

A Market Approach to Financing Green Infrastructure for Stormwater Management

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Innovative Funding Models

Leveraging Private Investment

Public/Private Partnerships

Market-Based Approaches

TNC Involvement in Stormwater Finance

- State policy advocacy
- Sharing innovative finance models/regulations across multiple jurisdictions
- Working with partners
- Working on watershed scale approaches and co-benefits to gain financing for green infrastructure





3 Options to meet requirements:

- 100% Onsite
- 50% onsite +:
 - In-Lieu Fee paid to city or
 - Buy offsite credits

100% Retention Onsite in Practice

Less below ground parking



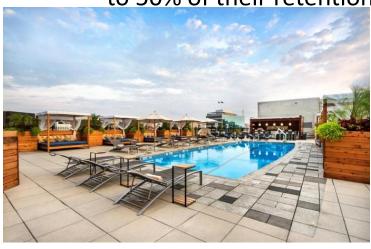
Less amenity space

More expensive structure and systems

The Market Place - Offsite Option

Developers can purchase Stormwater Retention Credits (SRCs) for up

to 50% of their retention requirement



Buy offsite credits for cost savings and design flexibility



- Non-regulated site builds retention on their property to create credits
- Credits can only be generated in DC
- Credits have to be purchased in perpetuity to meet annual requirements

<u>Implementation</u>: Trade Example



Demand = Regulated new construction

50,000 gallons of total required retention

Build 40,000 gallons of onsite retention

Buy SRCs to cover final 10,000

Supply = Non-regulated landowner

- builds voluntary green infrastructure project with 10,000 gallons of retention
- Site gets accredited for SRCs
- Sells credits to developer above



Benefits of Offsite Compliance Using SRCs

COST SAVINGS

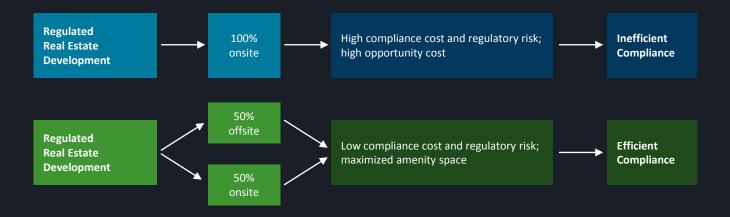
Purchasing SRCs from an offsite provider saves money.

DESIGN FLEXIBILITY

Offsite compliance allows developers to focus on design instead of stormwater management.

OPPORTUNITY COSTS

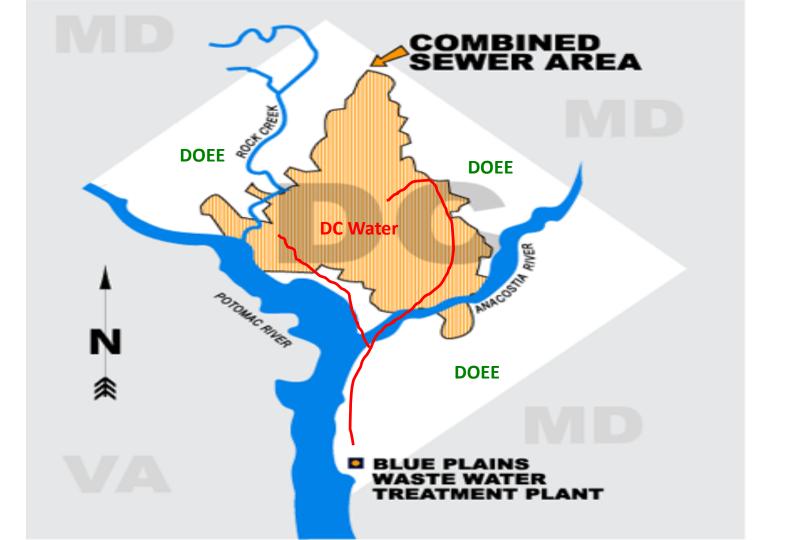
Offsite compliance frees space for revenue-generating features like parking spaces and rooftop amenities.

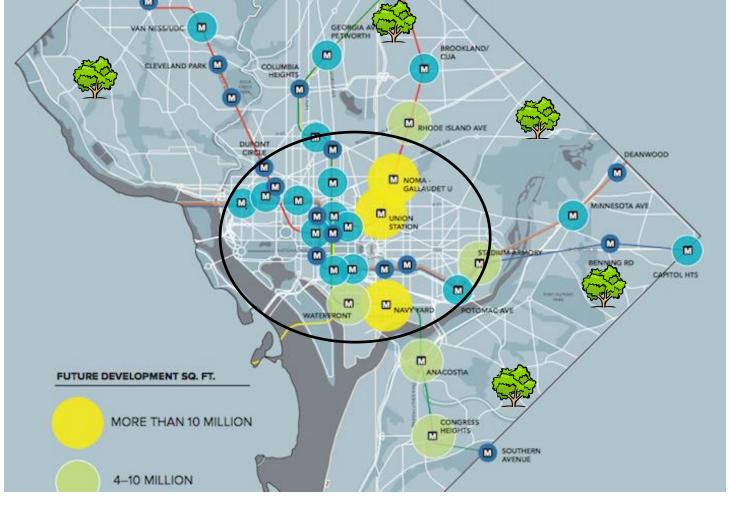


Is this just moving the problem?

Are we just exporting the problem to other sites?

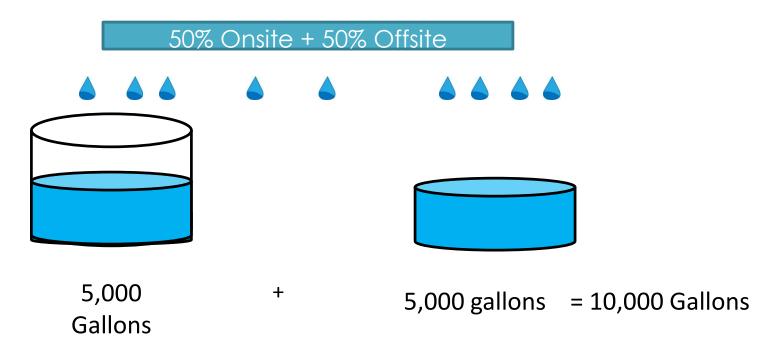






Building stormwater retention in the DC Water area is redundant!

Impact of 50% Onsite Requirement = More Retention

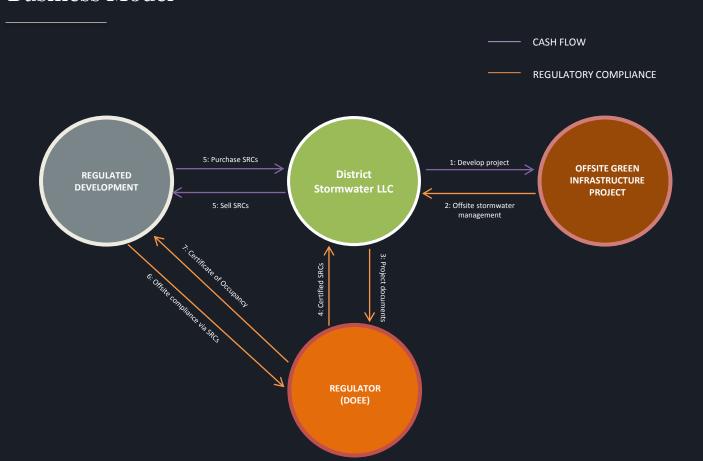


- 1.2" retention standard reflects 90th percentile storm event
- Offsite retention allows more property to retain lesser storms



Prudential

District Stormwater LLC Business Model



Market Enabling Conditions

Dedicated Stormwater Fee as incentive

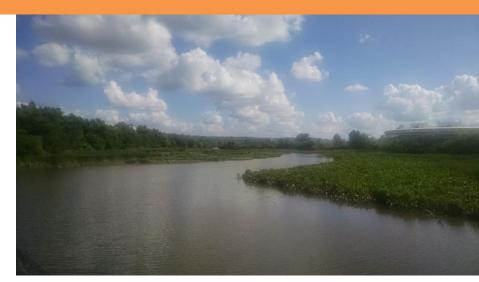
Post-Construction Retention Standard

Development Pressure

Removes burden off taxpayer

Key Components for Market Success

- Private equity to build projects
- Reduce Risk for Developers
 - Long-term compliance quantity
 - One sophisticated counterparty
 - High quality projects
 - Flexible terms



- Best sites to build green infrastructure projects
- Outreach to Drum up supply and demand









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