

# Accounting for Growth

## Why a Market Based Approach to Trading

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# GreenVest:

- \$19 million in tidal and freshwater wetland mitigation rights created & sold
- \$27.9 million in nutrient, wetland, stream and forestry credits existing or under development
- 6,280 acres restored, enhanced and preserved in mitigation projects (in perpetuity)
- 14,280 acres conserved in perpetuity as consultant to others
- 15,952 lineal feet of streams restored or in production
- 197 acres of Brownfield property remediated

# Obstacles to Effective Bay Cleanup

- Passage of time and lack of an efficient process
- Lack of a coordinated approach between Fed, States within the watershed, and Municipalities
- Lack of political will and constituency criticism
- Lack of coordinated and cohesive approach within the NGO community
- Not enough \$\$\$ or in some cases NO money
- Lack of restoration at a scale to have a meaningful impact
- Significant frustration at all level

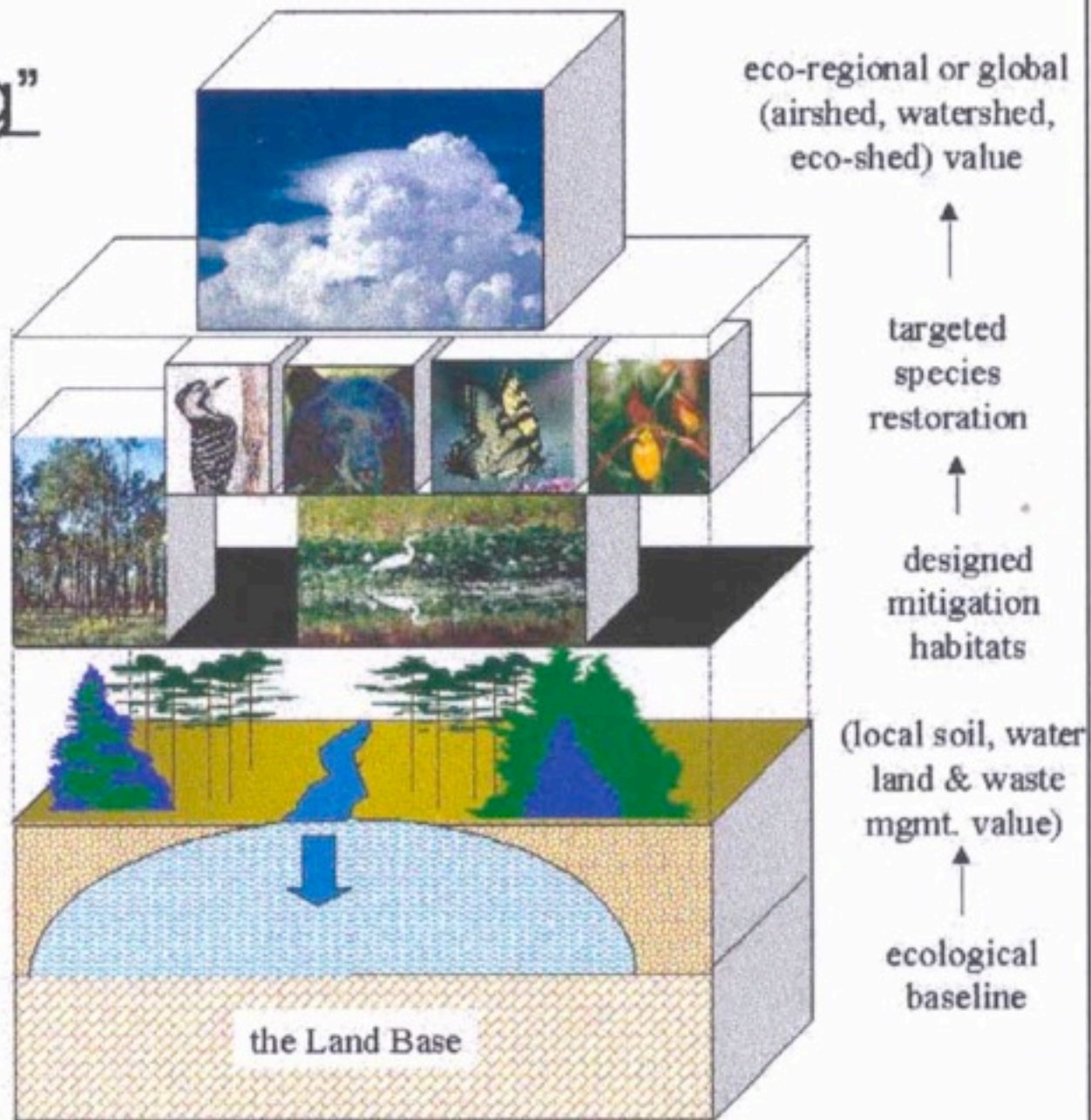
# Another Tool – Involve the Private Sector & Encourage Trading

- Tax payers and foundations cannot do it all!
- Leverage business acumen, access to capital & creativity
- Leverage private capital with other funding sources
- Create public–private partnerships
- Restoration projects can be managed by those trained and incentivized with performance criteria and uniform standards
- Bonding and financial assurances for long protection
- Private sector can help influence legislative actions needed

# Mitigation Credit "Stacking"

A land parcel contributes many different kinds of ecosystem services.

Managed with eco-assets in mind, the property may qualify for many kinds of mitigation credits.



**Figure 12.**

# Not Just the Private Sector

- Ducks Unlimited
- The Nature Conservancy
- The Conservation Fund
- Trust for Public Land
- Land Trusts

Are all involved in banking and market based trading

# Who Has Recommended It or Recognized it's Value?

EPA

World Resources Institute

Chesapeake Bay Commission

Chesapeake Bay Foundation

Senior Scientists of the Bay

Chesapeake Bay Program

Governor's Green Economy Work Group, Sustainability  
Forum

Critical Area Commission

National Association of Homebuilders

University of Maryland School of Public Policy

ULI

# In Lieu Fee (ILF) – Another Tool

## Benefits

- quick alternative to permittee mitigation
- agency discretion to direct site selection or use of money
- agency has interest in resource restored

## Drawbacks

- risk of too little money collected
- risk of money being diverted to another use
- lack of gov't. oversight once money is spent
- too much spent on straight preservation
- lag between impacts & implementation of



# Some Thoughts

- Compelling opportunity to look beyond the obstacles
- Tie restoration and banking to regional watershed implementation goals
- Encourage focus on why it can work rather than what could go wrong
- Possible Subcommittee presentations on:

The Mechanics & Benefits of Banking

Why Banking Should be Tied to Regional WIP Objectives

Demystify Standards for Scientific Success, Financial Assurances

Long Term Protection