

Senate Finance and House Finance

I am writing to express my support for funding the Department of Environmental Conservation's (DEC) effort to assume the federal Clean Water Act Section 404 Dredge and Fill program.

I am a local land developer for residential housing and commercial subdivisions and regularly require Section 404 Dredge and Fill permits from the United States Army Corps of Engineers (USACE). While I (and my consultants) have developed a working relationship with the USACE and generally find a way through the Section 404 permitting gauntlet, the recent increases in the costs for compensatory mitigation is alarming, will limit future development in wetlands, and will prevent the development of any sort of "affordable" housing in Juneau and our neighboring communities in southeast.

I recently worked through the Section 404 permitting process with the USACE for a 9-acre parcel for much needed industrial land here in Juneau. The USACE functional assessment for the parcel was determined to be "moderate" and resulted in owing 3.89 credit for the 9-acre development. At a cost of \$564,050. What cost approximately \$30,000 for an assessment acre in a mitigation bank last year has increased to approximately \$125,000-145,000 this year. The result – in order to satisfy the USACE compensatory mitigation requirements, and using the only source of offset credits available, I am being required to pay \$145,000 per credit to a local land trust mitigation bank or set aside 3 acres of my own land for non-development to fill in 1 acre. When you factor in the payment to land trusts, the set-asides of property for non-use (now and in the future), the permit development and land development expenses, it is costing me approximately \$400,000 to develop a single acre for housing or industrial/commercial land. There is nothing affordable in that, and these costs are strangling small and large housing industrial, commercial developments!

We need a reasonable approach to permitting and compensatory mitigation that will work for Alaska. I believe that DEC assuming the Section 404 program will bring that reasoned approach. Including the requested Section 404 funding in the FY24 operating budget for DEC will allow the State to begin the application process to assume this program.

I am aware that the Section 404 program implemented by DEC will be as stringent and will follow the same federal law as the USACE does, but there simply has to be a more efficient, logical, and cost-effective method that gets us to the same outcome of protection and permitting than we are currently seeing through the USACE and exclusive use of the land trusts. The land trusts buy lands apply there fee to them and sell the credits with no concern to keep the price at a reasonable amount. The problem with this is as soon as credit costs become unaffordable there will be no more development of wetlands. The anti development groups that created this method of mitigation plan is unfolding in there favor. We need local Alaskans who best understand our state's unique conditions and are willing to work with the building community to run this program and permit these projects in a way that protects the environment and helps the communities.

Thank you for considering my recent experience and concern with the Section 404 program as currently implemented by USACE, and your deliberation on funding DEC to assume and strengthen a critical program. Strengthening the State's permitting oversight while delivering greater efficiency and stability are valuable and needed steps to attract investment and ensure that projects are developed responsibly for the benefit of Alaska and Alaskans.

Sincerely,



Roscoe Bicknell
Bicknell Inc.