Oregon's In-Lieu Fee Program: Fee Schedule

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Costs

Oregon Revised Statute 196.643 was modified in 2013 Legislative Session:

Payments to the Oregon Removal-Fill Mitigation Fund “must be sufficient to cover the costs and expenses of land acquisition, project design and engineering, construction, planting, monitoring, maintenance, long-term management and protection activities, administration and other costs and expenses related to the off-site compensatory mitigation, which may vary depending on the region of the state where the off-site compensatory mitigation is conducted. . . “

Costs

. . .and shall be calculated by the Department of State Lands as follows:

(a) If the off-site compensatory mitigation project and project costs and expenses are identified at the time of payment to the Oregon Removal-Fill Mitigation Fund, the department shall calculate the payment based on the actual costs and expenses of the off-site compensatory mitigation.

(b) If the off-site compensatory mitigation project and project costs and expenses are not identified at the time of payment to the Oregon Removal-Fill Mitigation Fund, the department shall calculate the payment based on the estimate of costs and expenses for off-site compensatory mitigation, as set forth in rules adopted by the department, for the region of this state where the department, to the greatest extent practicable, determines the off-site compensatory mitigation may be conducted.

Key points

- Statute does not set the actual fee or give specifics of how estimates will be made.
- Flexible wording and terms
  - “Cost and expenses” allows for an initial obligation of funds to a project, with expenses incurred as a grantee submits requests for funds with supporting documentation.
  - Administration fees can be ours as well as our grantees
  - “other costs and expenses” help cover project-specific expenses that may occur that aren’t otherwise covered in the listed costs
- Allows for the price of mitigation to vary by region but statute does not specify what a region is.

Impact **Mitigation**

Are ILF project costs known? → Total project cost ÷ anticipated # of credits

Is ILF project unknown? → Use payment formula

Oregon Administrative Rule
Payment = [A + R + RMV + LT] ÷ mm

A = Administrative costs; 10% of the sum of R, RMV and LT

R = Restoration costs

RMV = Real Market Value of the unimproved land for which a permit is being issued

LT = Long Term management costs

mm = mitigation multiplier

Restoration Costs (R)

OAR: calculated as the sum of all anticipated costs per unit area. Anticipated costs include but are not limited to project design and engineering, construction, planting and seven years of monitoring and maintenance.

Based on a biennial survey of regional project data submitted to:

- Oregon Watershed Restoration Inventory,
- The Conservation Registry,
- Projects funded by DSL, and/or
- Surveys of restoration consulting firms and practitioners

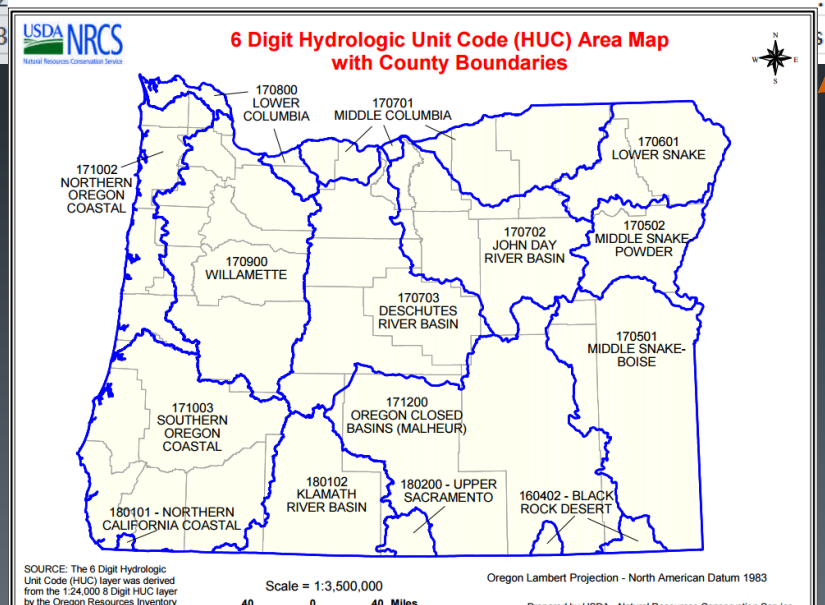
Table 3: Restoration Cost by Basin

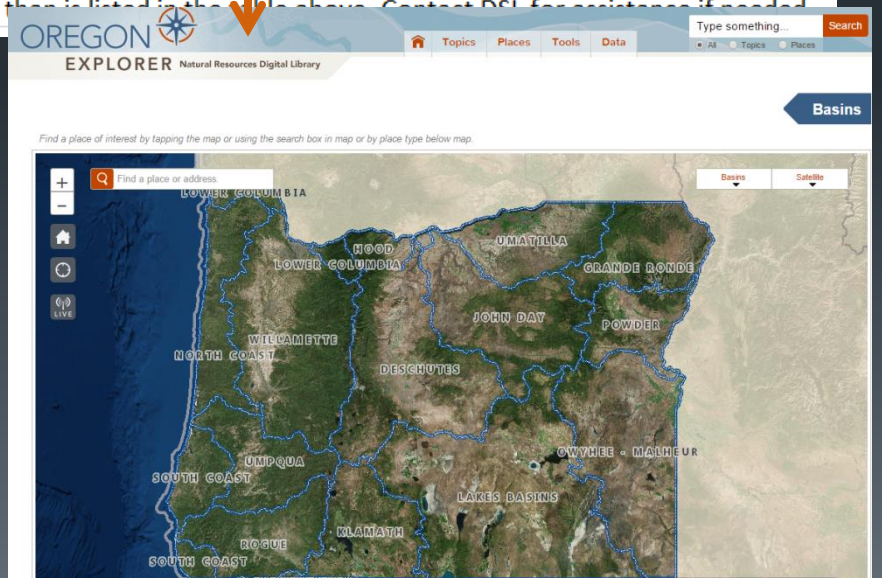
Basin (6 digit hydrologic unit code)*	Wetlands (per acre)	Streams (per acre)
Black Rock Desert (160402)	$25,053	$16,061
Deschutes River Basin (170703)	$41,248	$17,596
John Day River Basin (170702)	$25,053	$18,078
Klamath River Basin (180102)	$15,114	$14,990
Lower Columbia (170800)	$33,065	$17,926
Lower Snake (170601)	$17,688	$16,325
Middle Columbia River Basin (170701)	$43,766	$19,808
Middle Snake-Boise (170501)	$25,053	$15,648
Middle Snake-Powder (170502)	$12,301	$18,352
Northern Oregon Coastal (171002)	$26,244	$14,804
Oregon Closed Basins (171200)	$25,053	$15,961
Southern Oregon Coastal (171003)	$19,156	$14,992
Upper Sacramento (180200)	$25,053	$15,188
Willamette River Basin (170900)	$34,383	$19,779

*A pdf map of 6-digit hydrologic unit codes can be found at: http://www.oregon.gov/dsl/PERMITS/docs/6digit_HUCmap_nrcs142p2_043094.pdf

*You may find your basin by searching for "Basins" using Oregon Explorer-Places http://oregonexplorer.info/places/basins

Match the first 6 digits of the of the HUC number to the table above.





Real Market Value (RMV)

OAR: Real Market Value per acre of the unimproved land for which a permit is being issued as determined by the county assessor's office.

Information Sources

- County assessor office (online, copy of annual tax statement from applicant, call)
- Recent land appraisal, if available
- Similar adjacent property(ies) if the impacted tax lot has not been assessed (e.g. right of ways)

The land value needed is that of the impact area. The RMV of the impact area is proportional to the total cost and acreage of the tax lot.

Land value is discounted based on a combination of zoning, tax lot size, and improvements

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How to Use Dial

Assessment & Taxation >> Summary

Summary for account

Summary information is displayed for the selected property. More detailed information and maps are available using the menu on the left side of the screen.

Account Information

Taxes

Property Tax (Current Year): $440.97
Current Statement (PDF)
Current Balance Due (PDF)
Pay Your Property Taxes
Tax Payments & History
Tax Code Area: 1001

Assessment

Assessor Acres: 3.69
Property Class: 106 -- RESIDENTIAL

BOARD OF PROPERTY TAX APPEAL 309.120

Valuation

Current Year Value Summary
As of Jan.1, 2015
2015 - 2016 Tax Year

Real Market Values:

Land	$93,780
Structures	$00
Total	$93,780

Assessed Values:

Maximum Assessed	$28,890
	$28,890
	$0

Table 2: Zoning Discount Factor*

Description of Zoning	Proportion of RMV to be included
Industrial, Commercial, Multi-Dwelling (apartments, mobile homes) of any acreage, plus other improved tax lots less than 1 acre in total size	0.2
Other improved tax lots greater than 1 acre in total size, plus vacant lots less than 1 acre in total size	0.5
Other vacant tax lots greater than 1 acre in total size, plus farm and forest lands	0.8
Conservation Use/Public Reserve	1

Long-term management (LT)

OAR: Calculated as 30% of the Restoration costs (R).

Information Sources

- DSL projects (limited)
- Recommendation of a committee of three experienced land trusts

Mitigation multiplier (mm)

OAR: Mitigation multiplier representing the number of credits typically generated per unit area of mitigation conducted.

Current Practice

- Minimum ratios are established in rule by type of mitigation
- Most projects have a combination of types of mitigation
- Minimum ratios range from 10:1 for preservation to 1:1 for restoration.

Payment calculator uses a multiplier of 0.5 and assumes 2 acres of mitigation for every 1 acre of impact

Guidance

- Payment calculated can be excessive
  - State feels we are unlikely to incur that cost per acre
  - Occurs when impact area has high property values and the impact is to a high proportion of the total tax lot.

- If cost per unit is higher than that at the highest priced private mitigation bank in the state, the zoning discount factor may be altered.

Simple Example

Method B: Other areas in Oregon where costs are not known		
Area to be mitigated (acres)	**0.021**	***Insert the acreage of the impact that must be mitigated. For streams, use the average width at ordinary high water times the length of impact to determine acres.***
Tax lot acreage (impact site)	3.69	***Insert the total acreage of the tax lot where impact is located***
Real market land value of tax lot	$93,780.00	***Insert the real market land value for the tax lot. See more information below.***
Real market value of area to be mitigated	$533.71	Equals area to be mitigated / tax lot acreage * real market land value of tax lot
Zoning Discount Factor	0.5	***Insert the correct discount from Table 2 based on the zoning of the tax lot being impacted***
RMV = Real Market Value, discounted	$266.85	Equals the real market value per acre * zoning discount factor
R = Restoration Cost	$41,267.62	***Insert the restoration cost from Table 3 for the basin where the impact will occur***
LT = Long term management costs	$12,380.29	Equals 30% of the restoration costs per acre
A = Administration	$5,391.48	Equals 10% of the sum of RMV, R, and LT
mm = Mitigation Multiplier	0.5	Equals 0.5 and assumes a 2:1 replacement ratio
PAYMENT REQUIRED:	$3,013.36	Cost =[RMV+ (Impact acres *(R+LT+A))]/mm

0.021 acre impact
Payment = $3,013.36
Cost per acre = $143,493

Complex Example-Enforcement

Complex Example

- Add a separate sheet to calculate payment for each tax lot
- For right of ways, use information from adjacent tax lots
  - Calculate the RMV as if the impact was part of each tax lot.
  - Can also apply different discount factors if needed.
  - Average the RMV calculated for each adjacent tax lot.
  - Insert in the spreadsheet. Set the tax lot acreage equal to the acres of impact.

- Sum costs for each tax lot and ROW to get the total payment due.

Wetland in ROW

Average RMV of impact area

Wetland p	Wetland poly area	RMV of tax lot	Lot acres	Impact acres RMV/acre	Zoning discount factor	
d	0.048					
Tax lot 2701		247192	1.89	$6,277.89	0.5	$3,138.95
Tax lot 2710		104544	0.4	$12,545.28	0.2	$2,509.06
					Average RMV of impact	$2,824.00

Method B: Other areas in Oregon where costs are not known	
Area to be mitigated (acres)	**0.048**
Tax lot acreage (impact site)	0.048
Real market land value of tax lot	$2,824.00
Real market value of area to be mitigated	$2,824.00
Zoning Discount Factor	1
RMV = Real Market Value, discounted	$2,824.00
R = Restoration Cost	$19,156.00
LT = Long term management costs	$5,746.80
A = Administration	$2,772.68
mm = Mitigation Multiplier	0.5
PAYMENT REQUIRED:	$8,304.85

Complex Example

Payment Total		
Tax Lot	Amount Calculated	
2500	$	546.66
2704	$	34,247.80
2701	$	121,093.70
2711	$	637.49
2710	$	16,037.56
102	$	8,766.26
2719	$	259.98
107	$	15.93
Wetlands in ROW		
c	$	5,184.17
d	$	8,304.85
h	$	69,108.84
k	$	16,231.30
Total Due	**$**	**280,434.54**
Cost per acre	$	180,925.51
Guidance check:		
Maximum price for 1.55 acres of	$	*387,500.00*