

Alternative F – 100-Years Recovery of Functional Loss (3.00% TLIP)

Alternative F

Time Loss Interest  
Penalty 3.00% - Case 1

Time Loss Interest  
Penalty 3.00% - Case 2

Time Loss Interest  
Penalty 3.00% - Case 3

Restoration Wetland Debit / Credit		Enhance Prior Converted Debit / Credit		Enhance Wetland Debit / Credit	
Development Acres:	10.00	Development Acres:	10.00	Development Acres:	30.00
Mitigation Acres:	10.00	Mitigation Acres:	30.00	Mitigation Acres:	10.00
Development Multiplier:	3	Development Multiplier:	3	Development Multiplier:	1
Mitigation Divider:	0.3333333333333333	Mitigation Divider:	1.00	Mitigation Divider:	0.3333333333333333
Price Per Credit:	100000.00	Price Per Credit:	100000.00	Price Per Credit:	100000.00
Number of Credits Required:	30	Number of Credits Required:	30	Number of Credits Required:	30
Total Credit Cost:	3000000	Total Credit Cost:	3000000	Total Credit Cost:	3000000
Remaining Credits Available:	0	Remaining Credits Available:	0	Remaining Credits Available:	0
Remaining Credit Value:	0	Remaining Credit Value:	0	Remaining Credit Value:	0
Calculate Restore Wetland Credits		Calculate Enhance PC Wetland Credits		Calculate Enhance Wetland Credits	
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In Case 1 there is an effective 1:1 ratio for mitigation so for every acre of impact one acre of mitigation is required.

In Case 2 there is an effective 3:1 ratio for mitigation so for every acre of impact three acres of mitigation are required.

In Case 3 there is an effective 1:3 ratio for mitigation so for every acre of impact 1/3 acre of mitigation is required.

For meeting functional resource conservation recovery goals only Case 1 and Case 2 would be acceptable but Case 2 would be more desirable from a resource recovery perspective as it provides the best opportunity for capitalizing on the time loss factors. However, Case 1 provides the mitigation bank sponsors with 3 times more credit to sell than Case 2 while still meeting a minimum 1:1 replacement requirement. Case 3 would also provide the mitigation bank sponsors with three times the credit but 1/3 times the amount of potential credit sales and the recovery ratio would only be 1 mitigation acre for every 3 impact acres. This is why it is extremely important to make sure the mitigation ratio being employed is transparent and verifiable by disclosing the spatial coordinates and acreage for every debit transaction associated with a particular mitigation bank project.