

Establishing A Mitigation Bank to Compensate for Unavoidable Seagrass Impacts at Ports

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Photo taken in Tampa Bay, FL
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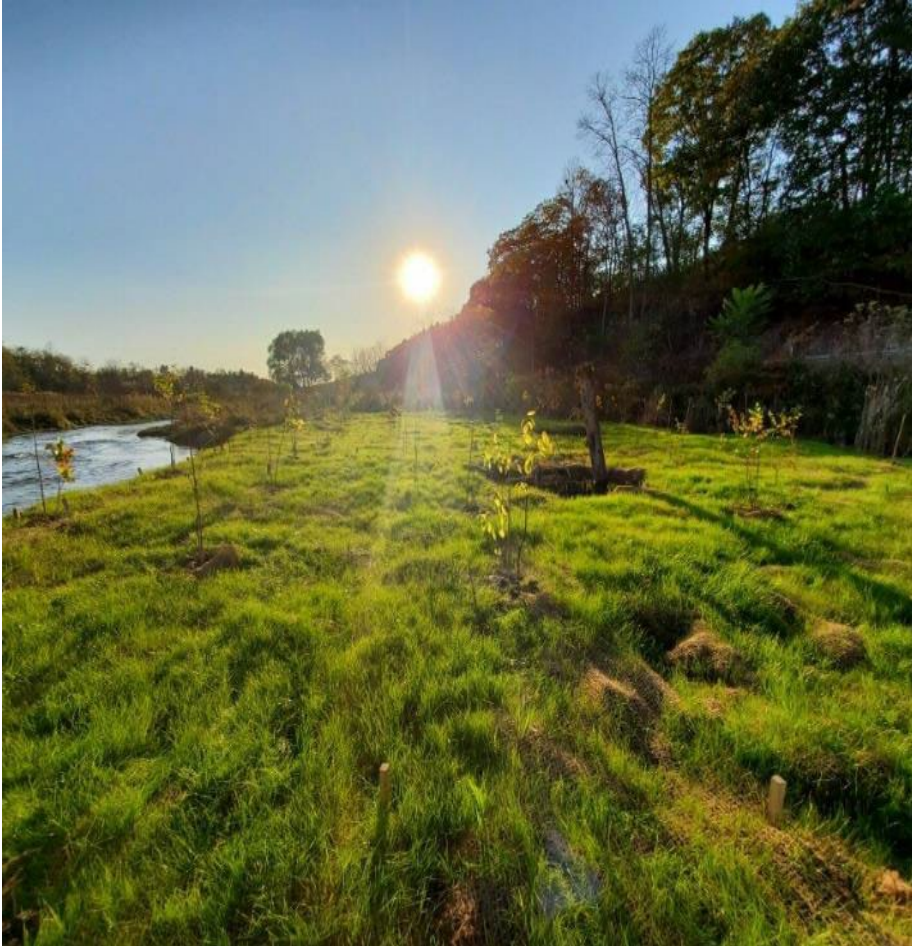
Let's get started

- What is a mitigation bank?
- Seagrasses and ports
- Why, when and where to use mitigation banks?
- Process for establishing mitigation bank
- Summary



What is a mitigation bank?

Mitigation Banks

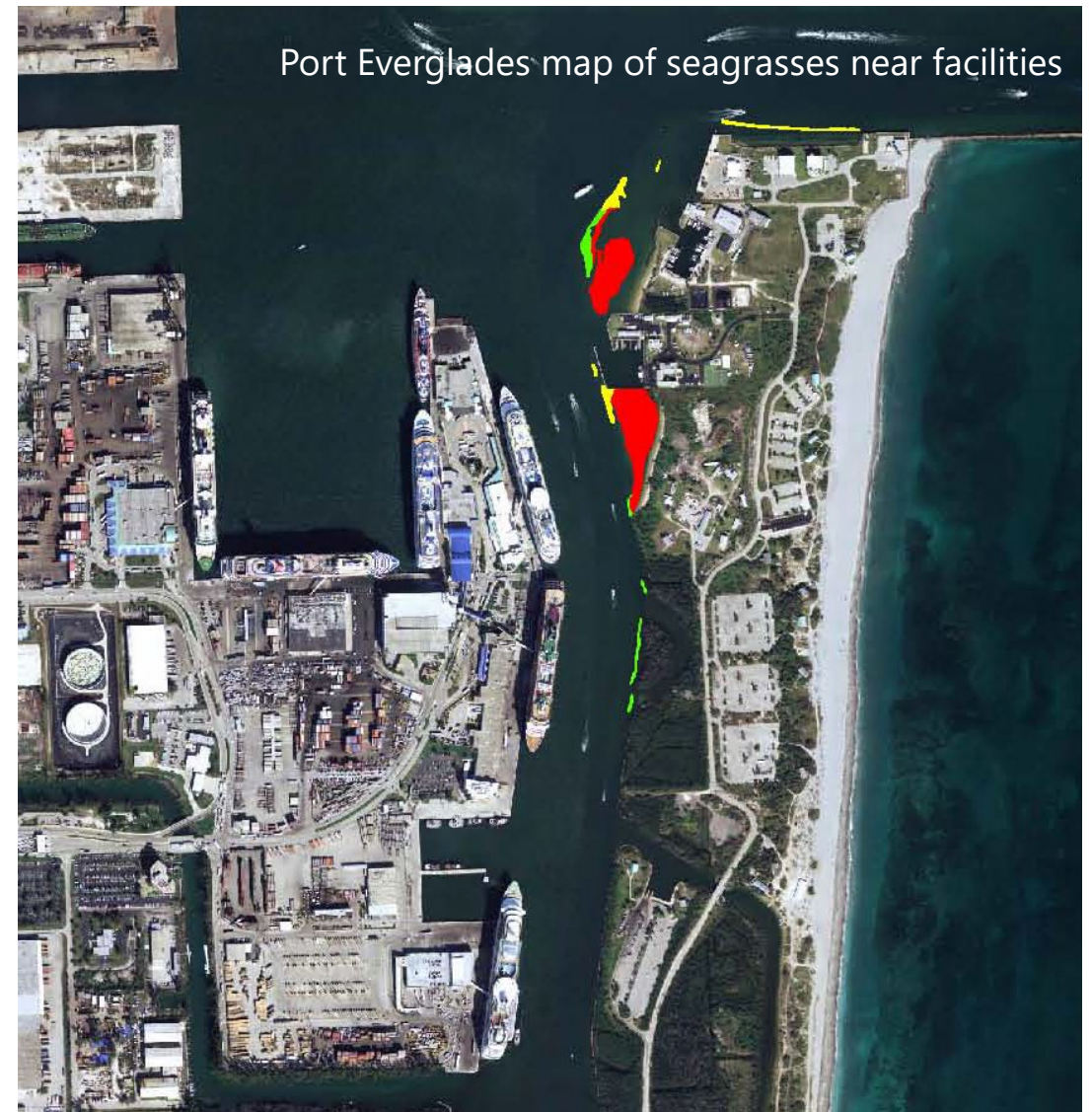


- Environmental or ecological mitigation is motivated by need to preserve, enhance or restore ecosystems such as streams, wetlands, forests, or submerged habitat.
- Mitigation projects are mandated by regulations that require replacement of natural ecosystems resulting from development. Replacement resource is called offset.
- Mitigation banks provide advance compensation for future unavoidable impacts, and also establish significant ecosystem maintained in perpetuity, providing ***long-term net positive impact to resources***.
- Banking credits are generated and can be sold to entities seeking offsets.
- Mitigation banking for seagrass habitat is relatively new and industry is working to establish restoration framework similar to banks for many other habitats.

Seagrasses and Ports

Seagrasses and Ports

- Sediments collect in and along Port channels and basins
- Seagrasses will colonize in areas with appropriate depth and light conditions
- Impacts to seagrasses are regulated by state and federal agencies
- Dredge design must first avoid and then minimize impacts
- Remaining impacts must be mitigated
 - *USACE/EPA 2008 Final Rule, Section 332.3(b)(3)*
 - Order of preference for compensatory mitigation
 - 1. Mitigation Banks**
 2. In-Lieu Fee (ILF) Programs
 3. On-site or Off-site Permittee Responsible Mitigation (PRM)



Why, When and Where to Use Mitigation Banks?

Why: Mitigation Bank Benefits

Mitigation Banks
serve as win-win-
win solution for



ENVIRONMENT



REGULATORS



PERMITTEES



Why: Mitigation Bank **Environmental Benefits**

Bigger & Better Restoration Projects

- Larger scale, more ecologically-significant restoration

Less Risk

- Natural resource restoration, construction, and operations expertise

Permanently-Improved Habitat and Water Quality

- Robust O&M and accountable, funded long-term stewardship



RES divers assessing seagrasses following USACE methodology

Why: Mitigation Bank **Regulator Benefits**

Less Risk

- Restoration performance requirements must be met before credits released

Time Savings

- For permitting regulator, no need to review and approve project-specific mitigation plans
- Bank restoration performance standards are reviewed and approved when bank is permitted with only inspections after that

Increased Accountability for Mitigation Sponsors

- Staged release of credits as bank milestones are met, over several years

Why: Mitigation Bank **Permittee Benefits**

Less Risk

- Private mitigation banking partner takes risk of success
- No uncertainty as to whether compensatory mitigation is available

Saves Time and Money

- Allows permittee to focus on needed project instead of the mitigation plan with years of potential liability
- Less staff and consultant time (regulatory, legal/contracting, operations)

Faster Permits

- Bank is permitted once for credits that can apply to projects into future

When & Where: Factors that Fit a Mitigation Bank

Several factors should be evaluated to see if mitigation bank is right choice:

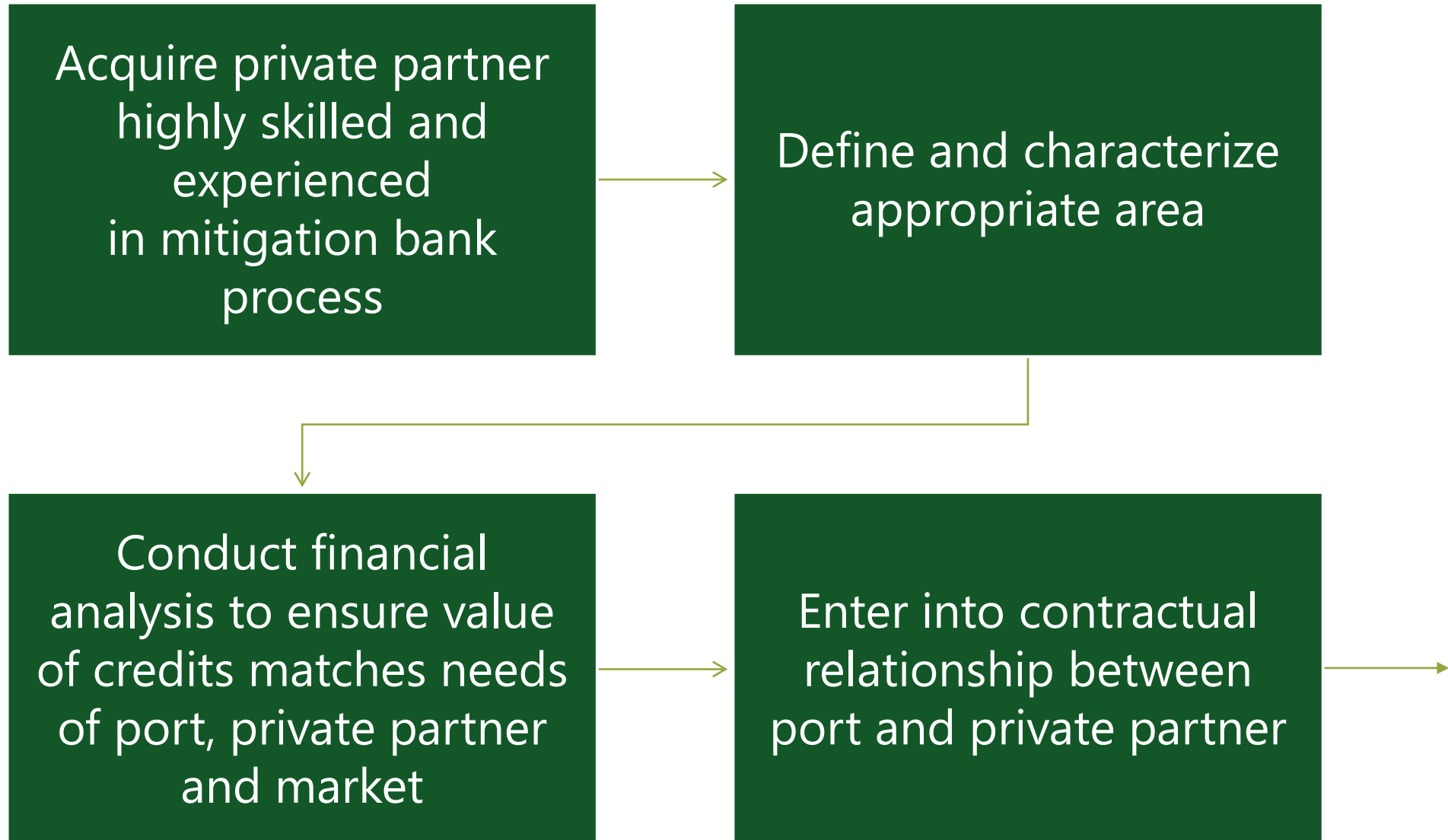
- Know port projects coming up that will have unavoidable seagrass impacts
- Single user or commercial bank?
- Own submerged land or have cooperative relationship with owner
- Have submerged land available that can be restored and is suitable for mitigation bank
- Private partner can assist with finding and acquiring suitable submerged land



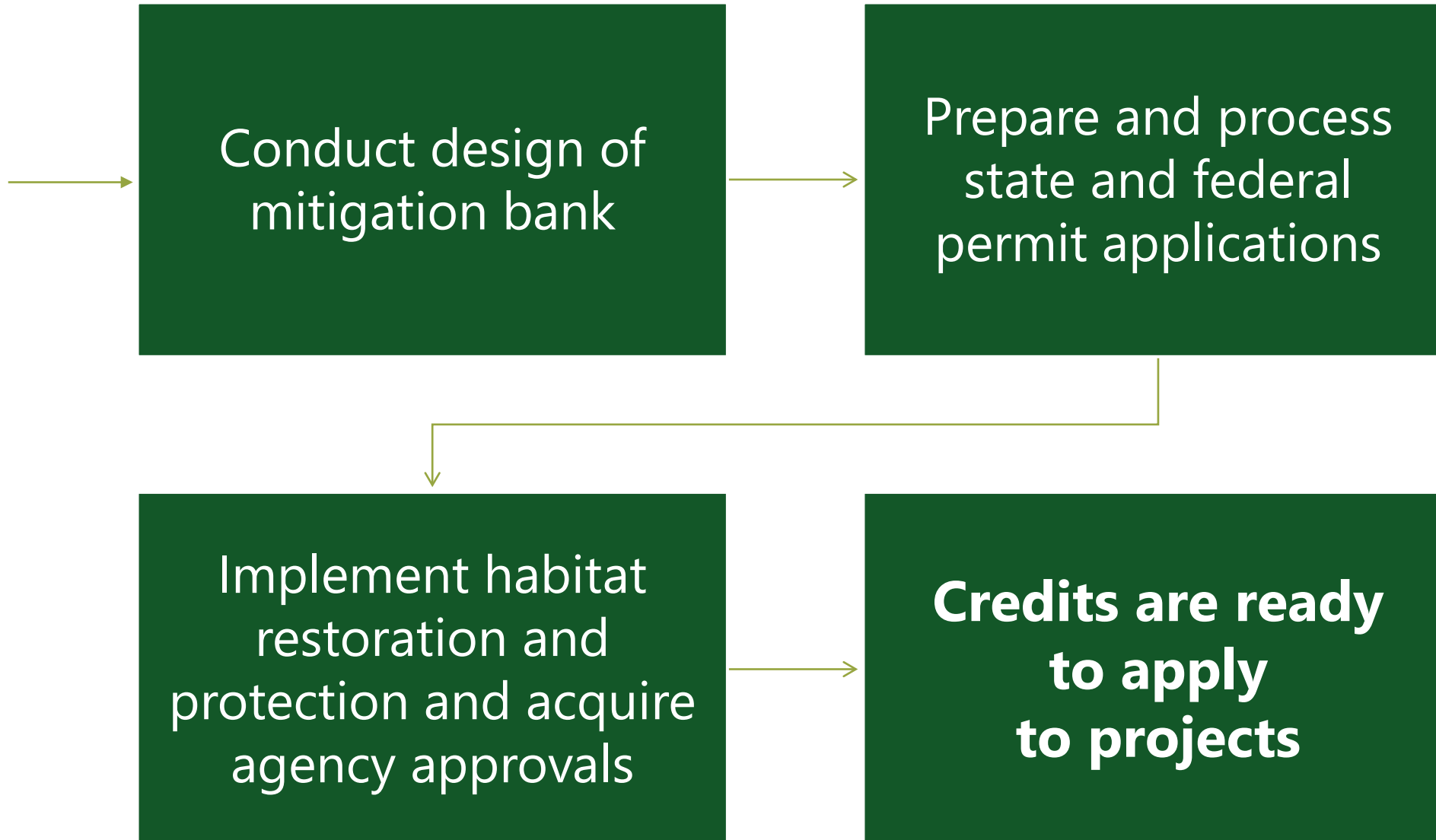
Process for Establishing Mitigation Bank

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Establishing a Mitigation Bank



Establishing a Mitigation Bank (cont.)



Summary

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Seagrass Mitigation Banks for Ports



- Ports often accumulate seagrasses in areas critical to operations or expansion
- Mitigation banks are prioritized for mitigation by federal rule
- Mitigation banks provide benefits for ecology, regulator and port
- Specific conditions should be assessed to determine if mitigation bank is a fit
- Understanding timing of mitigation need is critical
- Private partner with lots of mitigation bank experience is best way to go

Seagrass Mitigation Banks for Ports



- Characteristics of mitigation bank differ from those for other kinds of mitigation
- Financial analysis is required to ensure credit pricing meets needs of port, private partner and market as high-quality ecological result and optimizing cost per credit are key
- Private partner can assume budget and regulatory risk
- Options available for contractual relationship between private partner and port
- **Once bank meets compliance standards allocation of credits is pretty straightforward**

Thank you!



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