

## Open Work Session

### Environmental Mitigation Agreement with Davey Resource Group, Inc.

August 2, 2022

Mr. Tony Rudy, Airport Manager, and Mr. Damian Holynskij, Senior Project Manager with Davey Mitigation, came before Council. Mr. Rudy said, in a nutshell for the runway extension project, he believes it was earlier this year or late last year when they entered an agreement with Maple Dam Mitigation for wetland mitigation credits. He explained, they are a bank, so basically they have the property all set up and that acreage is purchased on an as-needed basis. He said they knew they were going to need quite a bit of wetlands to mitigate for this project, so that last agreement locked those in so no one else could purchase those, and those credits satisfy all of Federal and State requirements. He said they do have additional State mitigation requirements that are needed, and they are in the process of going through the permitting process for the runway extension project for the wetland mitigation. He said the State initially wanted them to purchase bank credits if available, and their second choice was to purchase an in-lieu fee for the State, which go for about \$130,000 an acre, and their third choice was to do a permittee responsible mitigation. He said, since the public comment period opened up on the permitting process, the State has changed its mind from comments received and they really want the Airport to go forward with a permittee responsible mitigation rather than the in-lieu fee because Davey already had 17 acres available that they were developing and they were close to ready to go. He said, in addition to that, they were looking at other properties to purchase to basically create the rest of the wetland areas they would need for their project, so the Maryland Department of Environment (MDE) is pushing in this direction. He said because they are aware of these properties and they are aware of what Davey is doing, that is why they entered into discussions with them and came up with this agreement.

Mr. Holynskij said the Airport needs 50.85 credits, and a portion of that was covered by Maple Dam, and that leaves a remainder of 37.61, so MDE was proposing that 17.6 of these credits be covered by their permittee responsible bank, which is a permittee responsible project, and he will explain that in a second, and the balance is covered by the in-lieu fee or a second option. He said he will start with the 17.6 credits. He said they have a property that they were working through the banking process, so they have already vetted it and they know it is going to work. He said they have had agencies on the site, such as MDE, Army Corp, and the EPA, and they like it as a wetland mitigation site, so it is viable. He said what they talked with Mr. Rudy about and what they offer is called a fixed price solution, so it is almost as simple as a bank credit where Davey takes on all the responsibility for the project – design, engineering, purchasing the land, financial assurances, maintenance, monitoring, everything for one fixed price. He said that is cheaper than comparison to the in-lieu fee credits, so they are offering those 17.6 credits at \$110,000 a credit, and the in-lieu fee goes for \$135,000. He said, if the County goes with the permittee responsible option, it is a savings of \$440,000 as compared to purchasing in-lieu fee credits. He said they also have an additional 20 credits that are out there that the County has the option of purchasing from an in-lieu fund, but they are also looking for an additional property that, if they can find a property that serves that purpose, they will show the County that property, and if it is something the County wants to pursue as a permittee responsible mitigation project that is cheaper than buying in-lieu fee, that is an option the County can pursue. He concluded, it is a little complicated, but there are two options on the table, one being the 17.6 for the property they have in hand, and they are also looking to see if there is a second option so they can save the County money.

Mr. Dodd asked Mr. Holynskij to repeat the cost per acre again. Mr. Holynskij said the proposal they have in front of the County right now is \$110,000 per credit, and that means for every acre of impact, that is what a credit is. He said they are offering \$110,000 and, as a comparison, in-lieu fee is traditionally \$135,000.

Mr. McCain said, also, if he heard correctly, they said they do the design as part of that, to which Mr. Holynskij responded, yes sir, they would do everything. He said they would work with the regulatory agencies to get the approvals, they would do the design and engineering, construction, maintenance, and monitoring. He explained, with these projects, they do the restoration and they are required to monitor them for five to ten years, so all of that is included in that one fee. Mr. McCain then asked, if they do the in-lieu fee, they are just paying the amount, to which Mr. Rudy responded, the in-lieu fee would go to the State; however, they have indicated they would rather the County go this route. Mr. McCain said his point is that they do not get any design work or anything with that, they would just be paying the fee, to which Mr. Rudy responded, he is not sure, and he would assume the State would eventually develop their own. Mr. Holynskij said the idea with the in-lieu fee is that money goes into a pot and eventually that funding goes into restoring wetlands. He clarified, he surmises from whatever the reason the State's preference is this site is that it is a project they know is going to work and there is restoration that goes in the ground at the same time as the impacts are happening as opposed to the in-lieu fee, though restoration mitigation may happen in the future, so that is why their preference is recommended that the County consider this option for a portion of those credits as opposed to buying in-lieu credits. He said also, again, savings as well.

Mr. Hastings asked, if they did pay the in-lieu fee, is there then eventual offsite mitigation, and does that have to happen in the watershed, to which Mr. Holynskij responded, yes, he believes they are generally tied together, but he has to double check.

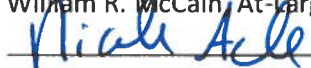
Mr. Cannon asked where this goes from here, to which Mrs. Hurley responded, they will bring this back for a public hearing, and they can do that on August 16 at 10:00 a.m.

There was no further discussion.

  
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John T. Cannon, President, At-Large

  
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Ernest F. Davis, Vice President, District 1

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William R. McCain, At-Large

  
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Larry W. Dodd, District 3

  
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Josh Hastings, District 4

  
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Joe Holloway, District 5

  
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Laura Hurley, Council Administrator