

Lake Surf Mitigation Bank										
	Pre-Release	Y-0	Y-1	Y-2	Y-3	Y-4	Y-5	Y-6	Y-7	
	2020	2121	2022	2023	2024	2025	2026	2027	2028	Total
Stream Credits: 5760 Total										
% Available Credits	15	15	10	10	15	5	15	5	10	100
Total Revenues	\$453,600	\$453,600	\$302,400	\$302,400	\$453,600	\$151,200	\$453,600	\$151,200	\$302,400	\$3,024,000
Credits Released	864	864	576	576	864	288	864	288	576	5760
Riparian Wetlands: 81 Total										
% Available Credits	15	15	10	10	15	5	15	5	10	100
Total Revenues	\$635,129	\$635,129	\$423,419	\$423,419	\$635,129	\$211,710	\$635,129	\$211,710	\$423,419	\$4,234,194
Credits Released	12.15	12.15	8.1	8.1	12.15	4.05	12.15	4.05	8.1	81
Gross Revenue	\$1,088,729	\$1,088,729	\$725,819	\$725,819	\$1,088,729	\$362,910	\$1,088,729	\$362,910	\$725,819	\$7,258,194
Costs	Prep & Design	Construction	Y-1	Y-2	Y-3	Y-4	Y-5	Y-6	Y-7	
Land (Unknown)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Legal	\$0	\$8,000	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000	\$10,000
Engineering Design and Permitting	\$60,000	\$60,000	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$145,000
Sales & Marketing Fee	\$0	\$0	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$0	\$30,000
Endowment (for long-term land steward)	\$0	\$0	\$50,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$20,000	\$120,000
Bonding	\$0	\$37,525	\$5,000	\$5,000	\$3,500	\$3,500	\$2,500	\$2,500	\$1,500	\$61,025
Miscellaneous Planning Costs	\$25,000	\$15,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$40,000
Surveying	\$50,000	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$60,000
Construction/Grading/Structures	\$0	\$725,000	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,225,000
Planting, Seeding, Signage	\$0	\$125,000	\$125,000	\$0	\$0	\$10,000	\$0	\$0	\$0	\$260,000
Project Management	\$20,000	\$10,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$51,000
Monitoring	\$0	\$0	\$10,000	\$8,000	\$6,000	\$6,000	\$6,000	\$6,000	\$8,000	\$50,000
Total Costs	\$155,000	\$990,525	\$723,000	\$31,000	\$27,500	\$37,500	\$26,500	\$26,500	\$34,500	\$2,052,025
Net Income	\$933,729	\$98,204	\$2,819	\$694,819	\$1,061,229	\$325,410	\$1,062,229	\$336,410	\$691,319	\$5,206,169
Revenue Schedule	\$933,729	\$1,031,933	\$1,034,753	\$1,729,572	\$2,790,801	\$3,116,211	\$4,178,440	\$4,514,850	\$5,206,169	
Development Cost per Acre		Acres		Total Construction Cost		Total Bonding For Construction				
\$25,333.64		81		\$1,536,000		\$37,525				
Pricing Assumptions				Total Monitoring Costs		Total Bonding For Monitoring				
Stream Credits		\$525		\$50,000		\$23,500				
Riparian Wetland Credits		\$52,274				Gross Revenue				\$7,258,194
						Total Net Income				\$5,206,169

Assumptions:

Construction costs are based on \$10,000 per restored wetland acre and \$120 lf for streams which is reasonable;
Credit prices are based on current DMS costs;
Credit value used for Riparian Wetland Credits is \$52,274 per acre, value used for Stream Credits is \$525 (based on 2019 NCDMS pricing);
Numbers are all order of magnitude and can change over the life of a project;
Bonding cost is based on the industry standard of 0.025 x cost of construction for the first year and then a percentage each year there after for maintenance;
Value of land was not entered as it is considered a sunk costs;
Pro forma assumes all credits are sold in year that they are released **which is not realistic** but provides an idea of the best case cash flows required, a more realistic model would use 50% of released credit sold in that year;
Assume monitoring and maintenance for 7 years but complete sales will take 8 years;
Endowment cost is estimated and will be negotiated with the Long-term Land Steward;
This analysis assumes no additional construction or planting will be required during the life of the project which is optimistic.