



City of Blaine Anoka County, Minnesota

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WORKSHOP ITEM - *Jon Haukaas, Public Works Director*

PIONEER PARK WETLAND BANK PROPOSAL

Pioneer Park is designated as a Special Use Park and defined as parkland obtained and maintained for its environmental resource. The first 40 acre parcel was purchased in 1962, a second 40 acre parcel was purchased in 1972 and in 2000, a 20 acre parcel was purchased. The western half of the acreage is wetland and the eastern half is mostly wooded upland with some pockets of wetland. In 2005, a boardwalk was constructed across the wetland to connect the neighborhood on the northwest side of the park. There is an extensive paved trail system along with some wood chip trails and bridge across the drainage ditch.

Since the discovery of several rare and endangered species in 1997, the City has been managing vegetation at Pioneer Park to control the invasion and spread of invasive species. Funding has been through the City and other funding sources such as grants from the Department of Natural Resources (DNR) and the National Fish and Wildlife Foundation. The City has spent approximately \$467,000 including the \$47,000 in grants on managing the park.

The City was approached by Jason Husveth, Critical Connections Ecological Services, Inc., to discuss a collaborative concept for a wetland bank that would include a portion of Pioneer Park and the property to the west of the park which is under a purchase agreement by Mr. Husveth. A map is attached depicting the boundaries of Pioneer Park and the property to the west along with the proposed project boundary.

The wetland bank process would begin with Critical Connections creating a Draft Prospectus (concept plan) to be reviewed by the regulatory agencies. Submitting the Draft Prospectus does

not obligate the City to go any further than the Draft Prospectus. The Draft Prospectus is simply to get the regulatory agencies to indicate if they feel that the project, as proposed, would be a viable project from their perspective. Critical Connections has told the City that there will be no cost to the City for the preparation of the Draft Prospectus.

If the response from the Draft Prospectus is positive, the City will then have the opportunity to decide whether to proceed with preparing a Wetland Bank Application or drop the project altogether with no further commitments. If the City decides to move forward, the process would involve several steps including:

1. Work with the Coon Creek Watershed District (CCWD) to determine the design method for the installation of the weirs on County Ditch 59-9 and County Ditch 59-8, similar to the Branch 3 wetland bank to control the hydrology in the wetland.
2. Complete the Wetland Bank Application and submit to the regulatory agencies; CCWD, Board of Water and Soil Resources (BWSR), Army Corps of Engineers (ACOE) and the Department of Natural Resources (DNR). Permitting process will take at a minimum two years.
3. Several meetings and informational materials provided to the neighboring properties.
4. Once permits are received, install weirs on County ditches and continue managing the vegetation at Pioneer Park and property to the west.
5. Similar to the other wetland banks in the City, on-going maintenance will be required.

The cost for Critical Connections to complete the Wetland Bank Application and wetland restoration work, if the Draft Prospectus is positive, will be approximately \$600,000, which is similar to the costs for the Branch 3 wetland bank. This cost will be divided on a prorated basis between the City and the property that will be purchased by Mr. Husveth. The City would be eligible for 15 (existing restored area) to 41.6 acres of restored wetland credits which could then be sold with proceeds being used to cover the costs of continuing to manage the City's Open Spaces. Credits could be sold at market value for an estimated \$100,000 per credit over time. Market value credits would be available for sale in 2021 through 2025 because not all credits are available to be sold the first year.

In addition, some or all of the credits could be pre-sold to the Minnesota State Road Bank (MSRB) at a negotiated price that would be less than market value.

An advantage to allowing the MSRB to pre-purchase some or all the credits that the City would receive money for future credits up front, providing seed money to begin the wetland banking process. There is also the advantage of keeping the road construction costs down for the public. The disadvantage is they are not able to pay market value for the credits.

Maps are attached showing the boundary for Pioneer Park and the extent of the park that could be in a wetland bank. There have been discussions about changing the boundaries of the proposed bank and there is the ability to make modifications at this stage in the process. Once

the plan is approved by the regulatory agencies, making modifications will not be feasible.

Enter into an agreement with Critical Connections Ecological Services, Inc. to complete and submit a Draft Prospectus for a wetland bank in Pioneer Park.