



# Wetland Banking 101

City of Blaine

Presented by: Rebecca Haug

# Goal of Wetland rules

## ▶ **Clean Water Act – 1972**

- ▶ Achieve no net loss in the quantity, quality, and biological diversity of existing wetlands;
- ▶ Increase the quantity, quality, and biological diversity of wetlands by restoring or enhancing diminished or drained wetlands;
- ▶ Avoid direct or indirect impacts from activities that destroy or diminish the quantity, quality, and biological diversity of wetlands; and
- ▶ Replace wetland values where avoidance of the activity is not feasible and prudent.



# Goal of Wetland rules



## ▶ **Minnesota Wetland Conservation Act (WCA) - 1991**

- ▶ Avoid direct or indirect impacts that may destroy or diminish the wetland
- ▶ Minimize impacts by limiting the degree or magnitude of the wetland activity
- ▶ Rectify impacts by repairing, rehabilitating, or restoring the affected wetland
- ▶ Reduce or eliminate impacts over time by operating the project in a manner that preserves and maintains the remaining wetland
- ▶ Replace unavoidable impacts by restoring or, if wetland restoration opportunities are not reasonably available, creating replacement wetland areas having equal or greater public value.

# What is Wetland Banking?

- ▶ Restoration, creation or enhancement of wetlands
- ▶ **Performed in advance** of permitted wetland losses

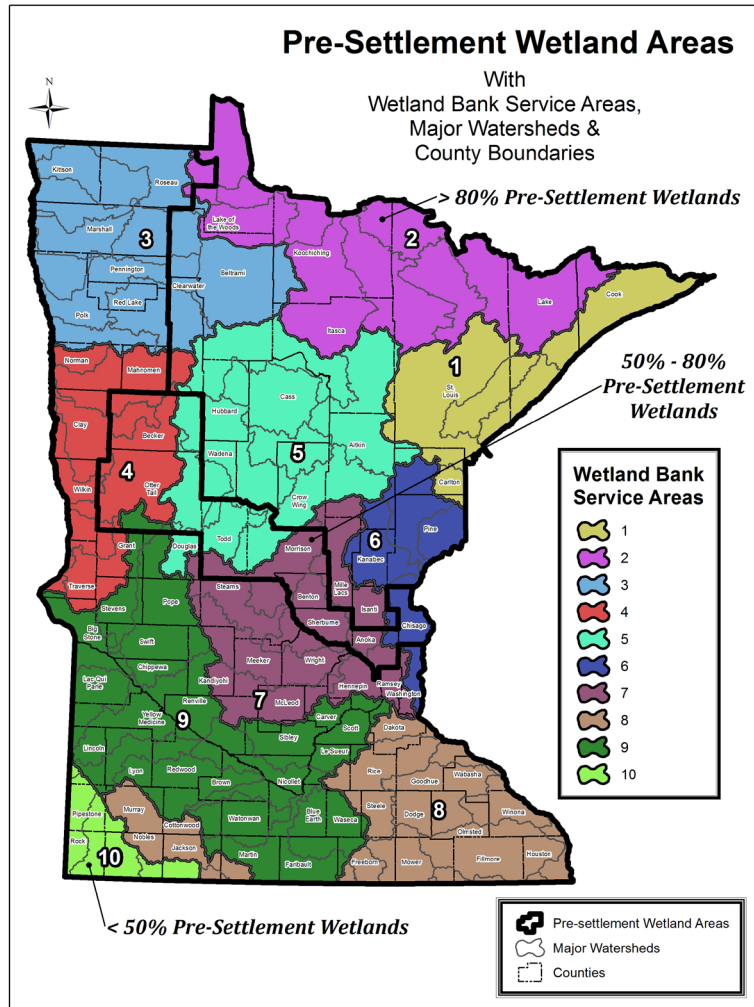


# Why is there Wetland Banking?

- ▶ Financial incentive
  - ▶ Price of credits is negotiable
  - ▶ Based on market demand
- ▶ Provide net gain of wetlands in given area



# Wetland Replacement Priority Order – Bank Service Area 7



# Blaine's Wetland Banks



## ▶ **EDA Bank – Branch 3 or Central Portion**

- ▶ Began in 2009
- ▶ 55 acres of credits
- ▶ Ditch impoundment restored hydrology
- ▶ Requires on-going maintenance (controlled burns, spot herbicide treatments, interseeding & occasional mowing)

# Blaine's Wetland Banks



- ▶ **City Bank – Site 7 or Northern Portion**
  - ▶ Began in 2014
  - ▶ Potential for 81 acres of credits
  - ▶ Ecological Natural Resource Value (ENRV)
    - ▶ Requires vegetation restoration
    - ▶ Remove invasive, non-native vegetation and trees as well as dead and diseased trees
  - ▶ Requires on-going maintenance (controlled burns, spot herbicide treatments, interseeding & occasional mowing)



# Prices for wetland credits – Site 7



- ▶ Market rate fluctuates
  - ▶ \$1.75-\$2.00/sq.ft. in 2014
    - ▶ Projected to earn \$7 million
  - ▶ \$2.50/sq.ft. current rate
    - ▶ Projected to earn \$8 million
    - ▶ ***If market demands remain high***
- ▶ Revenue
  - ▶ Maintain open spaces and trails



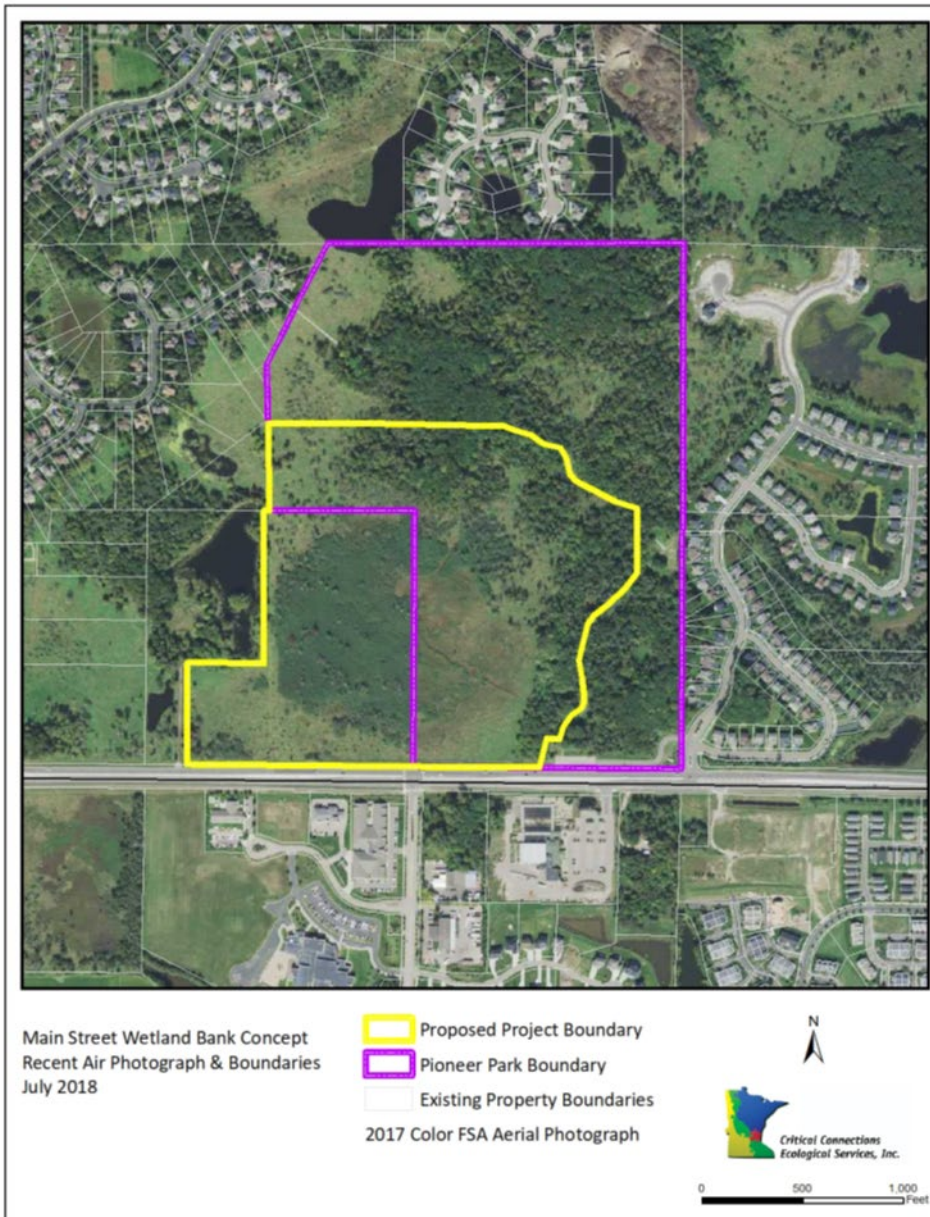
# Questions



# Pioneer Park

Rebecca Haug, Water Resources Manager

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# Wetlands

- ▶ Wetlands have been historically viewed as low value property
- ▶ The Wetland Banking program creates a financial incentive to restore and protect wetlands
- ▶ City or EDA owned Wetland Banking Credits can:
  - ▶ Provide a non-tax revenue source for trail and Open Space projects
- ▶ Facilitate economic development
- ▶ Reduce cost of city infrastructure projects that have wetland impacts
- ▶ Return on Investment is typically 3-5x the cost of the improvements including the initial restoration work and 20 yr maintenance costs



# Benefits of Wetlands

- ▶ Erosion control
- ▶ Flood control – sponge
- ▶ Groundwater recharge and discharge
- ▶ Water quality – kidney
- ▶ Rare species habitat
- ▶ Recreation
- ▶ Community amenity



# Pioneer Park Wetland Bank



- ▶ Restore a portion of Pioneer Park
  - ▶ 100 acre Open Space
    - ▶ Restore 43.6 acres
  - ▶ Improve trail system
  - ▶ Remove dead and diseased ash trees
    - ▶ Tree survey – 80% dead and diseased ash
- ▶ Potential Credit Sales
  - ▶ \$1.7 million - \$3.6 million in revenue – not a tax







# Next Steps

- ▶ Direct staff to work with the private landowner to the west on a future trail easement through their property. Payment for the easement could be through wetland credits or cash. The proposed corridor is attached.
- ▶ Direct staff to proceed with the third step in the process by developing and then approving the submittal of the Wetland Banking Plan and Mitigation Banking Instrument, receive comments, and finalize the documents.
- ▶ Hold several meetings and provide informational materials to the public and neighboring properties.
- ▶ Establish a perpetual conservation easement over the project area.
- ▶ Implement wetland and upland restoration activities outlined in the Wetland Banking Plan, this would include ditch impoundments and vegetation restoration such as removal of invasive, dead and diseased trees, replanting of appropriate native trees in uplands, prescribed burning and mowing.
- ▶ Monitor the project site for project performance; and generate and deposit wetland mitigation credits for sale.
- ▶ Complete long-term management tasks associated with the site which may include controlled burns, spot herbicide treatments, upland woodland and forest management, interseeding and mowing.



# Staff Recommendation



- ▶ Direct staff to work with the private landowner to the west on a future trail easement through their property. Payment for the easement could be through wetland credits or cash. The proposed corridor is attached.
- ▶ Direct staff to submit the completed Wetland Banking Plan and Mitigation Banking Instrument document, the third step in the application process, for creating a wetland mitigation bank within a portion of Pioneer Park.



# Questions

