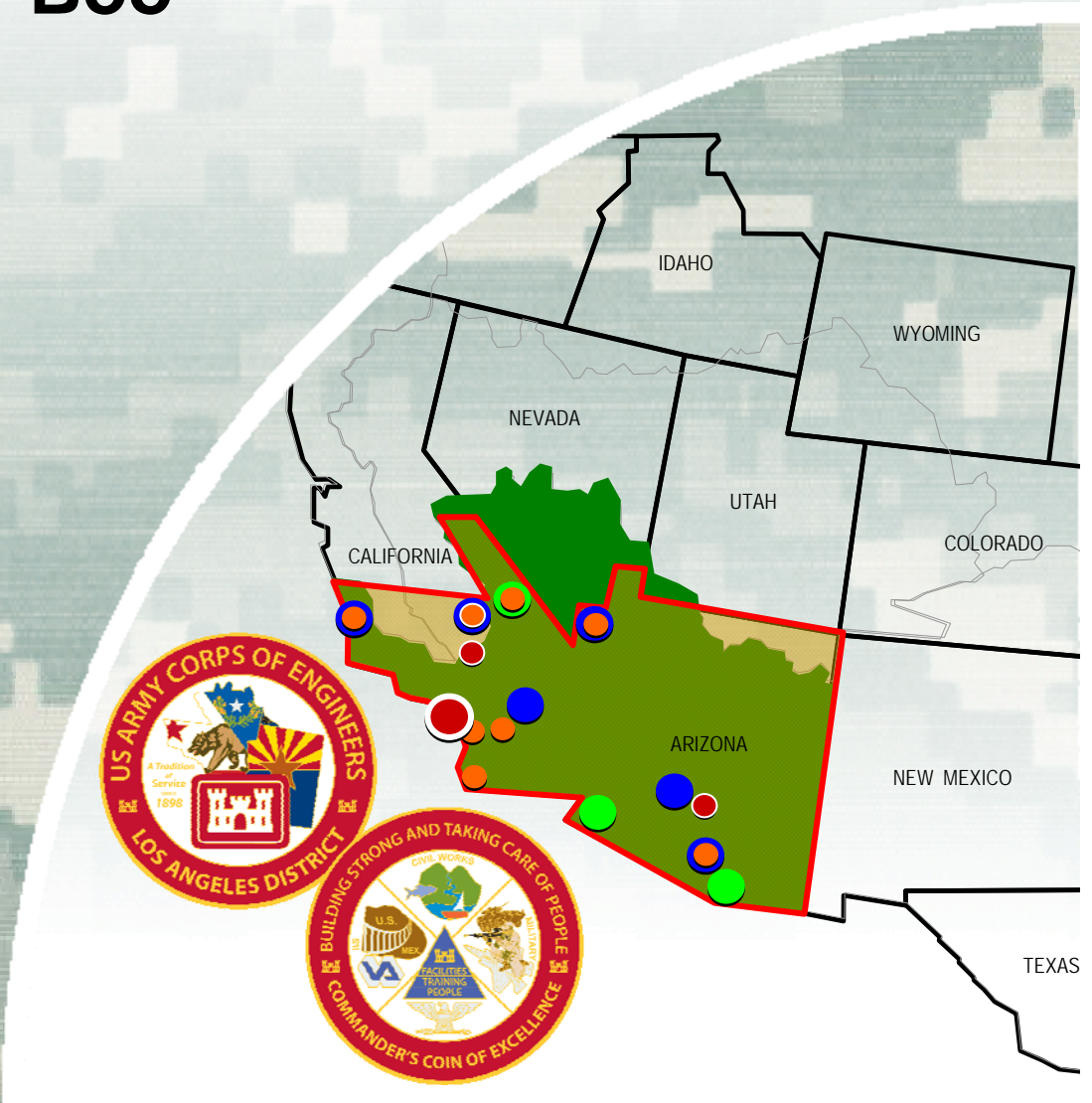


Developing a Fee Schedule OR Bibbidi-Bobbidi-Boo

In-Lieu Fee Program Training
September 13-14, 2011
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Los Angeles District



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Session Objectives

- Regulations/Directions
- Definitions
- Factors involved in Developing Fees
- Examples of Existing Fee Schedules
- Develop a fee schedule



§332.8 Mitigation banks and in-lieu fee programs

Determining credits.

(5) *Credit costs.*

- (i) The cost of compensatory mitigation credits provided by a mitigation bank or in-lieu fee program is determined by the sponsor.

- (ii) For in-lieu fee programs, the cost per unit of credit must include the **expected costs** associated with the restoration, establishment, enhancement, and/or preservation of aquatic resources in that service area.



Continued...

- These costs must be based on **full cost accounting**,
- and include, as appropriate, **expenses** such as land acquisition, project planning and design, construction, plant materials, labor, legal fees, monitoring, and remediation or adaptive management activities, as well as administration of the in-lieu fee program.
- The cost per unit credit must also take into account **contingency costs** appropriate to the **stage** of project planning, including uncertainties in construction and real estate expenses.



And finally...

- The **cost per unit of credit** must also take into account the resources necessary for the long-term management and protection of the in-lieu fee project. In addition, the cost per unit credit must include financial assurances that are necessary to ensure **successful completion** of in-lieu fee projects.



Summary

- Credit costs determined by the sponsor
332.5(o)(5)
- Cost per credit must be based on:
 - Expected costs
 - Full cost accounting, including contingencies
- Fees may also be based on:
 - Type of aquatic resource credits being purchased
 - Location of compensation project
 - Size of impacts



Full Cost Accounting

- **Full Cost Accounting (FCA)** generally refers to the process of collecting and presenting information - about environmental, social, and economic costs and benefits/advantages (collectively known as the "triple bottom line").



Standard tenants of FCA

- Accounting for:
 - Costs rather than outlays
 - Hidden costs and externalities
 - Overhead and indirect costs
 - Past and future outlays
 - According to lifecycle of the product



Example: Oregon

Two options available for mitigation:
in-lieu fee credit purchase, and
payment in-lieu mitigation

The 2011 rate for payment to the Fund is \$75,500 per acre.

Prices were weighted by the number of credits available from each bank and averaged to arrive at the Fund price.



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Example: Kentucky

- **Streams within the EKSAP area:**
- $ILF = EIUs (1 + \text{Cumulative Impacts and Temporal Loss}) \times \396.00
- **Streams Outside of the EKSAP area:**
- $AMUs = (\text{Linear Feet of Stream Impacted} \times \text{Stream Flow and Stream Quality})$
- $ILF = AMUs (1 + \text{Cumulative Impacts and Temporal Loss}) \times \170.00
- **Wetlands within Kentucky:**
- $AMUs = (\text{Area of Wetland Fill} \times 2.0)$
- $ILF = AMUs (1 + \text{Cumulative Impacts and Temporal Loss}) \times \$30,000.00$



NC EEP Fee Schedule

Fee Category	Unit	Fee per Unit - Higher FeeHU	Fee per Unit - Lower Fee HU
Riparian Buffer	Sq.ft	\$0.96	\$0.96
Stream	Lin.ft	\$338	\$256
Non-riparian wetland	Acre	\$44,883	\$23,081
Riparian wetland	Acre	\$62,210	\$35,172
Coastal wetland	Acre	\$153,035	\$153,035

La Paz County Fee Schedule

- Boat ramp: \$500
- Removal of bankline: \$5,000
- Removal of bankline during spawning season
(1 Jan-30 Jun): \$5,000
- Removal of bankline in critical habitat: \$10,000
- Unauthorized beach creation: \$5,000
- Subsequent violation: \$5,000



Maine Fee Schedule

- Resource dependant formula

Base Rate =

[Regional construction & monitoring costs] +
[County unimproved inland or coastal land cost]

X Multipliers

- 2:1 for $\geq 20K$ sf
- 2:1 for areas of special significance
- 4:1 for vernal pools and shorebird habitat

+ Additional fees for impacts to uplands that affect aquatic organisms (e.g. vernal pool species)



Examples of Fees for ME ILF Program

- \$33,000 14,000 sf PFO/PEM
- \$220,000 64,000 sf Vernal Pool
(special significance)
- \$29,000 3,900 sf Coastal wetlands
- \$116,000 29,000 sf PFO



San Diego Storm Water/Invasives Removal ILF Program

▪ STAGE 1 Planning (Year 1)

ACTIONS -

- Identify watershed.
- Identify the linear foot/acreage of storm water drainages to be impacted over time.
- Identify and map the issues in the watershed – plants/location, animals/location.
- Identify land ownership – public, private, easements, etc.

TIME – 20 to 200 days – depending on watershed , information, equipment and person (s)

COST - Information/ data, GIS equipment, field equipment, title reports, staff time, vehicles



Stage 2 Paperwork (2-5 years)

(NEPA, CEQA, easements)

ACTION:

- NEPA – Corps, federal land management agency, other
- CEQA- Regional Water Board, Coastal Commission, municipalities
- Other permits: CZM, DFG, EPA, Tribal, etc.
- Easements and Access easements – some kind of mechanism to ensure access and commitment to the program.
- Plan for Invasives Removal

TIME: 6 MONTHS TO MANY YEARS (San Diego)

COSTS: INCLUDE ALL COSTS FOR ALL PAPERWORK IN FCA



Stage 3 Implementation (3-9 years)

ACTION:

Treat acres – mechanical/chemical

Record

Monitor

Repeat until all properties are secured, all invasives are removed.

TIME:

Depends on size of watershed, amount and type of invasives, ability to secure and access sites,

COST: Based on equipment and staffing needed over time.



STAGE 4 Long-term Management (YEAR 5 - perpetuity)

ACTION:

Bi-annual patrol of watershed

Mapping

Treatment of invasives

Maintenance of easements

Reporting

Adaptive Management

COST: staff, equipment (upgrades and all needed over time), materials, legal assistance and court fees in a non-wasting endowment.

TIME: forever ...



COSTS for STAGES

- STAGE 1 - \$250,000 / year/ watershed
- STAGE 2 - \$500,000/year/watershed
- STAGE 3 - \$100,000/year/watershed
- STAGE 4 - \$50,000/year/watershed

Each year funds invested into long-term endowment.

9 year project: $\$250,000 + 3(\$500,000) + 5(100,000) + 2,000,000 = 4,250,000$



Fee Schedule

- Cost for watershed program/impacts in watershed (similar to the Kentucky example)
- Cost for watershed program/unlimited activity specific impacts (example La Paz County)
- Credits? Fees? Cost for participation? Enrollment cost for existing storm water facilities by unit of measure; payment over time for continued enrollment in the program.



Ideas?



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