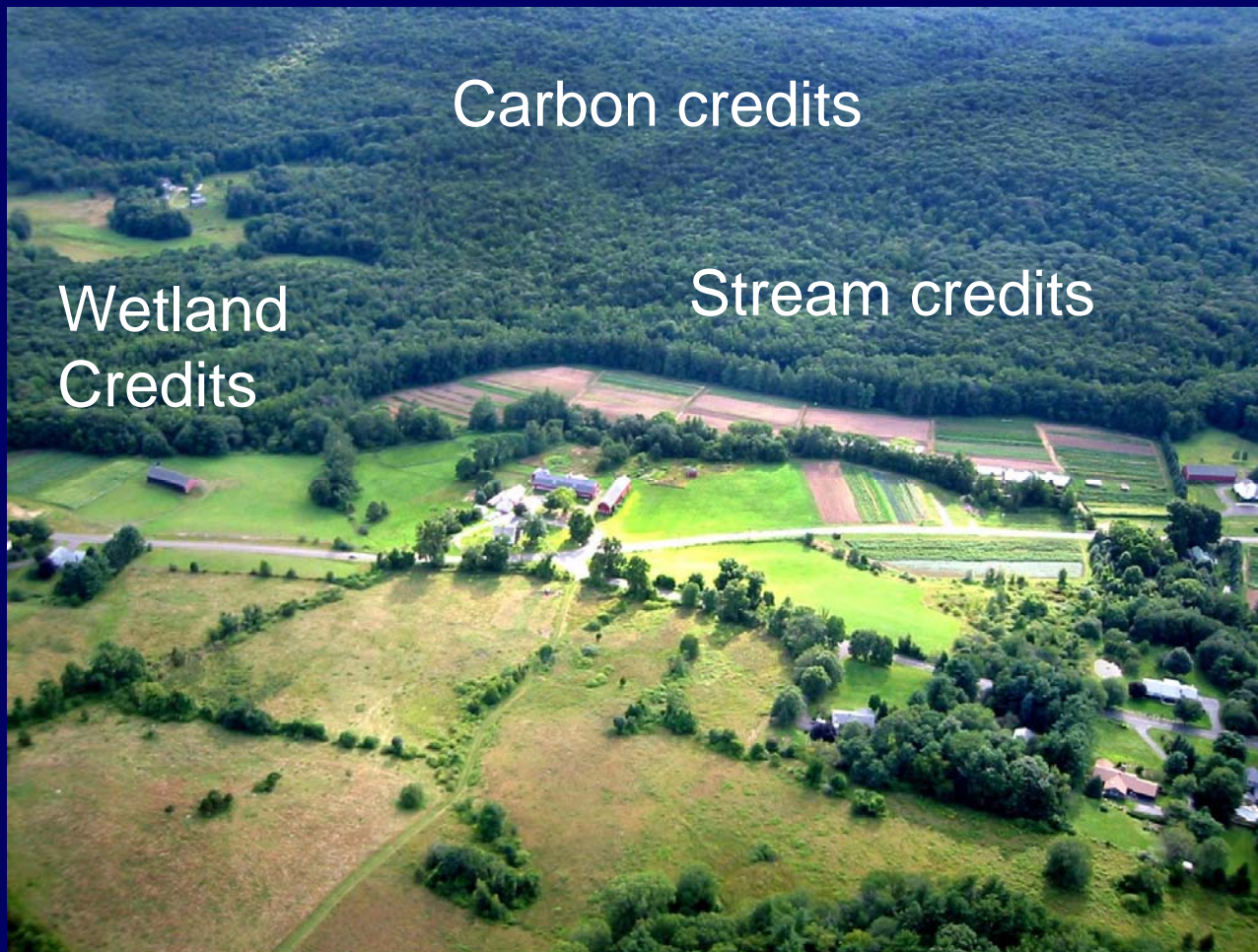
Florida Panther Conservation Bank



- 1,930 acre family-owned ranch in Florida
- Managed for panther habitat
- Credits approved by USFWS to mitigate losses of panther habitat



How it might work in the NW



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How it might work in the NW



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What's it worth?

- Wetland credits: \$200-400K per acre (DOT cost \$800K+)
- Stream credits: ?
- Stormwater credits: \$460K per mile of highway treated

The state of Northwest mitigation markets

- Maturing
 - Wetland mitigation banks
 - Creative one-off mitigation agreements
- Getting started
 - Conservation banks
 - In-lieu-fee programs
- Imagined
 - Multi-resource conservation markets

What you can do

- Participate in development of new market programs
- As individuals, assess your ability to produce mitigation resources
- As a community, advocate for a farmer/rancher role, approach development agencies, market