



City of Blaine Anoka County, Minnesota

Blaine City Hall
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Legislation Details (With Text)

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Sponsors: Dan Schluender

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| 2/7/2019 | 1 | City Council Workshop | Discussed | |

WORKSHOP ITEM - *Rebecca Haug, Water Resources Manager*

PRICE OF WETLAND CREDITS FOR SITE 7

At the November 8, 2018 Council workshop, staff requested guidance on pricing for the wetland credits the City would have available from the Blaine Wetland Sanctuary Site 7 wetland restoration project. During the meeting, the Council decided to charge \$2.50/sq. ft. regardless of the amount of credits being purchased.

Staff has since received inquiries about purchasing credits and potential buyers are not willing to pay \$2.50/sq. ft. The sale of wetland credits is market driven ranging from \$2.00/sq. ft. - \$2.50/sq. ft. The prices vary depending on a number variables such as location of the project, size of the project and type of credits needed for replacement. The State and the U.S. Army Corps of Engineers have requirements for where wetlands can be replaced. Wetland impacts in Rice Creek Watershed District must be replaced in Rice Creek Watershed District. Because of these variables, staff is requesting Council to reconsider the pricing and allow staff to be able to negotiate with potential buyers and begin recouping some of its costs for the restoration of Site 7.

The City received its first credit release of 12.16 acres in December 2018. The bank has the potential to realize 81.06 acres, these credits would be available for sale as shown in the below table. Staff suggests the City start selling this first release of credits at market rate prices

ranging between \$2.00/sq. ft. - \$2.50/sq. ft.

The proposed credit release schedule is as follows:

2018 - 12.16 acres (approximately 15% of 81.06 acres eligible credits)

2019 - 24.32 acres (approximately 30% of 81.06 acres eligible credits)

2020 - 24.32 acres (approximately 30% of 81.06 acres eligible credits)

2021 - 20.26 acres (approximately 25% of 81.06 acres eligible credits)

Total = 81.06 acres

The credit release schedule is based on the completion of required tasks and performance of the site and may change. The credit sales will fluctuate and the City will have a lot to sell. The money from the sales of the credits will pay to continue managing the City's open spaces and trails and construct an Interpretive Center at the entrance of the Blaine Wetland Sanctuary.

Allow staff to negotiate wetland credit sales in the price range between \$2.00 - \$2.50 depending on the amount of credits being purchased and location of project for wetland impacts.