



The Minnesota Wetland Bank: A National Success

May 2017 Snapshots

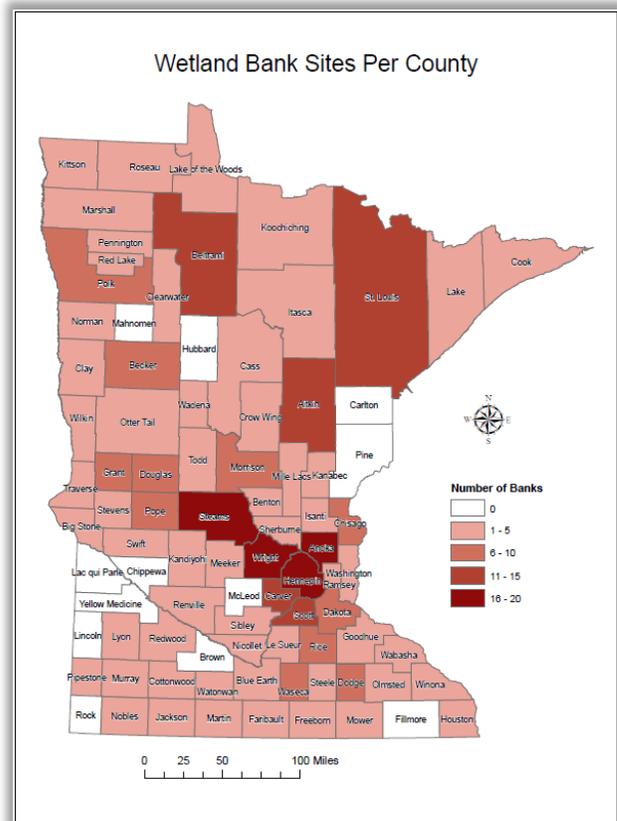
Wetlands are protected by federal, state and sometimes local laws and regulations. In Minnesota, the primary state wetland protection law is the Wetland Conservation Act (WCA). WCA was passed by the legislature in 1991 to protect wetlands and the benefits they provide, part of the legislature’s larger goal of achieving no-net-loss of wetland quantity, quality, and biological diversity. It is one of the most comprehensive wetland protection laws in the country, administered by the Board of Water and Soil Resources (BWSR) and implemented by local governments statewide.

In some cases, the draining or filling of wetlands is allowed when the lost functions and values of those wetlands are adequately replaced by restoring, enhancing, or creating wetlands elsewhere. This process is commonly referred to as wetland replacement or “mitigation.” There are currently two primary mechanisms by which wetland mitigation is provided in Minnesota: 1) replacement wetlands are established that correspond directly to specifically identified wetland impacts (known as “project-specific” replacement), or 2) wetland mitigation “credits” are withdrawn from the State Wetland Bank. These credits essentially represent acres of wetlands that have been previously approved for replacement, subsequently restored, and deposited in the Bank for use in replacing future unspecified wetland impacts. The credits can be used to provide wetland mitigation for the bank account owner, or sold to other landowners.

The authority for Wetland Banking was included in the original 1991 WCA, but the program really didn’t get going until 1993 after additional statute changes and the adoption of the first permanent WCA rule. Since that time, the program has evolved significantly. The Minnesota Wetland Bank now:

- ✓ Has developed specific criteria, market-based procedures, and transparent accounting mechanisms.
- ✓ Serves all wetland protection programs in the state, not just WCA.
- ✓ Includes single-use subsets of the bank for local road projects and agriculture.
- ✓ Has an increased focus on targeted, sustainable, high quality wetland mitigation.
- ✓ Is the preferred method of wetland mitigation under both State and Federal law.

As a result of the banking program’s growth and evolution, Minnesota currently has one of the most advanced (if not *the* most advanced) wetland banking programs in the country. According to the U.S. Army Corps of Engineers which tracks banking activity nationwide, Minnesota has more wetland banks than any

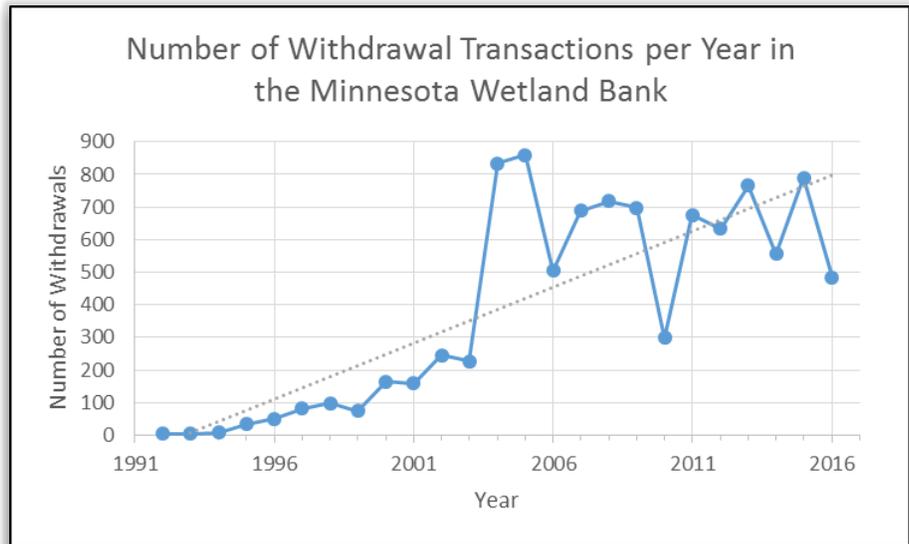


Wetland bank sites are distributed across the State, with approved bank sites in 75 of Minnesota’s 87 counties.

other state. The 405 Minnesota banks listed in the Corps' database is nearly three times as many as the next highest state. With approximately 40,000 acres enrolled in the State Wetland Bank, Minnesota is also near the top in total acres. As for the largest wetland bank site in the nation, the Lake Superior wetland bank in northeastern Minnesota comes in a close second at 21,292 acres.

Landowners who gain approval to complete a project that impacts a wetland can establish a replacement wetland themselves (if they have a suitable opportunity), or use credits from the State Wetland Bank. When the mitigation consists of the use of wetland bank credits, those credits must be "withdrawn" from the bank before the project can begin.

The use of the State Wetland Bank fluctuates along with development, agricultural, infrastructure construction, and other activities, as well as the availability of credits and other factors. Withdrawals from the bank have ranged from a low of 5 during the program's infancy in 1992, to a high of 860 during the development boom in 2005. According to BWSR's database, there have been nearly 10,000 withdrawals from the bank since its' inception, averaging 631 per year over the last decade.



Annual withdrawals from the State Wetland Bank vary with economic activity, but generally show steady growth since the bank was first established.



This diverse agricultural wetland bank site in western Minnesota provides high quality habitat and water quality benefits.

Each of these withdrawals from the Bank represents a landowner or organization that was able to complete a project without having to construct their own, separate, replacement wetland concurrent with each wetland impact, instead withdrawing pre-established wetland credits from the Bank. Wetland banking provides a significantly more efficient process for landowners and project proponents, while at the same time ensuring high quality wetland replacement. It is a "win-win" for economic development and our natural resources.

Even with this success, the Minnesota Wetland Bank continues to evolve. In the future, look for greater banking opportunity, incorporation of in-lieu fee options, and statewide utilization of a watershed approach to targeting wetland mitigation projects. Expect Minnesota to continue to be a national leader in wetland banking opportunity, policy, and implementation.