

The Case for Eco-Development

Wetlands mitigation banks enable businesses and others to unlock revenue from lower value land by creating ecological credits for purchase and use by third parties.

January 4, 2011



Federal regulations establish mitigation banks as the preferred means of offsetting ecological damage from public and private development. Under the regulations, mitigation banks, which are newly created, restored or enhanced eco-habitats, generate eco-credits that can then be sold to parties who need them in order to proceed with their projects.

Companies, governments, and private entities often own land that apparently has little economic value. For example, wetlands, endangered species or flood-prone designations effectively preclude development. Property may serve as a buffer to a manufacturing plant or other development, or it may simply be in a location where development is not economically feasible. Selling the land may not be a realistic option, and mere ownership of the land costs money for property taxes and insurance at a minimum.

However, landowners may realize substantial revenue from large tracts of land that cannot be economically developed by transforming them into valuable mitigation bank conservation areas. This process enables landowners "to do well by doing good."

Simultaneously, governmental agencies, utilities and other quasi-public and private parties are faced with the delay of projects - roads, ports, pipelines, airports, railroads, commercial construction, and other types of development - that will encroach on eco-habitats because construction cannot proceed until the resulting ecological damage is offset by the creation of new eco-habitats.

Which land can be transformed into mitigation banks?

Preferred sites are large parcels of low lying land that are adjacent to a river or have a small lake or stream running through them. Often the land was once wetlands, but was converted to farm land or other uses in the past. To some extent, size matters because of economies of scale, although there are exceptions. Parcels in excess of 100 acres that are near bodies of water or have high water tables generally are desirable wetland mitigation bank sites. Smaller sites located near an urban area where land is at a premium and ecological credit demand is high may generate substantial revenues. In other instances, sites with high resource values, such as those capable of providing habitat for threatened, endangered or valued species (salmon, for example), may be desirable.

Who needs “eco” credits?

Any end-user that needs to mitigate the loss of wetlands and other eco-habitats resulting from their development activities including:



- Municipalities
- Government Agencies
- Highway Departments
- Utilities
- Port Authorities
- Airport Authorities
- Pipeline Companies
- Mining Companies
- Railroad Companies
- Forest and Timber Companies
- Water and Sewer Authorities
- Waste Disposal Companies
- Shopping Center Developers
- Home Builders

See <http://www.wceoi.com/> for further information.

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