



Long-Term Management of Compensatory Mitigation Projects

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What is Long-Term Management?

It is management of the compensatory mitigation project AFTER the project has met all of the performance standards for the project.

Why long-term management of mitigation projects?

Long-term management is often necessary to ensure that a compensatory mitigation project continues to meet its objectives after it has met its performance standards. Compensatory mitigation should be self-sustaining, but typically at least some form of management is required periodically to ensure that the project is sustainable AFTER it has met its performance standards.



What are some examples of long-term management activities?

- Fencing
- Signage
- Maintaining roads and structures
- Periodic inspections
- Species management
- Habitat management, such as periodic burning
- Protect from encroachment

For some compensatory mitigation projects, protection of the site might be the only long-term management required.

How long is the period of long-term management?

The duration of long-term management varies among compensatory mitigation projects. In some other U.S. Army Corps of Engineers (USACE) Districts long-term management provisions may not be required but the approved mitigation plan or permit condition states that the mitigation projects are intended to be self-sustaining. Some districts require permanent long-term management of mitigation bank sites and require the responsible party to specify how sufficient funds for long-term management will be provided. In some cases the period of long-term management is not established, particularly for properties conveyed to natural resource management agencies, because the properties remain in public use.

The Department of the Army permit or mitigation banking or in-lieu fee program instrument must:

- Identify the party responsible for long-term management (if long-term management is required)
- Allow for transfer of the responsibility for long-term management to another party, such as a land steward
- Address the required financing/funding for long-term management

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Long-Term Management Plans include:

- Descriptions of the management tasks
- Annual cost estimates
- Identification of the funding mechanism
- Adjustments for inflation and contingencies

Elements that are commonly part of long-term management plans include:

- Background condition of the site at the time it goes into long-term management
- Characterization of the site (ecological and physical characteristics)
- Requirements of the permit or mitigation bank/in-lieu fee program instrument
- Goals and Objectives
- Strategies and Tasks
- Reporting requirements
- Contingencies
- Legal provisions
- Funding
- Provisions for modification/amendment

**Determining the amount of long-term management funding requires consideration of:**

- An itemized analysis of management actions including costs of each action
- Funding strategies
- Adjustments for inflation
- Returns on investment (adjusted for inflation and fees)

How does financing for long-term management of mitigation projects differ from financial assurances?

Funding for long-term management of projects is not drawn upon until the compensatory mitigation project is in the period of long-term management, that is, after all performance standards have been met. Unlike short-term financial assurances, this funding is NOT used to guarantee performance but is used to fund management of the site or project.

How are long-term management funds managed?

The funding mechanism must be addressed in the permit or in the mitigation bank or in-lieu fee program instrument. Appropriate mechanisms for managing these funds include endowments, trusts, contractual arrangements, and other mechanisms determined appropriate by the USACE District. For permittee-responsible mitigation long-term management financing must be approved prior to commencing permitted losses. For mitigation banks and in-lieu fee programs, the provisions must be spelled out in the mitigation banking or in-lieu fee program instrument.

What are some strategies used to fund long-term management?

- Lump sum payment
- Through credit sales
- Annual payments
- Schedule of payments