

Typical Compensatory Mitigation Cost Estimate Components

In accordance with the 2008 Mitigation Rule, sufficient financial assurances shall be required to ensure a high level of confidence that the compensatory mitigation project will be successfully completed, in accordance with applicable performance standards. The amount of the required financial assurance shall be based on the fair market costs to fully design and implement a compensatory mitigation work and meet the performance standards. The following are typical components of a compensatory mitigation project that shall be considered in determining the appropriate financial assurance amount.

1. Land (fee-simple purchase) that would be required to implement the mitigation plan including streamside riparian zones and other types of buffer areas. Includes such legal costs as surveys, appraisals, title search, and title insurance.
2. Taxes that would be required for ownership of that land.
3. Deed restriction or other protective covenant, such as conservation easement.
4. Project planning, design, and engineering including site assessment, hydrologic/hydraulic studies, soil profiling, groundwater well installation, etc.
5. Obtaining necessary permits.
6. Mobilization and construction activities (equipment, labor, etc.) such as site preparation, surveys, sediment and erosion control, clearing, grading, excavation, soil management, planting, construction of roads, fences, etc.
7. Materials necessary to implement mitigation project such as trees and other plants, soil amendments, topsoil, rock, fencing, culverts, etc.
8. As-Built surveys.
9. Operation and maintenance of the project, including maintenance and periodically replacing fencing and any other structures, maintaining/enhancing vegetation, erosion protection, invasive species control, trash removal, periodic inspections of site, etc.
10. Management, monitoring, and reporting activities to be implemented during the period from the bank establishment date until implementation of long-term management period. Costs will typically be higher for forested and riverine systems than for emergent wetlands and open waters.
11. Reasonably foreseeable remedial actions necessary to ensure overall project success such as replanting, regrading, hydrologic modifications, wildlife damage control, etc. This cost should reflect the likelihood of needing such remedial actions.
12. Contingencies should typically add about 20% to the base project costs (above considerations) but should reflect the uncertainties of dealing with each resource type.
13. Legal and administrative costs (approximately 10% of the total base project costs).