

Los Cerritos Wetlands Authority

Date: November 7, 2024
To: Governing Board Members
From: Mark Stanley, Executive Officer

Subject: Item 08: Consideration of a resolution to authorize the Executive Officer to enter a non-binding Memorandum of Understanding with Ecosystem Investment Partners to investigate the viability of creating a wetland mitigation bank on LCWA property

Recommendation:

That the LCWA board approve a resolution to authorize the Executive Officer to enter a non-binding Memorandum of Understanding with Ecosystem Investment Partners to investigate the viability of creating a wetland mitigation bank on the LCWA property.

Project Description:

[Exhibit A: Project Location](#)

[Exhibit B: Draft MOU for Consideration](#)

If approved, this resolution would authorize the Executive Officer to enter into a non-binding Memorandum of Understanding (MOU) with Ecosystem Investment Partners (EIP), to explore the viability of creating a wetland mitigation bank on LCWA owned property within the Central Los Cerritos Wetlands (see “LCWA”, Exhibit A Project Location). The non-binding MOU would not create any legally binding rights or obligations to either party, and neither party would be obligated to enter into any binding agreement as a result of the MOU.

Rather, the MOU would formalize an agreement between both parties to work together in good faith and promote an atmosphere of collaboration between them, as both parties invest their time in the exploration of a wetland mitigation bank on the Authority’s property. The MOU provides an initial framework and agreement in principle to cooperate on the potential creation of a wetland mitigation bank.

A draft MOU acknowledges that if EIP is able to complete the following activities, it would have earned any mitigation bank credits authorized by the Inter-Agency Review Team (IRT), which is responsible for overseeing mitigation bank development and approval in California.

1. Control land through purchase of fee title, or through mitigation use right agreements on parcels of land in the central portion of the Los Cerritos Wetlands that are contiguous and contain sufficient conservation and ecological values to develop a mitigation bank.
2. Investigate and obtain site-specific biological and technical data and completing a bank design sufficient for review as a Prospectus by an Interagency Review Team (IRT).
3. Completion of documentation, applications, and agreements sufficient for obtaining all permits necessary for the permitting and construction of a wetlands mitigation bank.
4. Approval of a Bank Enabling Instrument by the IRT
5. Successful capping and abandonment of all existing oil wells on the subject property or addressing access and protection issues sufficient to address potential concerns of oil well owners, the IRT, and the LCWA collectively or individually.
6. Construction of the mitigation bank to “as built” specifications sufficient to satisfy the IRT and the LCWA.

Background:

Ecosystem Investment Partners was founded in January of 2006, with a goal of combining ecological restoration with economic development. It creates market-based solutions to accelerate and simplify regulatory compliance for businesses who need to offset or provide mitigation for unavoidable permitted impacts to wetlands, streams and habitat areas. In June of 2007 the firm completed its first acquisition, 1,000 acres within the Great Dismal Swamp National Wildlife Refuge in Virginia, where it established its first mitigation bank in 2010. Since then, EIP’s biological restoration projects have revitalized wetlands, streams, and regionally significant habitats across the United States. Notable projects include Lookout Slough (CDWR) in Solano County, Riverpark Mitigation Bank (Western Riverside County Regional Conservation Authority) in Riverside County, in addition to several others currently underway in 9 states.

EIP has obtained an option to purchase land adjacent to LCWA properties, owned by the Bryant family (see Exhibit A Project Location Map “Bryant”). It has also held initial meetings with Synergy Oil and Gas to discuss the company’s experience in the formation of a mitigation bank on the Northern Synergy Oil site (now owned by the LCWA), as well as Signal Hill Petroleum who currently oversee oil operations at the Central Los Cerritos Wetlands. Additionally, EIP representatives have met with the City of Long Beach’s City Manager, Director of Development Services, and Councilmember/LCWA Board Chair Duggan. LCWA staff met with EIP on two occasions to better understand EIP’s objectives,

due diligence and progress to date, and the possibility of a mitigation bank on LCWA owned land. It is the LCWA's understanding that each of these entities are open to the idea of working toward a mitigation bank within the central area.

Fiscal:

The MOU does not require the LCWA to expend or in any way fund EIP's activities. There is no intent to assume any additional costs beyond the normal course of LCWA business.