

MEMORANDUM

Subject: Request for Approval
RO-7 Roanoke Stream Credit purchase
To: Inter-Agency Review Team
From: Karen Johnson
Date: November 26, 2012
Project: RO-7 Roanoke credit purchase

I am writing to request the approval to purchase 2,500 stream credits in the Roanoke River basin from the Roanoke River Stream and Wetland Mitigation bank, to be tracked within VARTF as RO-7.

ID	Project Name	Location / HUC	Project Type	Status
RO-7	Roanoke River Stream and Wetlands Mitigation Bank	Henry and Floyd / 03010103	Stream Restoration, Enhancement, Livestock exclusion	Approved mitigation bank with credits available for sale

The VARTF has a mitigation liability within the Roanoke River basin for stream impacts that have accrued over the past few years. VARTF staff have been actively seeking, evaluating and developing potential projects within this basin. Several consulting/engineering firms approached TNC during the summer of 2012 about our interest in pursuing large-scale projects with their firms. Considering that the VARTF does have existing mitigation liability (total compensation required 4,534 CC), the Conservancy was interested in considering these available options. To ensure the most compatible project was chosen, the Conservancy issued a request for proposals (RFP) in October 2012 for delivery of 2,500 – 3,500 stream credits in the Roanoke River basin. The Conservancy set a quick turnaround time and provided the RFP to all the active mitigation banks in the Roanoke River basin, and to four consulting/mitigation firms that regularly work with mitigation banks in Virginia.

The RFP outlined TNC's requirements for the following:

1. No more than 25% of the credits generated from the project could be through preservation activities.
2. Project location should be within an area identified in the VARTF Compensation Planning Framework.
3. The service area should contain the most useful HUCs within the basin.
4. A not-to-exceed price for both streams and wetlands.

Additional preferences were to be considered based on the following elements:

5. New projects which provided for additional lands protected
6. Project size and buffer widths
7. Proximity and/or protection of Heritage Elements
8. Proximity to other protected lands
9. Overall design approach

The Conservancy received four bids and selected credits from the Roanoke River Stream and Wetland bank as the most suitable for VARTF needs. The project site is aligned with TNC's conservation priorities (the VARTF Compensation Planning Framework), through both location and project scope. This bank has over 5,000 credits available and proposed to sell 2,500 – 3,500 credits to TNC at a competitive price. The site is located in a TNC priority area (Turkeycock Mountain) and is a large agricultural site with stream reaches suitable for restoration and enhancement. According to the proposal and MBI, the design approach for this bank site included credits generated through restoration (99%). Additional credits are provided through livestock exclusion and watershed preservation adjustment factors. The property is already protected by a conservation easement that protects habitat upstream of Roanoke logperch (*Percina rex*) occurrences. Cattle have been excluded from the property for over a year and a half and the site has begun to repair. Initial riparian buffer plantings in some sections are scheduled for this winter. Complete design plans are being developed with construction expected to take place in 2013.

We are proposing to purchase 2,500 credits from the Roanoke River Stream and Wetland Mitigation Bank for two main reasons. First, these credits are available and would address our mitigation liabilities immediately. The site has been reviewed and approved by the IRT as part of the bank's development, so no additional time constraints are expected. Second, this bank proposed the lowest price per credit. While pricing is not a singular, deciding factor, we take seriously the wise use of Trust Fund resources and when other factors are equal, price is an especially important distinguishing characteristic.

The current mitigation liability within the Roanoke is as follows.

Roanoke River Basin	Project Type	Proposed TCR	Successful Credit Status
Approved Projects			
RO-6 Roanoke Headwaters (Blake)	Buffer preservation and enhancement	2,433	966
	Sum Potential Credit	2,433	966
Proposed Projects			
RO-7 Credit Purchase	Mitigation bank - restoration	2,500	
Total Funds Proposed	Total Potential Credits	4,933	
Impacts to Date (If)	5,325		
TCR to Date	4,534		

The only approved VARTF (USM streams) project we have to date in this basin is RO-6 Blake. This project is expected to yield 2,433 CC when TNC completes the monitoring requirements in 2020. To date, it has already yielded 966 released credits and we expect another 1,350 credits from the site in 2013. Even if the project yields every single expected credit, however, we would still have unmet liabilities.

Therefore, we believe it is appropriate to purchase 2,500 credits from the Roanoke River Stream and Wetland Mitigation bank. This purchase, coupled with our on-going project at RO-6 Blake, would satisfy all Roanoke Basin USM liabilities and would do so on an abbreviated schedule.