

Post-Conference Report
ACES 2014 Monday Evening Town Hall
December 8, 2014 | 4:45pm-5:50pm

Title: *Habitat Exchange Mock Transaction*

Purpose:

With roughly 270 species proposed for listing under the Endangered Species Act, our nation’s system of protecting at-risk wildlife has not kept pace with the need to feed and fuel America’s growth. Habitat exchanges are a new conservation tool that is being used throughout the U.S. to protect wildlife habitat while allowing economic and cultural activities to continue. This exercise was created to demonstrate that 1) defining rules for collective action, and using market principles and flexible pricing, can increase the efficiency of conservation and environmental investing, and 2) habitat exchanges are applicable to a variety of geographies and environmental resources.

The Habitat Exchange Mock Transaction was targeted to individuals making policy and investment decisions. Participants experienced with habitat conservation as well as those simple interested in learning more about habitat exchanges as an opportunity were encouraged to attend.

Description:

The town hall was an interactive, hands-on, live-action learning experience lead by Environmental Incentives and partners. During the mock transaction, attendees were broken into groups of approximately eight people at six round tables. Five of the groups were designated as “landowners”, and one of the groups was designated as “investors”. Each landowner group was given a description of a piece of land, the “family farm” that they were charged with managing. The goal of each landowner group was to manage their land in such a way that would create habitat credits, keeping in mind their interest in maximizing their land’s profitability. The investment group was given a budget and a minimum number of credits they were required to purchase. The goal of the investment group was to buy the credits they needed at the lowest price.

During the mock transaction each small group of landowners discussed how to best manage their land. Variables that affected the amount of credits each landowner group could create included the size and habitat quality of their land, the types of management practices they were willing to commit to and the duration for which they were willing to commit to them. Ultimately each landowner group determined a management strategy for their land and put together a proposal for the investment group stating the number and types of credits they were committed to creating, and the price they were requesting to do so.

The investment group reviewed each landowner group’s proposal and selected the proposals they decided afforded them the most habitat for their money. The most successful landowner groups were those that attracted the investor group and also made a substantial profit. Participants left the Habitat Exchange Mock Transaction with a better understanding of how quantified information helps inform project prioritization and increase the overall benefit for species or resources of concern.

Organizers:

Jeremy Sokulsky, PE, MBA
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Jeremy Sokulsky is the founder and CEO of Environmental Incentives. Jeremy designs and implements multi-agency collaborative management systems and establishes performance measures related to environmental restoration and community enhancement. He is developing programs to leverage public and private investment to improve ecosystem services across the U.S, including developing habitat exchanges in 9 states. He regularly speaks at conferences focused on environmental markets where he leads policymakers to take a strategic and pragmatic approach to using ecosystem services to drive environmental and economic performance. He is leading the effort to link payments for ecosystem services to defined management systems to ensure they can incorporate new scientific information and political circumstances over time. Jeremy has performed comprehensive reviews of ecosystem service markets and analyzed financial opportunities for private equity funds investing in conservation real estate opportunities. Jeremy holds an MBA from the Stanford Graduate School of Business and a B.S. in Chemical Engineering from the University of California, Berkeley, and is a certified Professional Civil Engineer in the state of California.

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Katie Riley is a senior associate at Environmental Incentives, and has hands-on knowledge of building programs – both from the ground up and throughout the different stages of development. Katie is the project manager for the Lesser Prairie Chicken Habitat Exchange and Central Valley Habitat Exchange, and has been involved in the development of seven habitat exchanges since 2012. Katie holds a Master of Environmental Science and Management from the Bren School at UC - Santa Barbara, where she specialized in environmental economics and policy, and a BA from Virginia Tech.