

Project History

Overview

The Green/Duwamish Central Puget Sound Watershed, WRIA 9, is one of sixty-two Water Resource Inventory Areas (WRIAs) in the state. In 2005, WRIA 9 completed a ten-year Salmon Habitat Plan, which identified salmon habitat restoration and conservation projects costing about \$300 million. Earth Economics researched ways to fund implementation of the plan. Twenty-three funding mechanisms were identified, and the WRIA 9 Ecosystem Forum narrowed these to seven, and further to three.

The purpose of this Policy Brief is to provide project history (Brief 1). Other briefs describe current funding (Brief 2) and discuss three funding mechanisms (Briefs 3, 4 and 5).

Why Invest in the Watershed?

The benefits (salmon, flood protection, recreation, clean water) derived from “natural capital” (forests, wetlands, riparian areas, lakes and rivers) in WRIA 9 have been estimated at \$1.7 billion annually. The Salmon Habitat Plan helps preserve this natural capital by investing in the restoration of critical salmon habitat and the recovery of endangered Chinook salmon populations.

Recovery of salmon habitat also will improve water quality and increase recreational, commercial, and tribal fishing opportunities and jobs. The science has been studied, projects identified and some implementation is completed. Yet funding sources sufficient to implement the entire plan are lacking.

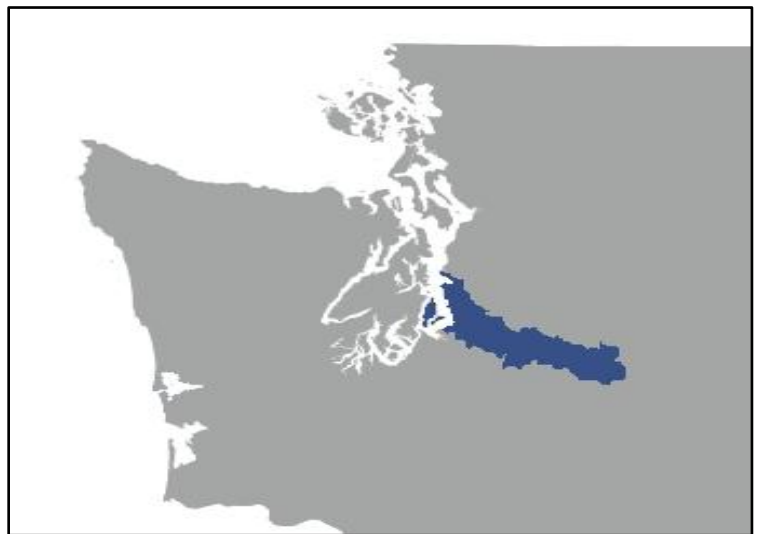


Figure 1: Water Resource Inventory Area 9 encompasses the Green/Duwamish and Central Puget Sound Watershed.

History of Process Used to Identify Funding Mechanisms

A workshop in August 2008 generated 23 possible funding mechanisms. Earth Economics evaluated each mechanism for its funding potential, feasibility, and potential as either a disincentive for actions that damage salmon populations, or an incentive for benefiting salmon, reducing the list to 21. From this list, seven mechanisms were selected by the WRIA 9 Watershed Ecosystem Forum (See Figure 2).

Evaluation criteria were then developed, adopted and applied by the WRIA 9 Watershed Ecosystem Forum, ranking the mechanisms in the spring and summer of 2009. In February 2010, the Forum voted and selected three mechanisms for detailed research: 1) Flood control levy increase; 2) Per parcel assessment/fee; and 3) Creation of a Watershed Investment District. For further information see the April 2009 draft report.

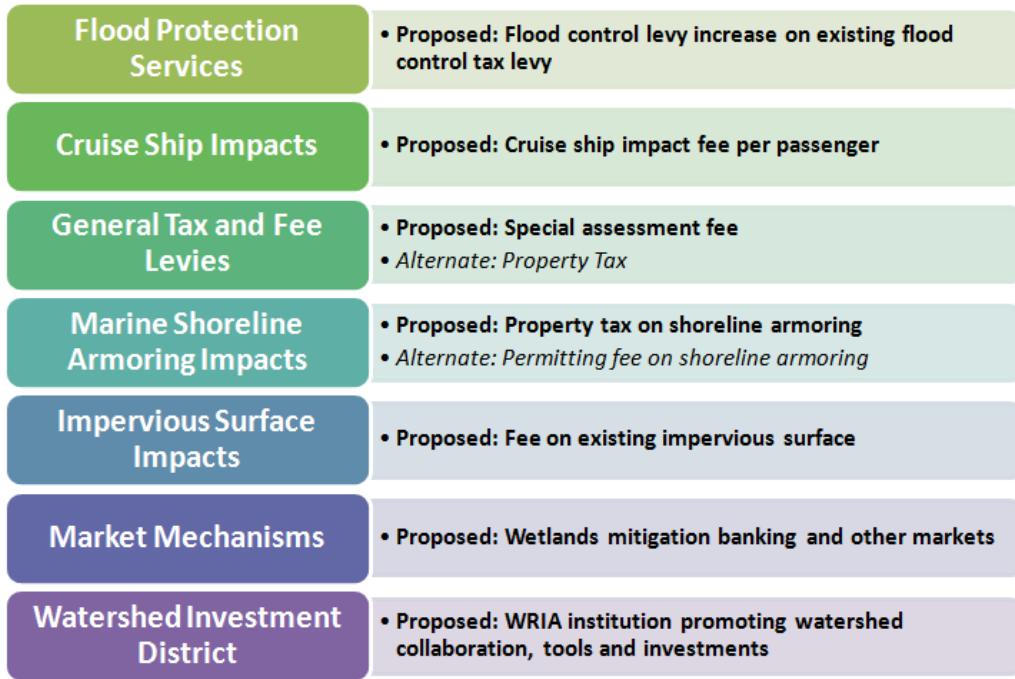


Figure 2: The seven funding mechanisms selected for analysis in the April 2009 Draft Report.

Criteria Used to Evaluate and Further Prioritize Funding Mechanisms

Rather than use political viability as a selection criterion, the Watershed Ecosystem Forum opted to apply that criterion to ongoing discussions about funding mechanisms. The final Forum votes are highlighted in the dark blue row at the top of the chart, and indicate selection of funding mechanisms #1, #3, and #7.

KEY	1	2	3	4	5	6	7
<ul style="list-style-type: none"> Meets criteria Likely meets criteria May meet criteria Likely does not meet criteria Does not meet criteria 	Lid Lift on Flood Control Tax	Cruise Ship Passenger Fee	Per Parcel Assessment Fee/Tax	Marine Shoreline Armoring tax or fee	Additional Impervious Surface Fee	Mitigation Banking Market	Watershed Investment District
Criteria	15	2	11	5	4	3	16
1 Is the mechanism politically viable?							
<i>Is the funding mechanism acceptable politically? Is the mechanism acceptable to the public? Is the mechanism likely to have state support?</i>							
2 Does the mechanism make enough money, and have long enough life, to implement the Habitat Plan?	●	●	●	○	●	●	●
3 Is there a nexus to salmon recovery and ecological goods and services?	●	●	●	●	●	●	●
4 Is the mechanism fair and equitable?							
<i>Does the mechanism demonstrate fairness? Is the burden evenly spread; no single group targeted?</i>	●	●	●	○	●	●	●
5 Are the costs to administer the mechanism reasonable and appropriate?	●	●	●	●	●	●	●
6 Does the revenue generated by the mechanism match the 10-year implementation needs?	●	●	●	●	●	●	●
7 Does the mechanism avoid threatening other funding sources/economic activities?	●	●	○	●	●	●	○

Figure 3: Criteria used to evaluate and further prioritize potential funding mechanisms in 2009.