

MUNICIPALITY OF ANCHORAGE
ASSEMBLY INFORMATION MEMORANDUM

AIM No. 56-2022

Meeting Date: April 12, 2022

Municipal Clerk's Office

Accepted

Date: **April 12, 2022**

From: MAYOR

**Subject: HERITAGE LAND BANK WETLANDS MITIGATION PROGRAM
UPDATE – 1ST QUARTER 2022**

This AIM is intended to provide an update on the status and activity of the Heritage Land Bank (HLB) Wetlands Mitigation Program (WMP) through the 1st Quarter of 2022.

The HLB WMP is authorized by 25.40.010F:

The Heritage Land Bank is the municipal agency designated the exclusive grantee of conservation easements and recipient of funds generated by compensatory mitigation agreements with the U.S. Army Corps of Engineers.

In 2020-2021, the Corps returned to requiring 6-10 credits be provided for every debit generated by a project, an oft-devastating blow to the bottom line of development projects, especially in the Anchorage Bowl. This effectively ended the use of methods to calculate compensatory mitigation in Anchorage and across Alaska under the “appropriate and practicable” decision-making standards of the District Engineer.

One project that HLB was negotiating in 2021 included providing preservation and restoration credits for a housing development, but when the Corps returned a determination of credits required, the project could not go forward. The new cost of mitigation added over \$200,000 to each residential lot. Because this change in policy is new, the economics of it are just beginning to shake out. One thing is clear, however: it is not sustainable.

Throughout 2021, HLB staff worked toward closure of several projects:

- Vacation of a conservation easement at the Solid Waste Services New Central Transfer Site (SWS CTS) and replacement with a new easement on HLB Parcel 3-037. This created 2.3 acres of new usable space at the new SWS CTS site.
- The replat of the Worst Subdivision, also used for compensatory mitigation at the SWS CTS. The Corps required vacation of the right-of-way to eliminate large spans of exposure along the conservation easement, and also increased the size of the easement by 0.74 acres as the former right-of-way is included.

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- Collaborated with JL Properties on the completion of Corps permit requirements for their 100th & C project. This involved the development of a Long-Term Management Plan, financial assurances and conservation easement for 30 lots donated to MOA by the developer in the Laurel Acres Subdivision that will remain under HLB care in perpetuity.
 - Completing the initial phase of work to apply for a fill permit for HLB Parcels 5-010, 5-011, and 5-012 (Maui Industrial). Unfortunately, the parcels suggested for mitigation were utilized by the JL project noted above; staff is pursuing acquisition of different parcels in the Laurel Acres Subdivision.
 - Monitoring of conservation easements resulting from permitting for the 100th Avenue Extension and the Arlberg Extension in Girdwood continued as required in the first five years after dedication.
 - Fulfilment of a condition of the permit modification for the 100th Avenue Extension granted for the portion of the project that was constructed outside of the original permit area. This entailed amendment of the conservation easement to include an additional lot in Laurel Acres Subdivision which will require individual monitoring for five years.
 - A third permit modification for the APD facility on Tudor in support of the relocation of the ASD Transportation Facility was received in September 2020, and in 2021 a fourth was being pursued to switch from in-lieu fee to permittee responsible mitigation due to the increase in required credits. This was the first project where the 6-10:1 ratio appeared for the Municipality. Now that the area is proposed for the Navigation Center project, another permit modification will be required to change the use in an area already permitted with credits already purchased and unused.

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**Note: This change in site use planning will require a new location be found for the ASD Transportation Facility since the Tudor Elmore Development (TED) zoning's Special Limitations require the current facility's relocation prior to development of TED and the Navigation Center is proposed to occupy a portion of the space previously approved for the ASD facility.

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Revenue generated from the sale of wetlands credits are to be isolated in a discrete fund according to the conservation easements and other agreements with the Corps per federal regulations. These will fund five years of intensive monitoring and care, and then the remainder will go into the general wetlands fund to care for these and conserved properties in perpetuity. Those generated in late 2021 and the 1st quarter of 2022 are:

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- JL Properties/100th & C Project \$105,000

- Solid Waste Services/Central Transfer Site \$ 87,400

HLB now directly manages 167.74 acres under conservation easement (5.5 acres in Girdwood with the balance in the Anchorage Bowl), with a healthy Capital Improvement Project (CIP) fund poised to care for those properties. The CIP fund also allows HLB to acquire new wetlands preservation or restoration properties that will enable HLB to continue assisting public and private capital improvement projects move forward.

In the 1st quarter of 2022, staff learned that an upcoming private project will require a very large number of credits. HLB will continue to make preparations by completing wetlands delineations, jurisdictional determinations, acquisition of additional wetlands within the same watershed and any other steps that will allow the Municipality to assist with the Corps permitting of this project and others that arise in coming years.

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Approved by: Adam Trombley, Director
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Concur: Amy Demboski, Municipal Manager

Respectfully submitted: Dave Bronson, Mayor