

City of Charlotte Mitigation Bank

Across the U.S. each year, many property owners undertake projects to develop their land where adverse impacts to wetlands and streams cannot be avoided. For example, a piece of land in Mecklenburg County has been zoned for commercial development and portions of the property are covered with wetlands. If the success of the project depends on the construction of a parking lot in the wetland area, the US Army Corps of Engineers (COE) must grant the property owner permission before the wetlands can be drained, filled in with dirt, and covered in asphalt. If a lot of wetlands are proposed to be destroyed, the COE may require the property owner to "mitigate" those impacts by asking the owner to create new wetlands elsewhere on the property. If there is no room on the property being developed for the creation of new wetlands, the COE will allow the owner to use the amount of money that would have cost to construct the new wetlands and instead purchase mitigation credits from a local mitigation bank.

Mitigation banks generate credits for sale by funding wetland and stream restoration projects. The COE approves the restoration projects and the number of credits that will be generated to be sold. After successfully constructing the project, the mitigation credits are held by the mitigation bank and are subsequently sold to others seeking credits to offset their own impacts to wetlands or streams.

In 2004, the City of Charlotte established a Stream and Wetland Mitigation Bank. The Mitigation Bank holds "mitigation credits" that are generated when Storm Water Services restores, enhances or preserves streams or wetlands in Mecklenburg County. Mitigation credits are set aside to be used later or "banked" to compensate for unavoidable impacts to streams and wetlands during the construction of City and County public infrastructure projects. Before creating this mitigation bank, project mitigation requirements were satisfied by purchasing credits from the State without regard for where the money was spent. Today, City and County public projects can purchase credits from the City's Mitigation Bank, which allows mitigation dollars to remain local and the benefit of restoration projects to be realized in local watersheds. The City of Charlotte was the first municipality to establish a mitigation bank in North Carolina and is the largest municipal mitigation bank program in the State. In 2008, the City and County entered into the Interlocal Agreement for the Mitigation Bank. This agreement allows the County to generate mitigation credits from publically funded wetland and stream restoration projects so that the County's mitigation credits could be bought and sold through the City's mitigation bank.