



Project Development under the Oregon DSL In-Lieu Fee Program

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Compensatory Mitigation In Oregon

Federal Program

Dredge and fill of waters of the US are permitted by the Army Corps of Engineers under Clean Water Act Section 404

State Program

DSL requires a permit for most projects that remove or fill materials in waters of the state under the Oregon's Removal-Fill Law (ORS 196.795-990).



DSL In-Lieu Fee Program

Approved in 2009

Statewide Program—6 advance service areas approved

ILF Program Objectives

- Minimize temporal loss
- Maintain a level of accountability commensurate with mitigation banks
- Meet short-term demand in areas without established mitigation banks
- Achieve ecologically significant restoration projects

Project Development

Sell Credit

- Prior to permit issuance (Removal Fill Law)
- Timeline begins

Report to IRT 2 years after first credit sale

- Insufficient funds generated?
- Project has not been found?
- DSL may propose alternatives

3rd (full) growing season

- Land acquisition & initial physical/biological improvements

Potential Alternatives

- Combine debits from two or more service areas.
- Out-of-kind replacement if it achieves priority actions from a watershed plan
- Funding a limited portion of a project

Credit Pricing



Impact

Are ILF project costs known? →

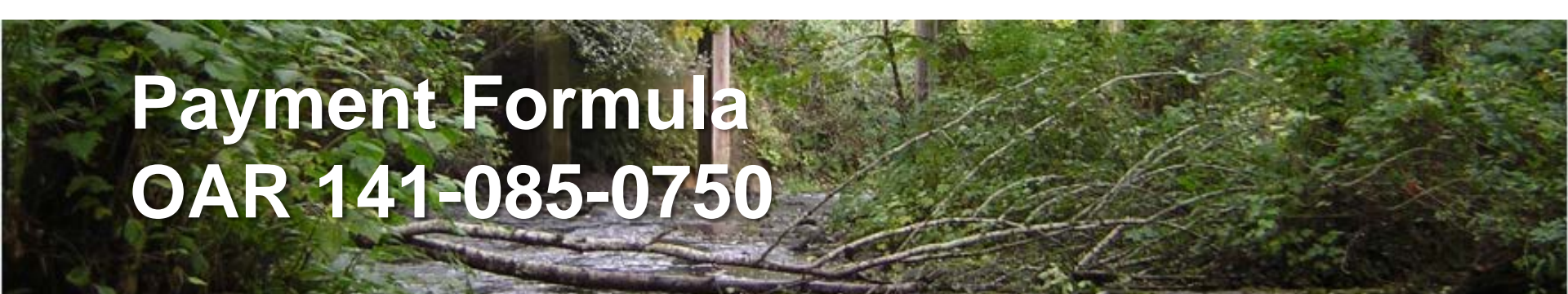
Is ILF project unknown? →



Mitigation

Total project cost ÷
anticipated # of credits

Use payment formula



Payment Formula

OAR 141-085-0750

$$\text{Payment} = [A + R + \text{RMV} + \text{LT}] \div \text{mm}$$

A = Administrative costs; 10% of the sum of R, RMV and LT

R = Restoration costs

RMV = Real Market Value of the unimproved land for which a permit is being issued

LT = Long Term management costs, calculated as 30% of the Restoration costs

mm = mitigation multiplier, representing the number of credits typically generated per unit area of mitigation conducted

Payment Calculator

22	Method B: Other areas in Oregon where costs are not known		
23	Area to be mitigated (acres)		<i>Insert the acreage of the impact that must be mitigated. For streams, use the average width at ordinary high water times the length of impact to determine acres.</i>
24	Tax lot acreage (impact site)		<i>Insert the total acreage of the tax lot where impact is located</i>
25	Real market land value		<i>Insert the real market land value for the tax lot. See more information below.</i>
26	Real market value of tax lot per acre	#DIV/0!	Equals area to be mitigated / tax lot acreage * real market land value of tax lot
27	Zoning Discount Factor		<i>Insert the correct discount from Table 2 based on the zoning of the tax lot being impacted</i>
28	RMV = Real Market Value per acre, discounted	#DIV/0!	Equals the real market value per acre * zoning discount factor
29	R = Restoration Cost		<i>Insert the restoration cost from Table 3 for the basin where the impact will occur</i>
30	LT = Long term management costs	\$0.00	Equals 30% of the restoration costs per acre
31	A = Administration	#DIV/0!	Equals 10% of the sum of RMV, R, and LT
32	mm = Mitigation Multiplier	0.5	Equals 0.5 and assumes a 2:1 replacement ratio
33			
34	PAYMENT REQUIRED:	#DIV/0!	Cost =[RMV+ (Impact acres *(R+LT+A))]/mm



Restoration Costs

Costs assigned by basin where impact occurs

Different costs for streams and wetlands

Information Sources

- **Oregon Watershed Restoration Inventory**
- The Conservation Registry
- Projects funded by DSL
- Surveys of restoration consulting firms and practitioners

Restoration Costs

Table 3: Restoration Cost by Basin

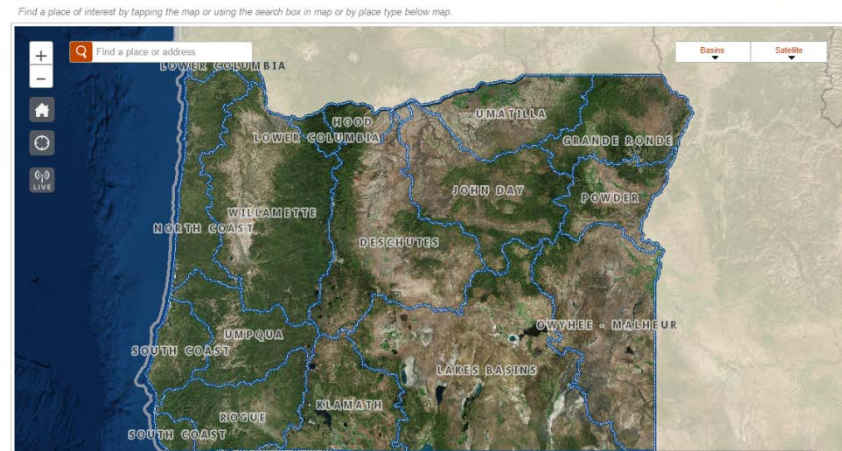
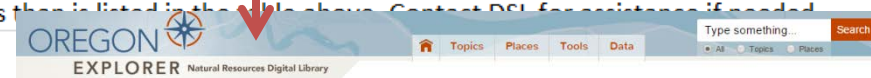
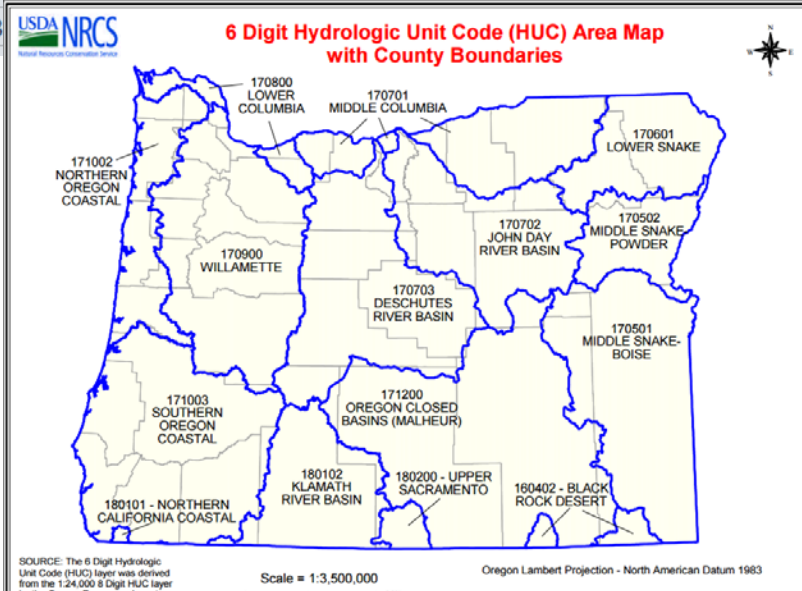
Basin (6 digit hydrologic unit code)*	Wetlands (per acre)	Streams (per acre)
Black Rock Desert (160402)	\$25,053	\$16,061
Deschutes River Basin (170703)	\$41,248	\$17,596
John Day River Basin (170702)	\$25,053	\$18,078
Klamath River Basin (180102)	\$15,114	\$14,990
Lower Columbia (170800)	\$33,065	\$17,926
Lower Snake (170601)	\$17,688	\$16,325
Middle Columbia River Basin (170701)	\$43,766	\$19,808
Middle Snake-Boise (170501)	\$25,053	\$15,648
Middle Snake-Powder (170502)	\$12,301	\$18,352
Northern Oregon Coastal (171002)	\$26,244	\$14,804
Oregon Closed Basins (171200)	\$25,053	\$15,961
Southern Oregon Coastal (171003)	\$19,156	\$14,992
Upper Sacramento (180200)	\$25,053	\$15,188
Willamette River Basin (170900)	\$34,383	\$19,779

*A pdf map of 6-digit hydrologic unit codes can be found at: http://www.oregon.gov/dsl/PERMITS/docs/6digit_HUCmap_nrcs142p2_043094.pdf

*You may find your basin by searching for "Basins" using Oregon Explorer-Places

<http://oregonexplorer.info/places/basins>

Match the first 6 digits of the of the HUC number to the table above.





Real Market Value Costs

Land value (without improvements) where impact will occur

Information Sources

- **County assessor office**
- Recent land appraisal, if available
- Similar adjacent property if the impacted tax lot has not been assessed (e.g. right of ways)

Land value is discounted based on a combination of zoning, tax lot size, and improvements

Deschutes County Property Information

Dial

New Search | New Search by Map / Taxlot | Interactive Map

View / Print Report

Assessment & Taxation >> Summary

Assessment & Taxation

Summary

Valuation

Tax Information

Sales

Land and Structures

Special Assessments

Tax Map

Tax Lot History

Related Accounts

Warnings/Notations

Service Providers

Development

Transportation

How to Use Dial

Summary for account # [REDACTED]

Summary information is displayed for the selected property. More detailed information and maps are available using the menu on the left side of the screen.

Account Information



Taxes

Property Tax (Current Year): \$440.97
[Current Statement \(PDF\)](#)
[Current Balance Due \(PDF\)](#)
[Pay Your Property Taxes](#)
[Tax Payments & History](#)
 Tax Code Area: 1001

Assessment

Assessor Acres: 3.69
 Property Class: 106 -- RESIDENTIAL
 BOARD OF PROPERTY TAX APPEAL 309.120

Valuation

Current Year Value Summary

As of Jan. 1, 2015
 2015 - 2016 Tax Year

Real Market Values: ⓘ

Land	\$93,780
Structures	\$0
Total	\$93,780

Assessed Values:

Maximum Assessed ⓘ	\$28,890
	\$28,890
Proportion of RMV to be included	\$0

Table 2: Zoning Discount Factor*

Description of Zoning

Industrial, Commercial, Multi-Dwelling (apartments, mobile homes) of any acreage, plus other improved tax lots less than 1 acre in total size

0.2

Other improved tax lots greater than 1 acre in total size, plus vacant lots less than 1 acre in total size

0.5

Other vacant tax lots greater than 1 acre in total size, plus farm and forest lands

0.8

Conservation Use/Public Reserve

1

Example: Mitigation Payment/Financial Security amount

Method B: Other areas in Oregon where costs are not known		
Area to be mitigated (acres)	0.021	<i>Insert the acreage of the impact that must be mitigated. For streams, use the average width at ordinary high water times the length of impact to determine acres.</i>
Tax lot acreage (impact site)	3.69	<i>Insert the total acreage of the tax lot where impact is located</i>
Real market land value of tax lot	\$93,780.00	<i>Insert the real market <u>land</u> value for the tax lot. See more information below.</i>
Real market value of area to be mitigated	\$533.71	Equals area to be mitigated / tax lot acreage * real market land value of tax lot
Zoning Discount Factor	0.5	<i>Insert the correct discount from Table 2 based on the zoning of the tax lot being impacted</i>
RMV = Real Market Value, discounted	\$266.85	Equals the real market value per acre * zoning discount factor
R = Restoration Cost	\$41,267.62	<i>Insert the restoration cost from Table 3 for the basin where the impact will occur</i>
LT = Long term management costs	\$12,380.29	Equals 30% of the restoration costs per acre
A = Administration	\$5,391.48	Equals 10% of the sum of RMV, R, and LT
mm = Mitigation Multiplier	0.5	Equals 0.5 and assumes a 2:1 replacement ratio
PAYMENT REQUIRED:	\$3,013.36	Cost = [RMV+ (Impact acres *(R+LT+A))]/mm

Price Check

- High costs may occur in areas with localized, high property values
- If cost per unit is higher than that at the highest priced private mitigation bank in the state, the zoning discount factor may be altered.



Locating Projects

- Other agencies
- Non-government organizations
- Other state grant program proposals
- Local governments
- Inquiries from potential bank sponsors
- Oregon Explorer Wetland Restoration Planning Tool



Prioritization and Compensation Planning Framework

Criteria for Selection of Mitigation Projects

- High likelihood of success
- Would achieve multiple objectives
- Supports regional conservation initiatives
- Compatible with the surrounding landscape



Prioritization and Compensation Planning Framework

Criteria for Selection of Mitigation Projects



- Capacity of the applicant and the project team
- Fund leveraging and project costs
- Long-term management



Prioritization and Compensation Planning Framework

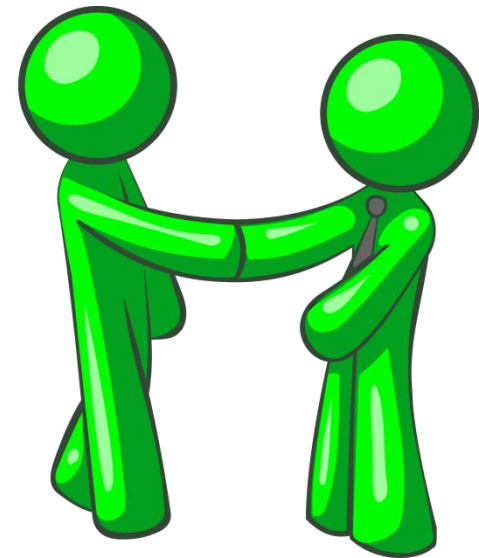
Meets established goals for the service area

- Located in or adjacent to state or locally-identified opportunity areas
- Restores priority ecological systems
- Addresses factors limiting in the watershed
- Addresses species management objectives
- Replaces aquatic habitat types impacted

Project Development Mechanisms

Grant agreements

- Grantee delivers final project designs, construction, monitoring, and meets terms and conditions of the grant
- DSL is responsible for the ultimate performance of the project





Project Funding

Mitigation credit is given for gains above and beyond those generated using public restoration dollars, unless otherwise approved

- Interagency Recommendations (2008)
- OAR 141-085-0720 (7): Collaboration with Public Resource Protection and Restoration Programs
- Oregon DSL ILF Instrument

Project Funding



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Funders

- Oregon Watershed Enhancement Board
- Oregon Dept. of State Lands
- Salmon Drift Creek Watershed Council
- USFWS Coastal Wetland Grant Program
- USFS—Siuslaw National Forest



Figure 39



Figure 40



Figure 41

Figure 38. Bare earth LiDAR image showing the new locations of the Fraser Creek channel and tributaries.

Figure 39. Last remaining Pixieland structure over tide gate.

Figure 40. Structure and tide gate removal.

Figure 41. The morning after the tide gate was removed, August 25, 2011.

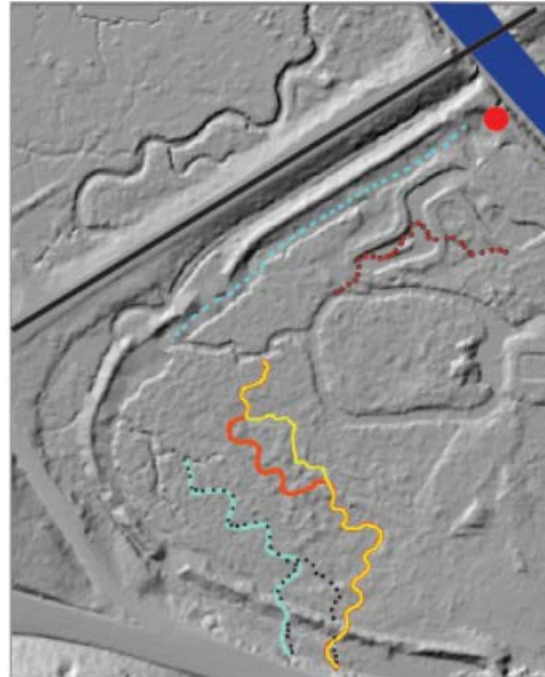


Figure 38



Figure 46. Filling interior ponds.



Figure 47. Filling interior ponds.

Figure 42. Removing concrete foundations from an old sewage treatment plant site near the tide gate.

Figure 43. Pile of asphalt waiting to be recycled with a dump truck on top of it.

Figure 44. Removing trees from dike around Pixieland to facilitate its removal.

Figure 45. Fraser Creek tributary completed.



Figure 42



Figure 43



Figure 44



Figure 45

Project Funding

Wetland Area ID	Acres	Restoration Method	Ratio	Credits
A, F, G	12.86	Re-establishment	1:1	12.86
B, C, D, E	12.99	Rehabilitation	3:1	4.33
TOTAL	25.85			17.19
DSL Cost Proportion	DSL is contributing \$318,593 of the total project cost of \$564,691.			45% of funding and credits may be claimed
Mitigation Credits				7.73