



City of Blaine Anoka County, Minnesota

Blaine City Hall
10801 Town Sq Dr NE
Blaine MN 55449

Legislation Details (With Text)

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ADMINISTRATION - *Dan Schluender, City Engineer*

MAIN STREET WETLAND MITIGATION BANK (PIONEER PARK) PROSPECTUS DOCUMENT SUBMITTAL

At the August 2, 2018 City Council meeting, staff brought forward the opportunity to create a 69.0 acre wetland mitigation bank within 43.6 acres of Pioneer Park combined with 25.4 acres of a privately owned parcel, outlot (Outlot A of Radisson Woods on Main). Since that meeting, City staff and their consultant, Critical Connections Ecological Services, Inc. (CCES) have made significant progress in the multi-step wetland mitigation banking application process, which is overseen by the Minnesota Board of Water and Soil Resources (BWSR) as well as the United States Army Corps of Engineers (USACE).

The wetland mitigation banking project application process includes three main steps: 1) Draft Prospectus, 2) Prospectus, and 3) Wetland Banking Plan and Mitigation Banking Instrument. As directed by Council, the Draft Prospectus document was submitted for review by the agencies on August 30, 2018. Comments were received from October thru December of 2019. Agency comments provided at that time were positive and in support of the potential 69.0 acre wetland mitigation banking project.

As directed by Council, City staff and CCES then began development of the second step of the application process, the Prospectus Document. As part of developing the Prospectus Document, substantial field data to support the potential project were collected from the site.

City staff also coordinated with the Coon Creek Watershed District (CCWD) to assess wetland hydrology at project site. Based on the hydrologic assessment, the City petitioned the CCWD in February of 2019 to have the ability to impound Anoka County Ditch 59-8 and 59-9 to restore wetland hydrology. As part of this petitioning process, the CCWD's engineer determined that as a result of impoundment, no adverse downstream or upstream impacts to adjacent properties would result from impoundment. Please note, impoundment of ditch laterals will only occur if the potential wetland mitigation project is approved by the regulatory agencies and the City Council. In addition to ditch impoundment for hydrologic restoration purposes, the wetland mitigation project would require restoration and management of vegetation within the project boundary.

As currently proposed, the maximum project area is 69.0 acres in total. Of this total, 43.6 acres are owned by the City and are part of Pioneer Park, while the remaining 25.4 acres are owned by a private landowner directly to the west (Outlot A). Based on current estimations, the project as a whole has the potential to generate between 29.0 and 60.5 wetland bank credits. Of this total, 16.9 to 36.0 wetland mitigation credits would be owned by the City. The remaining credits would be owned by the private landowner.

The current market value for wetland mitigation credits in the area is approximately \$100,000 per credit. Furthermore, the State of Minnesota currently has a need for wetland mitigation credits and are negotiating with current and future credit owners to purchase larger quantities of credits at a slightly lower than market value rate. In some cases, the State is pre-purchasing wetland mitigation credits before they are fully developed, providing seed money for developing wetland mitigation banks. There is also the advantage of selling to the State in this manner as a method for keeping the road construction costs down for the public. The disadvantage is the State is not able to pay full market value for the credits. The State will be issuing an RFP in the spring of 2020 for the future purchase of credits, and this potential bank would be eligible to respond to this RFP.

As stated above, development of a wetland mitigation banking application is a multi-part and lengthy process. If the City Council decides to continue moving forward with developing this wetland mitigation project, the process would involve the following next steps:

1. Approve submittal of the completed Prospectus document (second step of the application process) to the reviewing agencies.

2. Receive and respond to Prospectus document comments and feedback provided by reviewing local, state, and federal agencies.
3. Hold several meetings and provide informational materials to the public and neighboring properties.
4. Direct staff to develop and then approve submittal of the Wetland Banking Plan and Mitigation Banking Instrument (step three of the application process), receive comments, and finalize the documents.
5. Establish a perpetual conservation easement over the project area.
6. Implement wetland restoration activities outlined in the Wetland Banking Plan, this would include ditch impoundments and vegetation restoration.
7. Monitor the project site for project performance; and generate and deposit wetland mitigation credits for sale.
8. Complete long-term management tasks associated with the site.

Attached, please find a map depicting the maximum potential boundary for the proposed Project area. The City Council should be advised that this potential boundary is currently flexible and can be modified until the final stage of the wetland mitigation banking application process. Furthermore, by approving submittal of the Prospectus document, the City is not obligated to move forward to any future phase of the wetland mitigation banking application process.

Direct staff to submit the completed Prospectus document, the second step in the application process, for creating a wetland mitigation bank within a portion of Pioneer Park.