

MITIGATION BANKS

BREAKFAST POINT & DEVIL'S SWAMP

April Wilkes, Manager - Regulatory & Public Affairs, Mitigation Banker
The St. Joe Company
Watersound, FL 32461
850.231.6435

WETLAND MITIGATION

Why do I have to mitigate for wetland impacts?

- Section 404 Clean Water Act - Law states No Net Loss of Wetland Function is Permitted in the United States
 - Impacting wetlands impacts habitats, water quality and flood controls
 - Goal is to increase wetland function outside of project area to offset project wetland loss
 - Restore, Enhance, Preserve within the same watershed
 - Like for Like habitats / Mitigation Credit Types

Why do I have to use a Mitigation Bank?

- Detailed Federal Register Rule favor Mitigation Banks over Alternative Forms of Mitigation (2008)

WHAT IS A MITIGATION BANK?

- A site or suite of sites, where resources are restored, established, enhanced and preserved on a large scale for the purpose of providing compensatory mitigation for unavoidable wetland impacts authorized by permits per Florida Statutes 373.4136 and Mitigation Bank Rule 62-342.
- Reviewed and permitted by an Interagency Regulatory Team (IRT) consisting of Army Corps of Engineers, Florida Department of Environmental Protection, Fish & Wildlife Conservation Commission and Fish & Wildlife Service and Northwest Florida Water Management District.
- The IRT determines how many credits the bank can attain based on many factors, including its current ecological value vs the ecological value for each community type by the end of the restoration effort as well as the time it takes to restore the site.
- Credits are released to the bank (made available for sale) by IRT as specific objectives and criteria are met.
- Mitigation banks have their own specific “Service Areas” encompassing particular watersheds. A proposed project must be within the bank’s Service Area in order to use the mitigation bank.

WHAT IS A CREDIT?

The ecological value of one acre of fully functioning, pristine wetlands.

- Ecological value is calculated based on function(s) the wetland performs
 - Species Habitat, Hydrology, Rarity, Buffer, etc.
 - Net Functional Loss of wetlands within project area
 - Secondary Impacts outside of the project area

ARE ALL CREDITS CREATED EQUAL?

No

Different Types of Credits

- Fresh / Salt
- Herbaceous / Forested
- Cypress Swamps / Wet Flatwoods

Multiple Accounting Regimes

- Ratio
- WRAP
- UMAM (Uniform Mitigation Assessment Method)
~ *now in use in Florida by state and federal agencies*

BENEFITS TO A DEVELOPER

- **Save Time**

- A developer using a mitigation bank will have reduced permitting time.
- The permitting practice is a more streamlined process since mitigation banks are already constructed and functioning.

- **Save Money**

- Since impacts must be offset, if a Mitigation Bank is not used, agencies will require on-site mitigation which reduces developable land or off-site land within the same watershed to be used for mitigation.
 - Off site mitigation parcel purchase = \$
 - Consultant fees to develop acceptable mitigation plan = \$
 - Surveying & Title Fees = \$
 - Restoration Implementation/Land Management = \$
 - Qualified Mitigation Supervisor (QMS) expenses = \$
 - Bond for uncompleted implementation work = \$
 - Costs can escalate if negotiations with the regulatory agencies are delayed, or if there is unanticipated site work, maintenance or monitoring = \$
- **Mitigation through a bank requires a one time fee for the mitigation credits and the additional burden and hidden costs are avoided.**

BENEFITS TO A DEVELOPER

- **Avoid Risk**

- The developer that implements its own mitigation often finds its mitigation failing and must spend unexpected money to restore the wetland = \$.
- The purchase of credits from a mitigation bank legally transfers all risk to the mitigation banker.

- **Maximize Space**

- On site mitigation often becomes a burden on development sites, causing a development to be planned around the mitigation.
- Buying credits from a mitigation bank allows the developer to maximize usable land for its highest and best use.

- **Environmentally Beneficial**

- Mitigation Banking is a more comprehensive approach to restoring and maintaining an environmentally sensitive wetland area in perpetuity.

ST JOE COMPANY MITIGATION BANKS

- **Breakfast Point Mitigation Bank**

- Located in Panama City Beach north of Hwy 98 and south of West Bay
- Approx. 5030 acres
- Service area covering approximately 475 square miles
- Currently permitted to supply 1011.28 state credits & 998.03 federal credits
- Current available state credits = 200.81
- Current available federal credits = 280.55



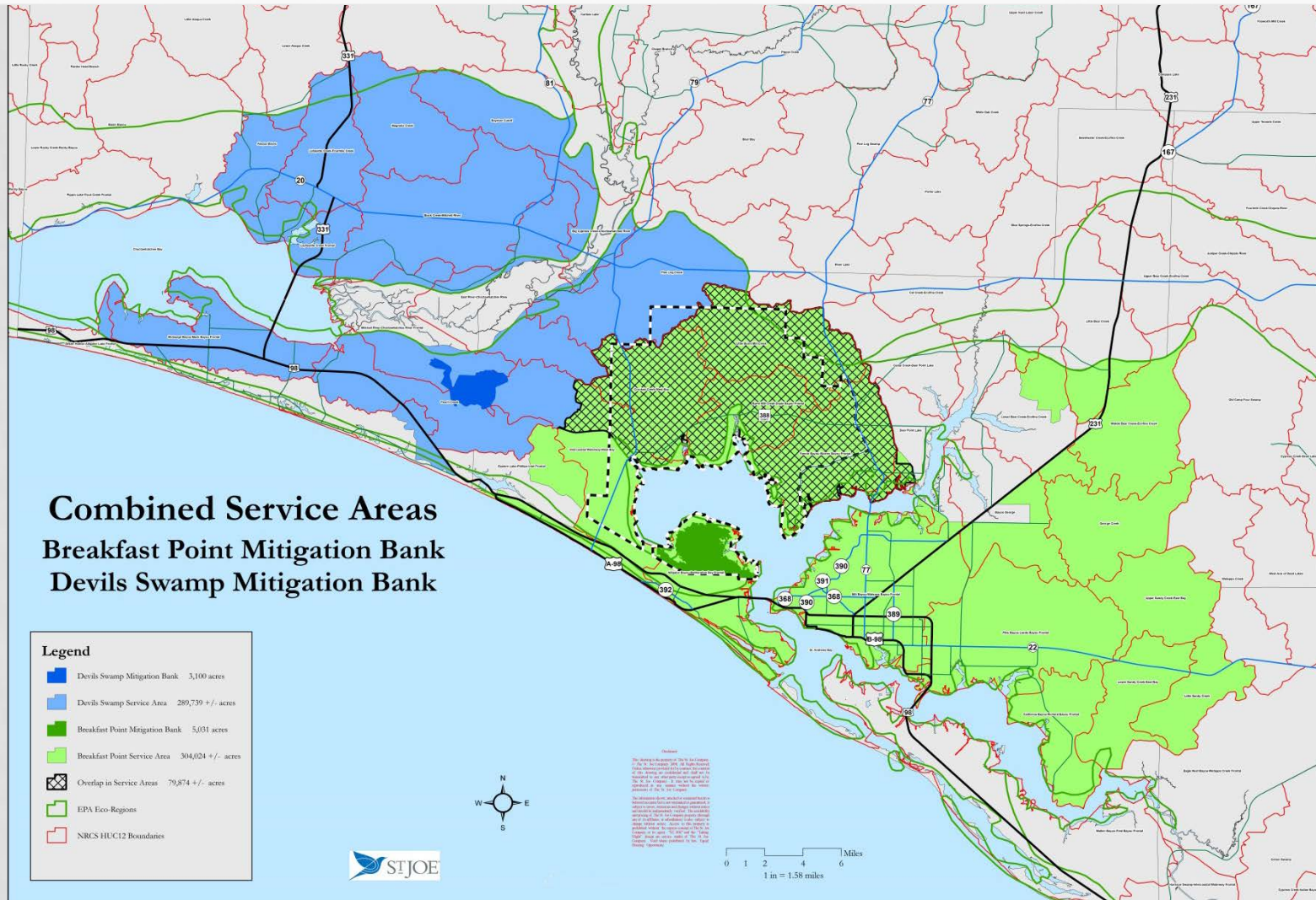
ST JOE COMPANY MITIGATION BANKS

• Devil's Swamp Mitigation Bank

- Located on the Bay County / Walton County border north of the intracoastal waterway and accessed from Steelfield Road on Hwy 79
- Approx. 3110 acres
- Service area covering approximately 453 square miles
- Currently permitted to supply 517.99 state credits & 526.08 federal credits
- Current available state credits = 213.91
- Current available federal credits = 203.67



MITIGATION BANK SERVICE AREAS



WHAT IS THE PROCESS TO DETERMINE NUMBER OF CREDITS REQUIRED?

- Identify the project area
- Contract a reputable consultant to delineate wetlands on the property, and complete UMAM Assessment to determine the amount of mitigation needed to offset adverse impacts to wetlands and other surface waters
- Determine design for the property with avoidance and minimization in mind
 - Note: Agencies prefer minimization and avoidance and may request an alternatives analysis be completed*
- Schedule pre-application meeting with appropriate agencies to discuss site plan and potential wetland impacts
- Complete application with required information for submittal to appropriate agencies
- Agencies will perform an on site review when processing the permit to confirm the wetland delineation flagged line and review UMAM scores
- Permitting times vary for each agency and particular reviewers based on their workload
- Permit or RAI is issued with Mitigation Condition for Credits to be purchased or reserved within a specific timeframe

HOW MUCH \$?

- Florida's mitigation banks currently range from \$35K to \$400K
 - Credit type
 - Market demand
 - Mitigation Bank Service Area competition
- Northeast FL averages \$185K / credit
- Central FL averages \$240K / credit
- JOE credits average \$75-85K / credit dependent upon type and # needed
 - Other area banks have similar pricing
- \$400K is for Saltwater Credits which are very difficult to permit,
 - NWFL is not currently in a Saltwater Mitigation Bank service area
- We know of a Seagrass Mitigation Bank currently being permitted which will sell Seagrass Credits for \$1M / credit

HELPFUL LINKS

- https://www.youtube.com/watch?v=1XN-t3r_MHM
- <https://www.youtube.com/watch?v=xlsAnSCfALU>
- <http://www.dep.state.fl.us/Water/wetlands/mitigation/index.htm>
- http://www.dep.state.fl.us/Water/wetlands/mitigation/mitigation_banking.htm
- <http://w3.saj.usace.army.mil/permits/trainingmodule/index.html>
- <http://www.nfwater.com/Permits/Environmental-Resource-Permits>
- <http://www.joe.com/JOE-Mitigation-Article.asp>

WETLAND MITIGATION BANKING

Questions?

April Wilkes, Manager - Regulatory & Public Affairs, Mitigation Banker
The St. Joe Company
Watersound, FL 32461
850.231.6435

www.joe.com