

WETLAND MITIGATION BANKING & WSDOT

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- **How is mitigation banking different than traditional (i.e., concurrent) mitigation?**

Traditional mitigation is constructed at the same time as the highway construction project, whereas mitigation banks create, enhance, and/or restore wetlands in advance of project impacts. Mitigation Banks consolidate impacts from multiple wetlands or projects into one larger site. Mitigation Banks are authorized by federal, state, and applicable local government agencies upon signing off on a formal *Bank Instrument*, which specifies the service area, the number of credits available at the bank site, the credit value, and a schedule for the phased release credits as performance measures are achieved.

- **How many mitigation banks is WSDOT currently working on?**

WSDOT has three approved mitigation banks—*Springbrook Creek Wetland and Habitat Mitigation Bank* (129 acres) in the City of Renton, *North Fork Newaukum Mitigation Bank* (230 acres) in Lewis County, and the *Moses Lake Mitigation Bank* (10 acres) in Grant County. In addition, WSDOT is currently working to develop one additional mitigation bank along Dillenbaugh Creek in Lewis County.

- **Can WSDOT utilize private entrepreneurial mitigation banks?**

WSDOT is interested in utilizing credits at private entrepreneurial mitigation banks that have been certified through the Department of Ecology's [wetland banking program](#). To date the Washington Department of Ecology and the U.S. Army Corps of Engineers have certified two mitigation banks: the Skykomish Habitat Mitigation Bank and the [Snohomish Basin Mitigation Bank](#). In 2006 WSDOT made its first purchase of three credits from a private mitigation bank as mitigation for a transportation project in Northwest Region.

WSDOT cannot enter into agreement to purchase credits at a private mitigation bank until the bank is certified by the U.S. Army Corps of Engineers and the Washington Department of Ecology. WSDOT staff interested in pursuing opportunities at private banks should closely coordinate with the appropriate project office, the Regional Environmental Office, and Alternative Mitigation Program to ensure that project-delivery needs will be met.

- **Is banking better than traditional mitigation?**

Banking is better both ecologically and economically than traditional mitigation. Banking is ecologically better when compared to traditional approaches since banks are able to provide larger scale restoration with broader environmental benefits that can be better linked to local conservation goals. Banks also provide a greater assurance that mitigation will appropriately address project impacts since they must be proven effective before any credits are used. Financially, mitigation banking results in a 30% to 80% cost savings compared to traditional mitigation. Savings result from (1) economies-of-scale savings of working on one large site compared to several smaller sites, and (2) increased time to look for cost-saving measures (e.g., partnering opportunities, free woody debris), and proportionately smaller setbacks/buffers compared to small mitigation sites.

- **What does it take to establish a mitigation bank?**

WSDOT's wetland banking efforts have been conducted according to a Wetland Banking Memorandum of Agreement (MOA) between WSDOT and state and federal regulatory agencies. Under the Banking MOA, WSDOT works with a Mitigation Bank Oversight Committee (BOC), which is comprised of representatives with the Department of Ecology, U.S. Army Corps, EPA, and U.S. Fish and Wildlife Service, and the appropriate local government. Meetings of the BOC serve as the primary means by which committee members exchange views and recommendations on various draft components of the mitigation bank plan, including: site design(s), bank service area, credits accrual, buffers/setbacks, performance measures, credit-release schedule, and monitoring plans. The bank becomes certified and available for use upon signature of the banking instrument by representatives serving on the BOC.

- **How long does it take to get a bank certified?**

WSDOT's and the City of Renton's Springbrook Creek Mitigation Bank was certified in September 2006 after three years of negotiations with the Department of Ecology, the Corps of Engineers, EPA and the U.S. Fish and Wildlife Service. WSDOT's previous bank, North Fork Newaukum Mitigation Bank, took six years to get the necessary approvals; the longer timeframe for this bank resulted because prior to the North Fork Newaukum bank agreement, there were no good "templates" after which an MBI could be modeled. Consequently, many issues had to be addressed and resolved for the first time. For mitigation banking to flourish, bank certifications will need to be completed inside of one year.

- **When do the bank credits become available?**

There is typically an initial release of approximately 10% of credits once the bank instrument is signed and the site is protected. The balance of the bank credits is released in phases over the subsequent 10 years as the site develops and as monitoring and reporting documents that performance measures have been achieved.

- **Who is responsible for maintaining WSDOT bank sites?**

WSDOT is responsible for managing and maintaining its bank sites. This can involve replanting dead/dying plants, controlling weeds, and conducting other site-management activities necessary for the site to meet its performance objectives. After all of the credits have been debited from the bank, WSDOT can turn bank sites over to other entities for long-term management.

- **How does WSDOT fund its banks?**

The Washington State Legislature established an Advanced Environmental Mitigation Revolving Account (AEMRA) for WSDOT to do advanced mitigation efforts such as mitigation banking. This fund allows WSDOT to pay for the development of the North Fork Newaukum and the Moses Lake mitigation banks years in advance of highway construction projects. As transportation projects within the bank service area identify their mitigation needs through the permitting process, WSDOT Regions debit mitigation credits from the bank. As bank credits are debited, project money is used to reimburse the AEMRA account. Project funds can also be utilized to develop bank site.

An entirely different approach was used to fund WSDOT's and the City of Renton's Springbrook Mitigation Bank. AEMRA funds were used to identify a suitable site for "early-

action” mitigation. However, the design and construction were paid for with transportation project funding.

- **What are the risks of mitigation banking?**

Mitigation banking has inherent financial risks because the bank sponsor needs to invest money in property acquisition and site design before the bank site is approved for use and in advance of knowing the exact project impacts (and mitigation needs) of future projects. However, these risks can be minimized through good site selection and by planning/locating banks in areas with a high likelihood of future mitigation needs.

The environmental risks of banking are significantly less than traditional mitigation because banks are constructed before the impacts to wetlands occur, and banking credits are not released until ecological performance standards are achieved.

- **How much does Mitigation Banking cost WSDOT?**

The cost of developing wetland mitigation banks can vary widely depending upon a number of factors, including: land costs, extent of excavation, site size. Some idea of the cost range can be gained from three WSDOT banks. The following table provides a cost breakdown for three WSDOT banks.

Bank Name	Size (acres)	Potential Credits	Cost		
			Total	Per credit	Per acre
N. Fk. Newaukum	240 ac	78	\$1,700,000	\$28,000	\$10,000
Moses Lake	12 ac	5	\$260,000	\$52,000	\$22,000
Springbrook Creek	130 ac	44	\$14,000,000	\$636,000 ¹	\$107,000

- **How much does traditional mitigation cost WSDOT?**

Traditional wetland mitigation can cost between \$65,000 and \$200,000 per acre for minor grading and establishing vegetation. Costs are significantly higher if the mitigation project requires significant earthwork and/or acquisition of property, especially in areas of where real-estate costs are high.

- **What kinds of staff expertise does WSDOT utilize in developing wetland banks?**

Several disciplines are involved in developing wetland mitigation sites, including wetland biologists, landscape architects/designers, hydrologists, horticulturalist, and fish and wildlife biologists. WSDOT also employs a 5-person Restoration Crew to perform routine site management at WSDOT banks and other wetland mitigation sites.

Additional information on WSDOT’s wetland banking program is available online at

http://www.wsdot.wa.gov/environment/biology/bio_mitbank.htm.

Information on the Department of Ecology’s mitigation banking program is available online at

<http://www.ecy.wa.gov/programs/sea/wetlands/index.html>.

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¹ This is WSDOT’s cost per credit (22 credits/\$14,000,000 = \$636,000/credit)