



City of Blaine Anoka County, Minnesota

Blaine City Hall
10801 Town Sq Dr NE
Blaine MN 55449

Legislation Text

File #: WS 21-75, Version: 1

Workshop Item - *Rebecca Haug, Water Resources Manager*

Title

Pioneer Park Wetland Mitigation Bank

Background

The city has the opportunity to restore a portion of Pioneer Park including wetland restoration, an improved trail system, and addressing the damage to the trees from the Emerald Ash Borer. By doing this as a Wetland banking project, the City will also benefit from the potential for credit sales estimated at \$1.7M to \$3.6M as a revenue source other than a tax to fund its Open Spaces and trails.

At Council direction, City staff has completed the first two steps in the process toward creating this wetland bank and preparing for the improvements.

Staff is providing this information to aid the City Council in a final decision to move forward with the project.

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. This process is overseen by the Minnesota Board of Water and Soil Resources (BWSR) as well as the United States Army Corps of Engineers (USACE).

At the August 2, 2018 City Council meeting, staff were directed to begin the process of developing a draft prospectus to create a wetland mitigation bank within 43.6 acres of Pioneer Park combined with 25.4 acres of a privately owned parcel, Outlot A of Radisson Woods on Main.

City staff worked with our consultant, Critical Connections Ecological Services, Inc. (CCES) and have made significant progress in the multi-step wetland mitigation banking application process.

This involved collecting substantial field data to support the potential project. City staff also coordinated with the Coon Creek Watershed District (CCWD) to assess wetland hydrology at the 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 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 directed by Council, the Draft Prospectus documents have been submitted for review by the agencies. Comments were received from the regulatory agencies on both documents and were positive and in support of the potential 69.0 acre wetland mitigation banking project.

At the April 6, 2020 City Council meeting, staff were directed to continue the process and develop a full final Prospectus for review by the regulatory agencies.

For the next step in that process, a tree survey was completed depicting that approximately 80% of the tree canopy in the proposed area is dead or diseased ash trees, with the remaining canopy being aspen and a few oak species as well as larger buckthorn trees over 6 in diameter. The species, diameter, and health of each of the trees surveyed was assessed and recorded into a spatial database. Most of the green ash was either dead, dying, or severely diseased. Other fast growing species such as aspen, box elder, and elm were also in poor health, diseased, or dying. Buckthorn is a common understory species throughout. In the uplands, many large oaks and cherries persist and are in good health. However, these woodland systems are declining in quality and are in need of restoration, management, and stewardship. Replanting of appropriate tree species would be a priority in uplands.

A photo is attached looking north from Main St. showing the number of dead trees in the area.

Potential Crediting

The current proposal includes 43.6 acres of the 100 acre Pioneer Park owned by the City. Based on current estimations, the project would have the potential of generating 16.9 to 36.0 acres of wetland mitigation credits owned by the City.

The previous proposal included partnering with the private landowner to the west of Pioneer Park. The private landowner has recently resubmitted the second document in the process, the Prospectus. The landowner anticipates entering the third and final step in the process, the Mitigation Banking Instrument, by September of this year.

The landowner is still willing to work with the city to provide for a future trail corridor through their site however, a decision will need to be made relatively soon as the trail corridor will impact their credit potential.

The current market value for wetland mitigation credits in the area is approximately \$2.50/sq.ft. (\$100,000 per credit). A potential option for the credits is to split the credits between the City and the Economic Development Authority (EDA).

Next Steps

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. 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.
2. 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.
3. Hold several meetings and provide informational materials to the public and neighboring properties.
 4. Establish a perpetual conservation easement over the project area.
 5. 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.
 6. Monitor the project site for project performance; and generate and deposit wetland mitigation credits for sale.
 7. 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.

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 Wetland Banking Plan and Mitigation Banking Instrument document, the City is not obligated to move forward to any future phase of the wetland mitigation banking application process.

Financial Impact

The cost to continue with permitting the wetland bank is proposed to be \$100,000.

On-going maintenance is proposed to be \$50,000/year.

The potential financial gain for the city based on current market rates is estimated to be in the range of \$1.7 million to \$3.6 million depending on the final boundary.

Staff Recommendation

1. 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.
2. 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.

Attachment List

Attached, please find a map depicting the maximum potential boundary for the proposed Project area and a proposed trail corridor map.