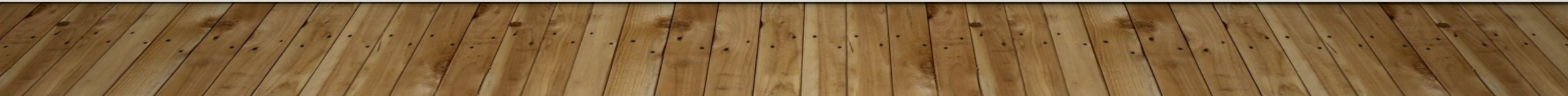


WETLAND AND CONSERVATION BANKING IN FLORIDA

2021 FLORIDA FORESTRY ASSOCIATION ANNUAL MEETING

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WHAT IS A MITIGATION BANK?

- Under 404 and State ERP Statute/Rules – wetland impacts must be avoided or minimized
- Authorized impacts must be offset by equivalent wetland function
- Mitigation Banks provide advance mitigation
- Permits – State and Corps of Engineers
- Site protection (conservation easement and title insurance)
- Financial Assurances
- Mitigation Activities
- “Credits” generated that can be sold

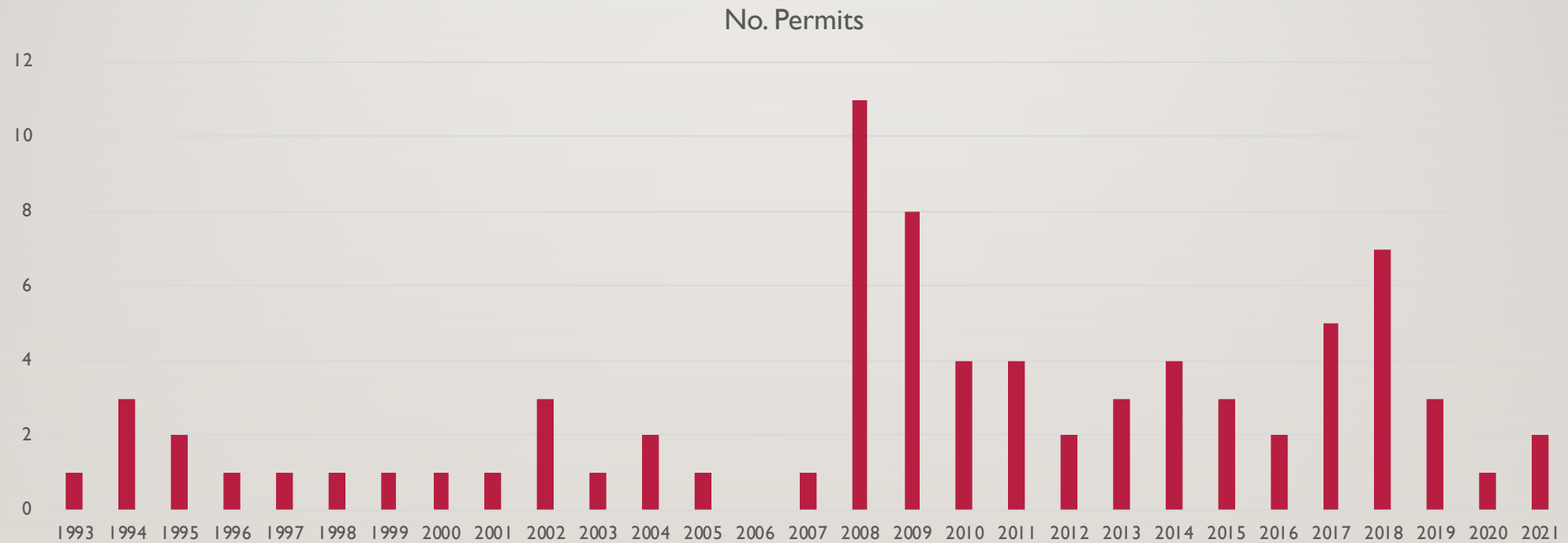
WHAT ARE THE FACTORS IN DECIDING WHETHER TO SEEK A BANK PERMIT?

- Market (watershed; demand)
- Competition
- Site Suitability (ability to achieve lift; sufficient legal rights)
- Capitalization
- Alternative Uses
- Conservation Ethic

HOW MANY MITIGATION BANKS HAVE BEEN APPROVED?

- 78 approved wetland banks
- First bank approved in 1993 – an average of about 3 approved each year.

HOW MANY MITIGATION BANKS HAVE BEEN APPROVED?



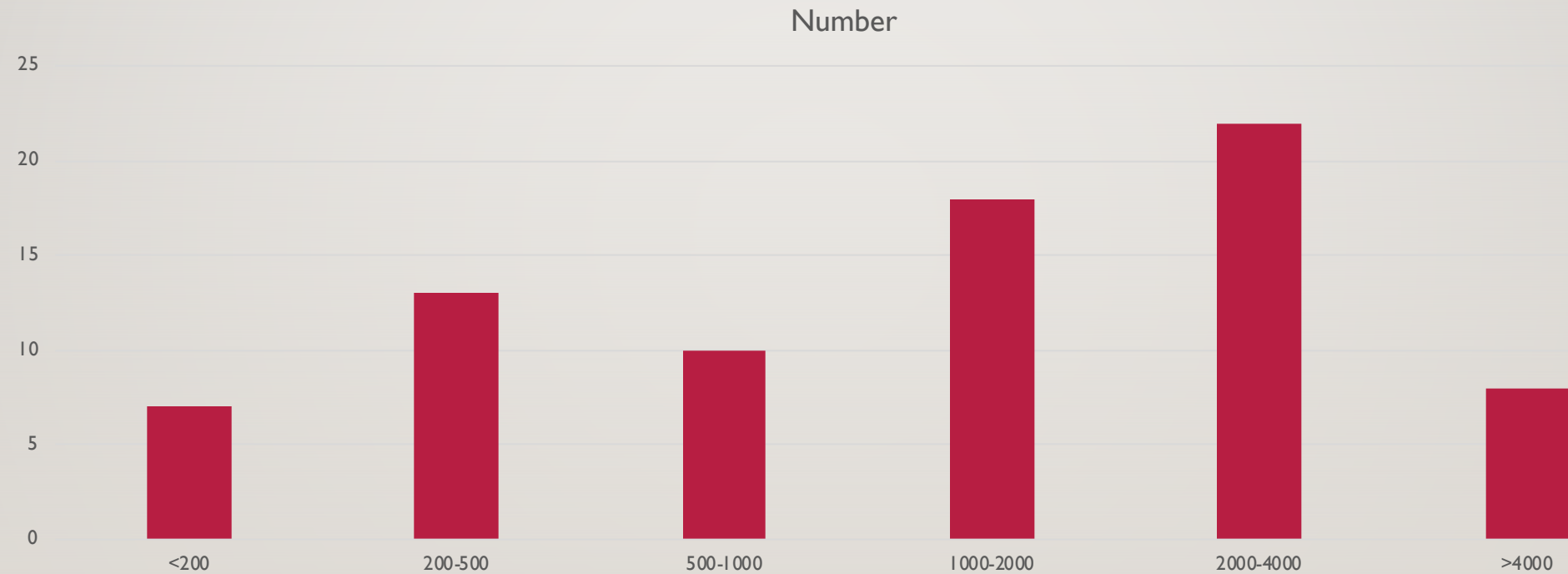
HOW MANY ACRES ARE IN MITIGATION BANKS?

173,473 acres in 78 approved wetland banks

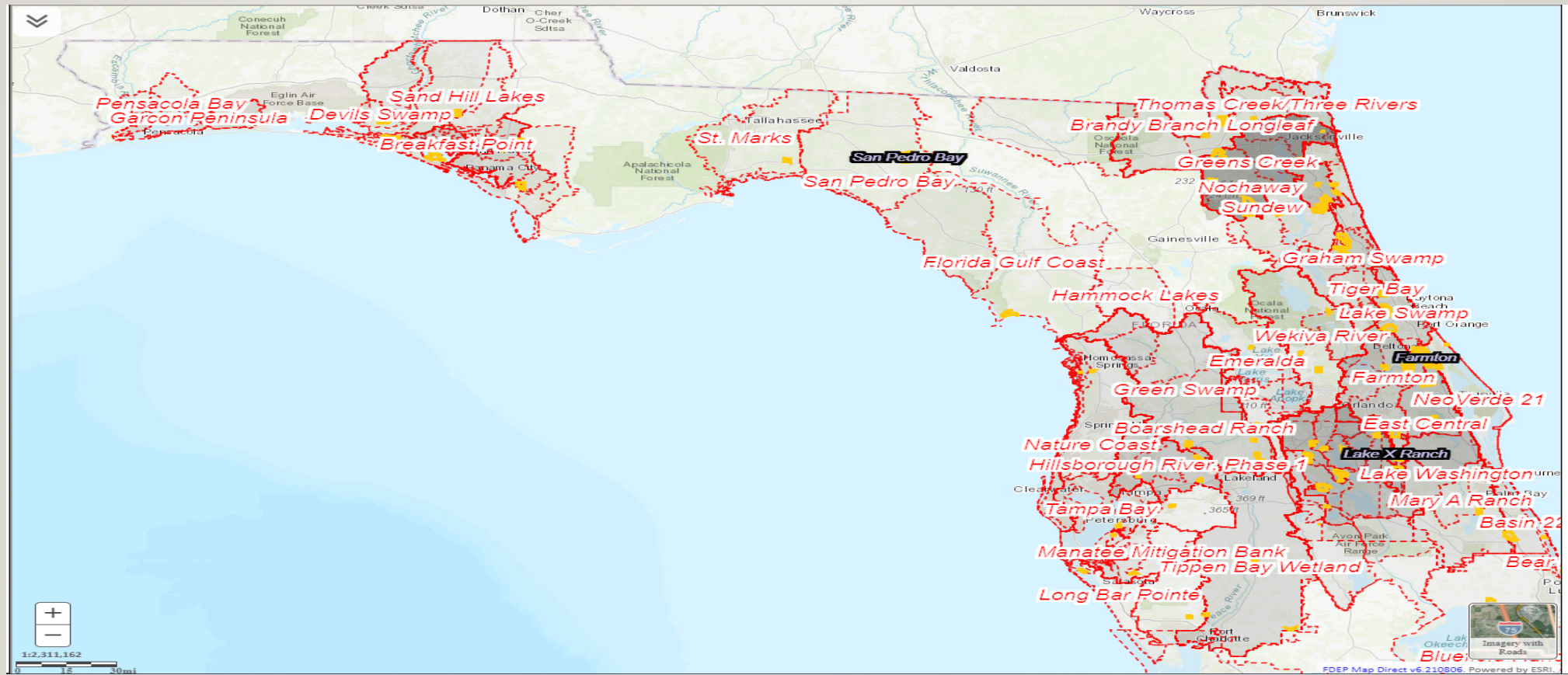
Average bank is 2,225 acres

Banks Range in size from 57 acres to over 25,000

WHAT DOES THE RANGE IN SIZE LOOK LIKE?



WHERE ARE THE BANKS LOCATED?



WHERE ARE THE BANKS LOCATED?

- 34 are located in the timber-growing regions
 - These banks include 101,795 acres – average size is ~3,000 acres
- 44 are located generally in I-4 Corridor or South
 - These banks include 71,678 acres – average size is ~1,600 acres

DANIEL KAHNEMAN'S PRE-MORTEM? THE GOOD, BAD AND UGLY

- Split decision-makers into two groups
- One provides best case scenario and models outcome
- Other assumes worst case scenario and provides explanations – identifies risks

DANIEL KAHNEMAN'S PRE-MORTEM? THE GOOD

- Federal Rules Favor Mitigation Banks
- State DOT Program
- Increased Economic Activity and Development
- Barriers to Entry
- Favorable Regulatory Environment in Florida

DANIEL KAHNEMAN'S PRE-MORTEM? THE BAD (AND UGLY)?

- Regulatory Pace
- Regulatory Risk
- Title Issues
- Competition
- Decline in Economy
- The unforeseen/unforeseeable

HOW LONG DOES IT TAKE TO PERMIT A MITIGATION BANK?

17 Banks have been permitted in last 5 years.

Has taken an average of 6.5 years from application to permit

20 Applications Withdrawn

HOW LONG DOES IT TAKE TO PERMIT A MITIGATION BANK?

- 78 Approved Banks (58%)
- 36 Pending Applications (27%)
- 20 Withdrawn Applications (15%)

WHAT IS AVERAGE PACE OF CREDIT SALES?

- Average Bank is approved for 513 credits (4.3 acres/credit)
- Average Bank has had 338 credits released (66% of approved credits)
- Average Bank has sold 151 credits (45% of released; 29% of approved)
- Average Bank has 187 credits available to sell (released minus sold)
- Average Pace of Sales is 12.8 credits/year

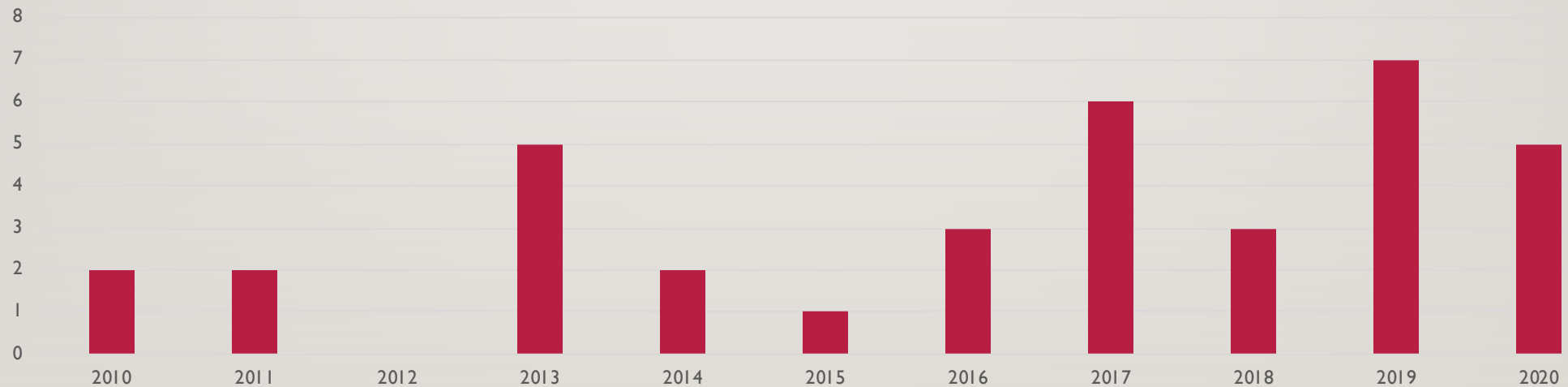
HOW MANY BANKS HAVE SOLD ALL THEIR CREDITS?

- 1 Bank
- 80 Acres

HOW LONG DOES IT TAKE TO PERMIT A MITIGATION BANK?

There are 36 Banks in the Application Process

Average Application has been pending almost 5 years



WHAT ABOUT CONSERVATION BANKS

18 Permitted and Pending Banks

5 Counties (Polk, Collier, Hendry, Desoto, Highlands) – All South of I-4

13,500 Acres (average bank is ~750 acres)

Three Species

- Scrub Jay
- Skink (several)
- Panther