TO:	**CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON JULY 31, 2017**
FROM:	**KELLY SCHERR, P. ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER**
SUBJECT:	**DEPARTMENT OF FISHERIES AND OCEANS CANADA HABITAT BANKING ARRANGEMENT**

RECOMMENDATION

That, on the recommendation of the Managing Director, Environmental & Engineering Services & City Engineer, the following action **BE TAKEN:**

a) The concept of initiating the process to create a habitat banking arrangement between the City of London and the Department of Fisheries and Oceans **BE ENDORSED**.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

Civic Works Committee, May 5, 2015 – Dingman Creek No. B-4 Stormwater Management Facility and Tributary Channel Improvement/Modification Municipal Class Environmental Study

2015-2019 STRATEGIC PLAN

The habitat bank arrangement aligns with the City of London Strategic Plan for responsible growth and a strong, healthy environment.

BACKGROUND

Purpose

The purpose of this report is to seek Council endorsement of the creation of a “Habitat Bank” with the Department of Fisheries and Oceans Canada (DFO).

Context

In several instances across the country, the DFO has worked with government agencies to create fish habitat banks. A habitat bank allows government agencies to “bank” improvements to a waterway that create a net positive increase in fish habitat. As part of an ongoing development project by York Developments, a section of the Mathers Stream in southwest London was remediated in a way that has produced a substantial amount of additional fish habitat. This report suggests that this additional habitat be banked with the DFO for use as mitigation for future municipal projects.

DISCUSSION

Under the Fisheries Act, projects that could cause harm to fish habitat (e.g. construction of bridge piers within a watercourse, a sanitary sewer crossing beneath a watercourse, etc.) require Department of Fisheries and Oceans Canada (DFO) authorization and a

compensation plan to “offset” impacts to fish habitat. Typically, “offsets” are completed as works within the project extents, often resulting in lower quality, fragmented habitat.

In order to provide incentives for proponents to create more holistic solutions, the DFO has created a mechanism to bank fish habitat creation. This “banked habitat” could then be used in future projects where it may be more difficult or less environmentally advantageous to provide mitigation.

Habitat Bank Agreement

The first step in the habitat bank process is to enter into a Habitat Bank Agreement with the DFO. Following development of the agreement, the proponent must demonstrate the level of habitat enhancement meets the expectations outlined in the habitat bank agreement. Once a project’s net habitat gain is verified and accepted by DFO, credits are issued and deposited into the habitat bank. As the City completes additional habitat improvement works, projects can be added to the habitat bank following DFO approval and acceptance.

The existence of a viable habitat bank would streamline the DFO authorization process for future works requiring an “offset”, as the banked credit would already be DFO approved. Credits can then be exchanged for future habitat “offsets” elsewhere in the system. The habitat banking system rewards and encourages the establishment of larger scale, quality fish habitat works.

Mathers Stream Project

The Mathers Stream restoration work (location shown in Appendix B) replaced a concrete storm sewer with a natural open channel creating a net positive fish habitat. This project was recommended by the Dingman Creek No. B-4 SWM Facility and Tributary Channel Improvement/Modification Schedule ‘B’ Environmental Assessment. The project and the related Stormwater Pond allowed for the development of the land currently referred to as the Silverleaf Estates Subdivision by York Developments.

The opportunity to develop the bank was brought to the City’s attention by York Developments and their consultant, Stantec. Since this time, the City has worked with York and Stantec exploring the concept of creating a habitat bank.

This recent stream restoration work presents an opportunity for the City to initiate the establishment of a habitat bank, as the project meets DFO habitat bank criteria. The habitat bank arrangement could be beneficial to the City as it may reduce approvals timelines, lower regulatory risk, and demonstrate the City’s commitment to responsible growth. This arrangement would further promote City led opportunities for establishing net positive fish habitat and a strong healthy environment. The habitat bank agreement would be mutually beneficial to DFO, in the assurance that “offset” measures meet DFO requirements.

Stantec Inc. has implemented similar agreements between the DFO and other Ontario municipalities. If the concept of creating a habitat bank is endorsed by Council, Stantec will be hired administratively under section 15.2(c) of the Procurement of Goods and Services Policy to establish the habitat bank agreement and undertake two years of associated monitoring.

CONCLUSIONS

The implementation of a habitat bank will solidify DFO’s acknowledgement and endorsement of the environmentally beneficial work completed within the City of

London. The DFO habitat bank arrangement could further allow the City of London to utilize habitat credits to streamline future projects requiring DFO approval. In addition, the habitat bank would encourage quality compensation works to meet DFO requirements. York Developments and their consultant Stantec should be positively recognized for bringing this opportunity to the City's attention.

Acknowledgements:

This report was prepared within the Stormwater Engineering Division by Adrienne Sones, P. Eng., Environmental Services Engineer.

SUBMITTED BY:	**REVIEWED AND CONCURRED BY:**
ASHLEY RAMMELOO, P. ENG. **ACTING DIVISION MANAGER** **STORMWATER ENGINEERING**	**SCOTT MATHERS, MPA, P. ENG.** **DIRECTOR, WATER AND** **WASTEWATER**

RECOMMENDED BY:
KELLY SCHERR, P.ENG., MBA, FEC **MANAGING DIRECTOR** **ENVIRONMENTAL & ENGINEERING** **SERVICES AND CITY ENGINEER**

July 20, 2017

Attach: Appendix "A" – Location Map

Cc: Brad Fairley, Stantec Inc.
Gary McDonald, Budget Analysis