



US Army Corps
of Engineers
St Paul District

SPONSOR: Ecosystem Investment
Partners (EIP)

Public Notice

ISSUED: August 6, 2013

EXPIRES: September 5, 2013

REFER TO: 2012-04872-LED

SECTION:404 - Clean Water Act

1. WETLAND COMPENSATORY MITIGATION BANK PROPOSAL

2. SPECIFIC INFORMATION.

SPONSOR'S ADDRESS: Ecosystem Investment Partners, LLC
2002 Clipper Park Road
Suite 201
Baltimore, Maryland 21211

SPONSOR'S AGENT Deric Deuschle
Short Elliott Hendrickson, Inc.
3535 Vadnais Center Drive
St. Paul, Minnesota 55110

PROJECT LOCATION: The project site is located in Sections 5-7, T. 54N., R. 17W.; Sections 1-3, 11, and 12, T. 54N., R. 18W.; Sections 4-10,15-22, and 27-33, T. 55N., R. 17W.; Sections 1-3,10-15, 22-27, and 24-36, T. 55N., R. 18W.; Sections 30 and 31, T. 56N., R. 17W.; and Sections 25-27, and 24-36, T. 56N., R. 18W. in St. Louis County, Minnesota. The approximate UTM coordinates are 47.29033°N, -92.59015°W.

BANK SERVICE AREA: The proposed bank service area (BSA) is the Lake Superior Basin (BSA 1) in St. Louis County.

DESCRIPTION OF PROJECT: The sponsor is proposing to develop the Lake Superior Wetland Bank. The proposed bank site is approximately 21,292 acres in size, including upland buffer areas.

Currently, the proposed bank site is comprised of County Tax Forfeited and State of Minnesota property. EIP has purchased approximately 3,624 acres of property within the proposed bank site. The parcels primarily consist of fresh (wet) meadow, shrub-carr and coniferous bog wetlands that were historically ditched, many as part of a County ditch network. Land use within the proposed bank site has not changed significantly since aerial photographs were taken in the late 1930's. Historic uses within the site include logging, some agriculture, and a commercial sod farm. See enclosed drawings for more detail about the ditch network.

The Sponsor proposes to restore by rehabilitation 6,785 acres of wetlands partially drained by ditches; enhance 1,641 acres of wetlands by managing native communities to enhance diversity and provide critical habitat for listed species; enhance 613 acres of wetlands by providing for a functional lift of vegetation diversity and controlling invasive species; preserve 11,655 acres of existing high quality wetlands (primarily coniferous bog) not affected or partially drained by the ditch network; and preserve

Operations - Regulatory (2012-04872-LED)

SUBJECT: Lake Superior Wetland Bank

580 acres of native upland buffer. The only invasive species identified in or adjacent to the bank site to date is reed canary grass, which was identified immediately adjacent to CSAH 7.

The rehabilitation of 6,785 acres of wetlands would be accomplished by the installation of 66 ditch checks to restore the natural water table (see enclosed drawings for proposed ditch check locations). Several construction methods for the installation of the ditch checks, including winter installation or the use of helicopters, are being considered. Several types of ditch checks, including rock checks and vinyl sheet piling are being considered. The use of onsite peat material is not being considered as historic spoil piles are no longer identifiable.

Specific site preparation methods for enhancement areas have not yet been determined. The Prospectus proposes that historically logged areas will be managed to promote wildlife habitat and maintain a high quality vegetation community that differs from the rest of the community. The Sponsor is proposing to maintain these areas as cleared of a tree stratum, which may be managed to promote high quality sedge meadow wetlands. It is not known whether the Sponsor is proposing to manage these wildlife enhancement areas for a particular species or native wildlife species in general. The planting of tree species to promote the re-establishment of historic coniferous bog wetlands has not been proposed for either the vegetation or wildlife enhancement areas. Floristic Quality Assessments (RFQA) and hydrology monitoring are being completed across the site during the 2013 growing season. This information would serve as a baseline for documenting functional lift within the project's rehabilitation and enhancement areas.

The established bank site would be managed by the Sponsor in property ownership. Credit sales would be tracked by Sponsor and reported to the state as required by state law. The reported credit releases and sales would be tracked on both Corps and state databases using ledger data supplied by the state. Long-term management of the property would be the responsibility of the Sponsor until and after all released credits have been debited. Long-term management plans being considered for the site, following the sale of all released credits, include the tract's conveyance to the State Wildlife Management Area, to a network of land trust-owned preserves, or sale to a private conservation buyer. The Sponsor suggests that revenues generated by the sale of mitigation credits would allow the Sponsor to establish a long-term monitoring and maintenance fund to provide for the long-term quality and viability of the restored ecosystems on-site if required. Additional protections and management limitations would be spelled out in both a conservation easement and in an approved bank plan.

The Sponsor has identified the following threats to the site: mineral and peat mining, logging, ditch maintenance, and land use changes. The Sponsor proposes to close a majority of ditches within the site, with the exception of those serving existing public roads and private properties beyond the bank boundaries. The sponsor proposes that the establishment of a conservation easement over the bank site will eliminate the threat of mineral and peat mining to the site. However, it is not known whether the Sponsor is proposing to obtain all mineral rights under the property, which would be necessary to remove the threat of mineral mining.

The bank site is located within a sensitive wetland and wildlife area, and is known for the seasonal abundance of boreal bird species. The bank is located within the Sax-Zim Bog, and has been identified by the Audubon Society as an Important Bird Area. The Sponsor believes that the property contains water tracks, a unique groundwater feature, which would benefit from the closure of surface drainages

Operations - Regulatory (2012-04872-LED)

SUBJECT: Lake Superior Wetland Bank

to restore the landscape's historic pattern of groundwater recharge and discharge. The Sponsor has identified a State-Listed Endangered species (floating marsh marigold (*Caltha natans*)) within a roadside ditch in the bank area and suggests that similar habitats within the bank's ditches may exist. A County Biological Survey is being completed within the bank to identify plants and animals of Special Concern. The site is currently used by a variety of wildlife such as black bears, grey wolves and moose. The proposed bank site is located immediately adjacent to the Sax Zim and Fermoy Wildlife Management Areas and the University of Minnesota Wetland Banks.

SURROUNDING LAND USE: Surrounding land use is comprised of open and forested public lands, agriculture, and commercial sod farms, and rural residential areas.

COORDINATION WITH RESOURCE AGENCIES: On October 25, 2012 the Corps coordinated the project's draft prospectus with and solicited comments from the following members of the IRT: EPA, FWS, BWSR, St. Louis County Planning and Zoning, Minnesota DNR, and North St. Louis County SWCD. Comments were received from the North St. Louis County SWCD.

3. REPLIES/COMMENTS.

Interested parties are invited to submit to this office written facts, arguments, or objections within 30 days of the date of this notice. These statements should bear upon the suitability of the location and the adequacy of the project and should, if appropriate, suggest any changes believed to be desirable. Comments received may be forwarded to the applicant.

Replies may be addressed to Regulatory Branch, St. Paul District, Corps of Engineers, 1554 Highway 2, Suite 2, Two Harbors, MN 55616, ATTN: Leslie Day.

Or, IF YOU HAVE QUESTIONS ABOUT THE PROJECT, call Leslie Day at the Two Harbors office of the Corps, telephone number (651) 290-5693.

To receive Public Notices by e-mail, go to: http://www2.mvp.usace.army.mil/list_server/ and add your information in the New Registration Box.

4. FEDERALLY-LISTED THREATENED OR ENDANGERED WILDLIFE OR PLANTS OR THEIR CRITICAL HABITAT.

No federally-listed threatened or endangered species were identified by the applicant or are known to exist in the bank site. The proposed bank site is located outside of, but immediately adjacent to, designated critical habitat for Canada lynx (*Lynx canadensis*).

This application is being coordinated with the U.S. Fish and Wildlife Service. Any comments it may have concerning Federally-listed threatened or endangered wildlife or plants or their critical habitat will be considered in our final assessment of the described work.

5. JURISDICTION.

This application is being reviewed in accordance with the practices for documenting Corps jurisdiction

Operations - Regulatory (2012-04872-LED)

SUBJECT: Lake Superior Wetland Bank

under Sections 9 & 10 of the Rivers and Harbor Act of 1899 and Section 404 of the Clean Water Act identified in Regulatory Guidance Letter 07-01. We have made a *preliminary determination* that any aquatic resources that would be impacted by the proposed project are regulated by the Corps of Engineers under Section 404 of the Clean Water Act. Our jurisdictional review and final jurisdictional determination could result in modifications to the scope of the project's regulated waterbody/wetland impacts. Because this project is a mitigation bank, any required compensatory mitigation would be accounted for in the credit yield calculations. Any regulated discharges associated with implementation of a final approved bank plan could likely be authorized by regional general permit if the bank plan is approved before any regulated discharge occurs. Any *approved jurisdictional determination* needed will be made prior to reaching a decision, and will be posted on the St. Paul District web page at <http://www.mvp.usace.army.mil/Missions/Regulatory.aspx>.

6. HISTORICAL/ARCHAEOLOGICAL.

The Corps will review information on known cultural resources and/or historic properties within and adjacent to the project area. The Corps will also consider the potential effects of the project on any properties that have yet to be identified. The results of this review and the Corps' determination of effect will be coordinated with the State Historic Preservation Officer independent of this public notice. Any adverse effects on historic properties will be resolved prior to the Corps authorization, or approval, of the work in connection with this project.

7. PUBLIC HEARING REQUESTS.

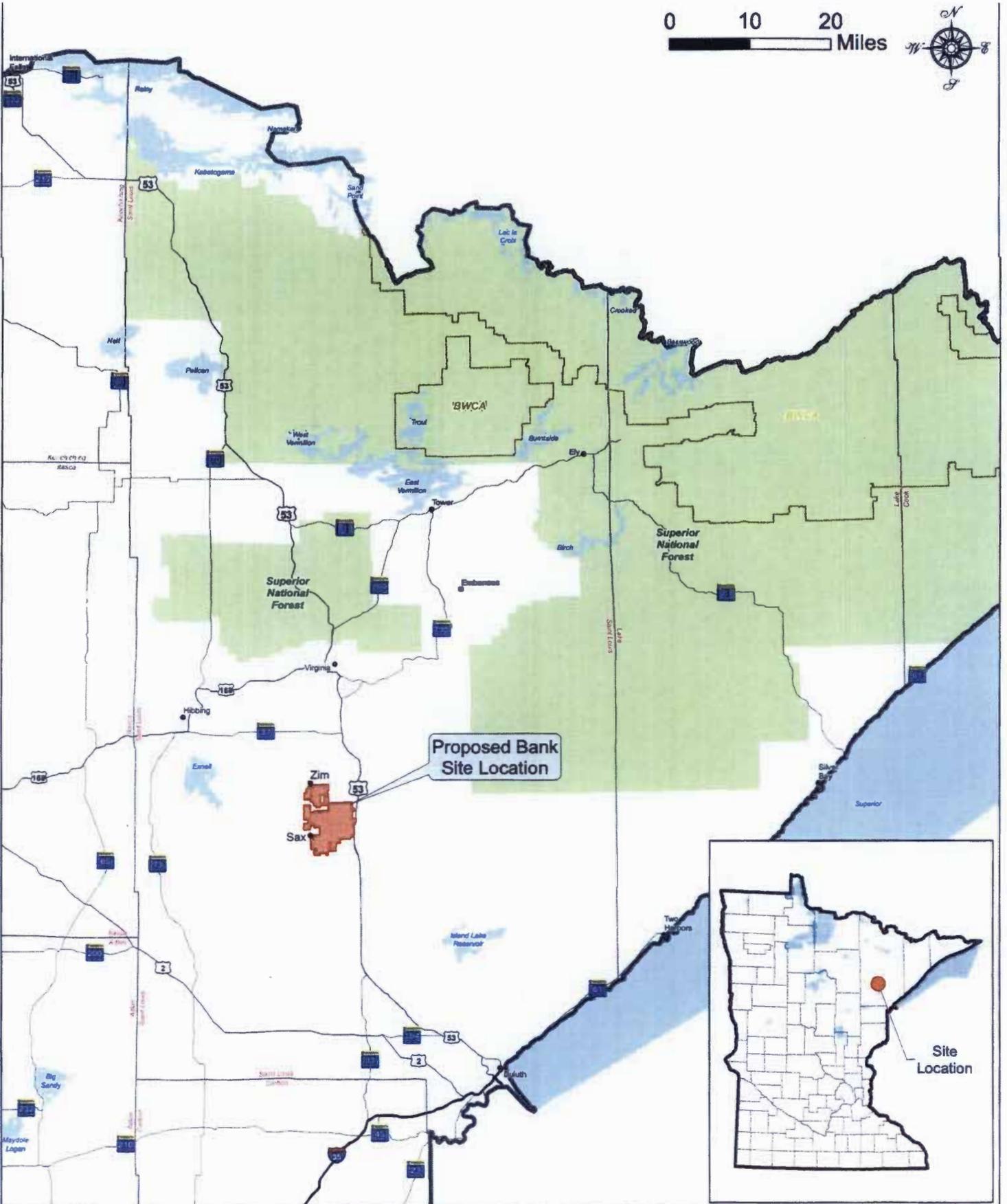
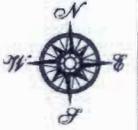
Any person may request, in writing, within the comment period specified in this notice, that a public hearing be held to consider this application. Requests for public hearings shall state, in detail, the reasons for holding a public hearing. A request may be denied if substantive reasons for holding a hearing are not provided or if there is otherwise no valid interest to be served.

Tamara E. Cameron,
Chief, Regulatory Branch

Enclosure(s):

2012-04872-LED, Drawings 1 of 15 through 15 of 15

0 10 20 Miles



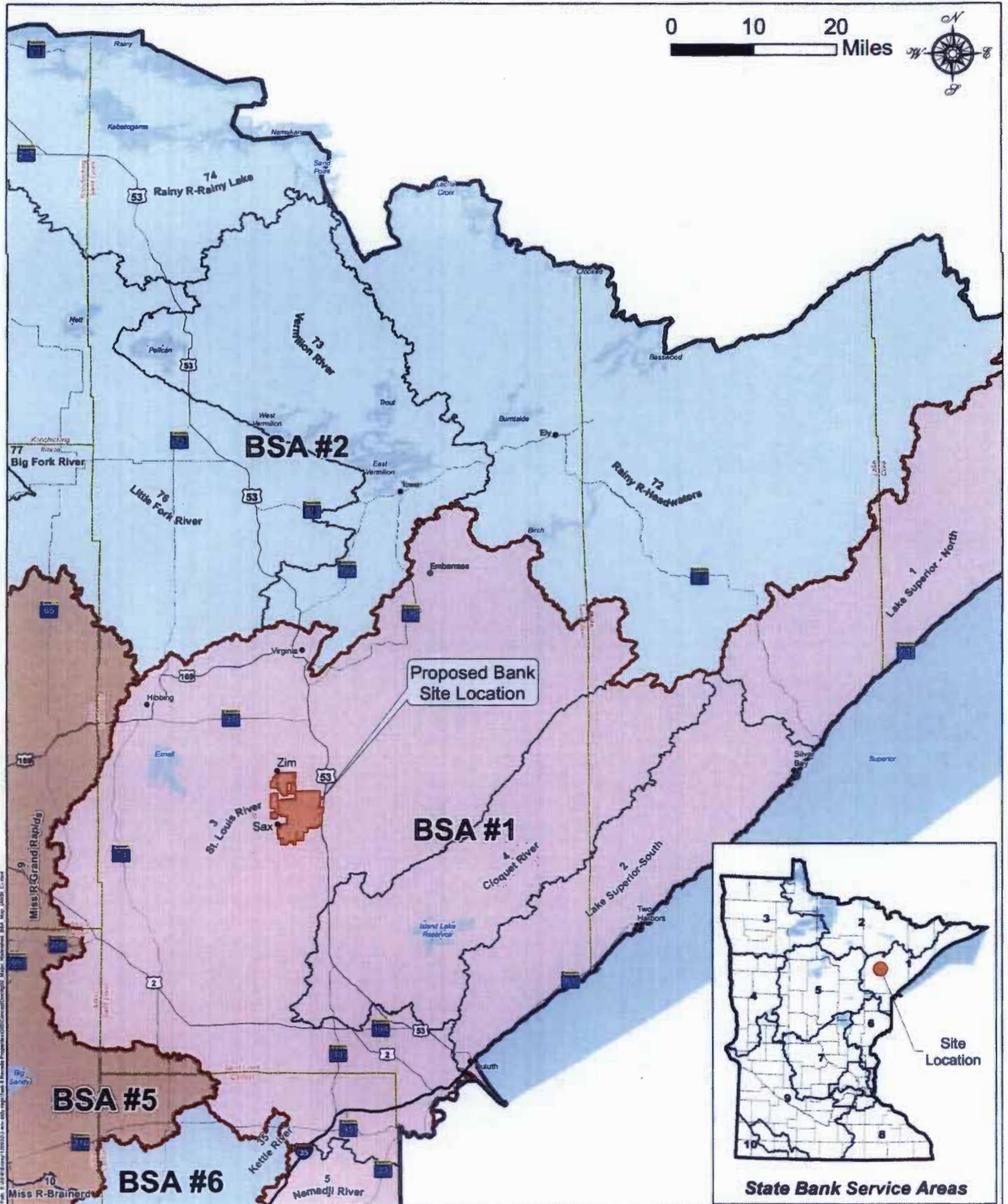
3535 VADNAIS CENTER DR.
ST. PAUL, MN 55110

Project: ECOSY 120032
Print Date: 6/18/2013

SITE LOCATION MAP
EIP St. Louis County Wetland Bank
EIP Credit Co., LLC

Figure
1

0 10 20 Miles

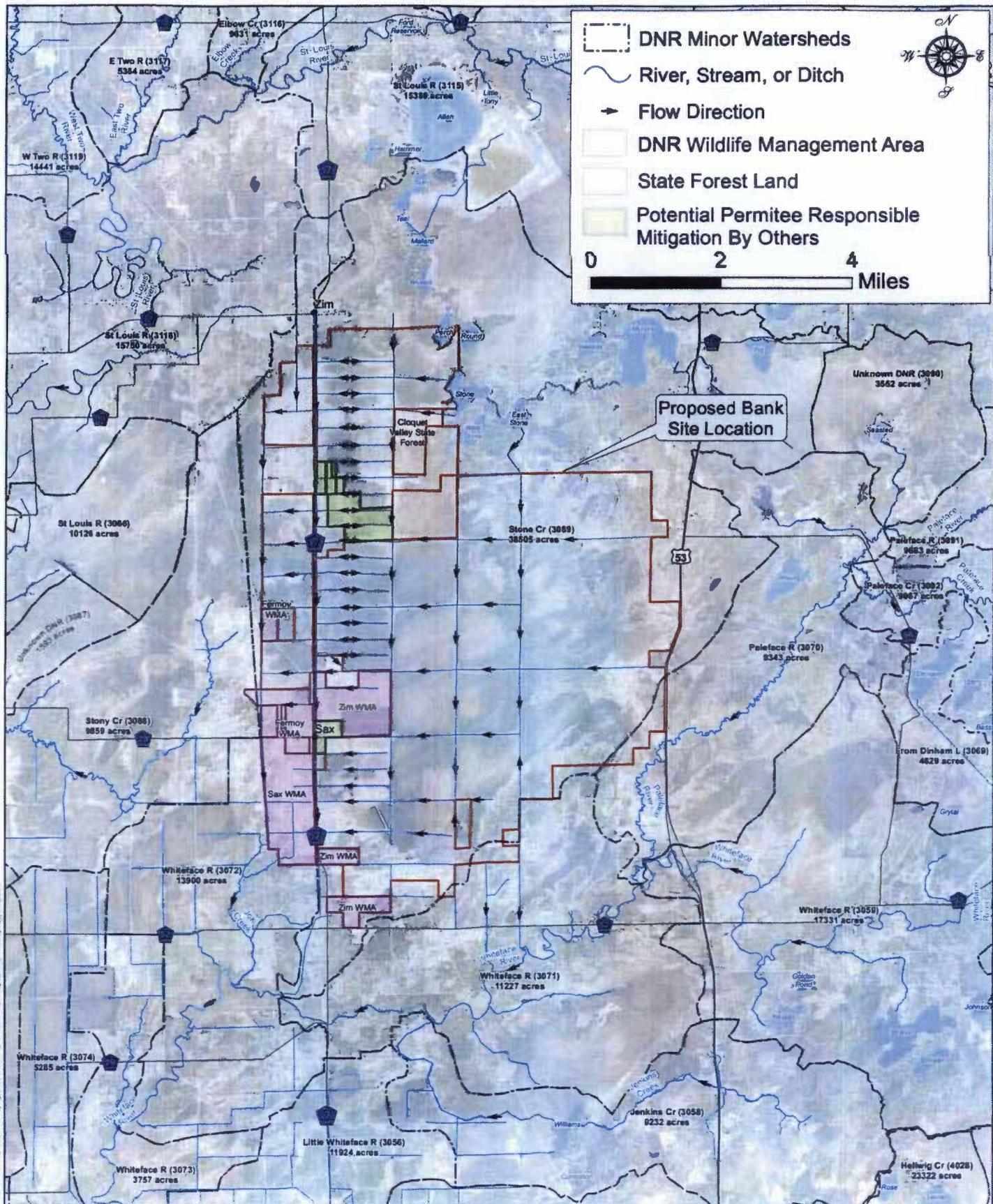


3535 VADNAIS CENTER DR.
ST. PAUL, MN 55110
PHONE: (651) 490-2000

Project: ECOSY 120032
Print Date: 6/18/2013
Map by: B. Tolcer

**MAJOR WATERSHEDS AND
BANK SERVICE AREAS MAP**
EIP St. Louis County Wetland Bank
EIP Credit Co., LLC

Figure
2



3535 VADNAIS CENTER DR.
ST. PAUL, MN 55110
PHONE: (651) 490-2000
FAX: (651) 490-8100

Project: ECOSY 120032
Print Date: 6/19/2013

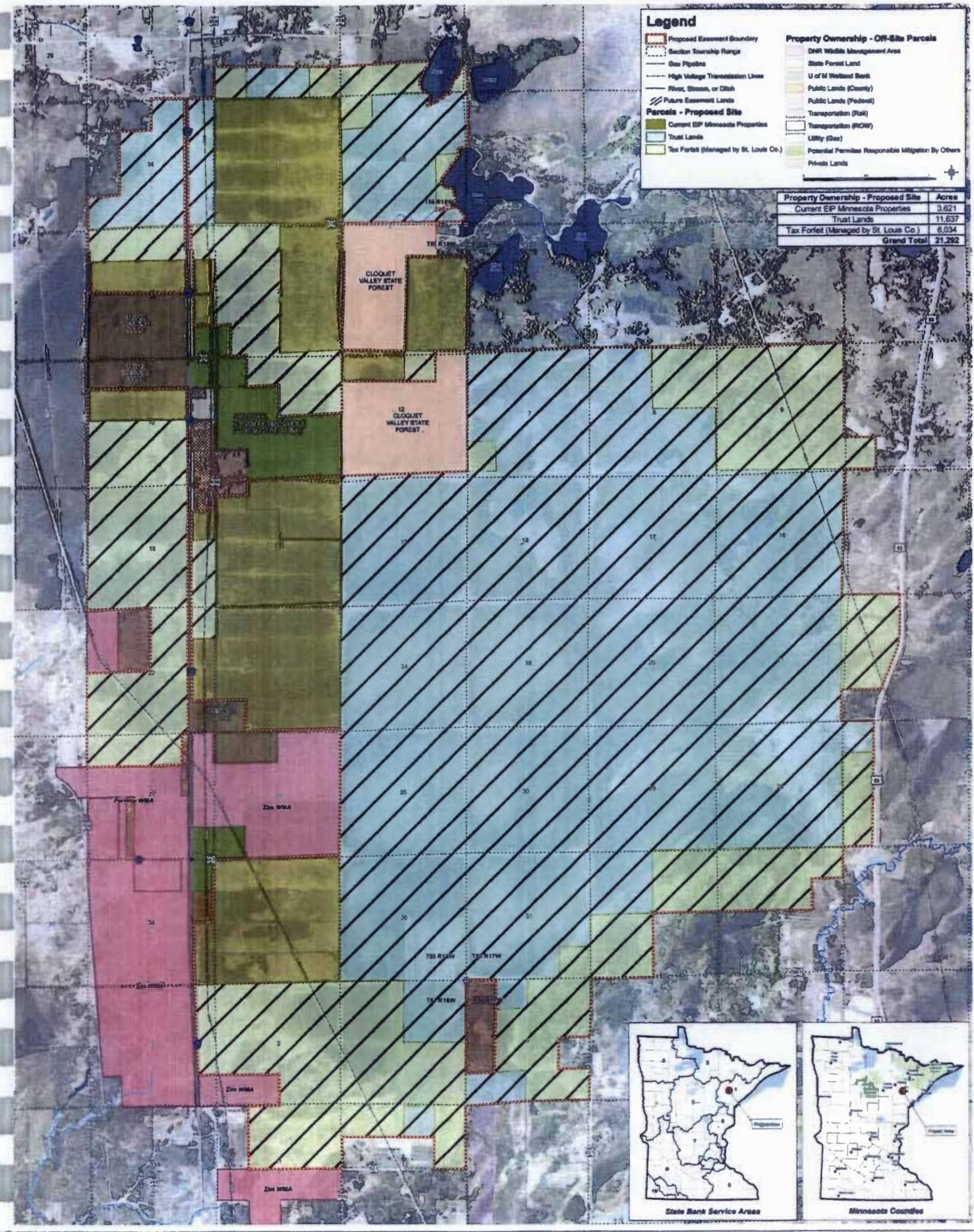
Map by: B. Toloser

MINOR WATERSHEDS

EIP St. Louis County Wetland Bank

EIP Credit Co., LLC

Figure
3



Legend

- Proposed Easement Boundary
- Section Township Range
- Gas Pipeline
- High Voltage Transmission Lines
- River, Stream, or Ditch
- Future Easement Lands

Property Ownership - Off-Site Parcels

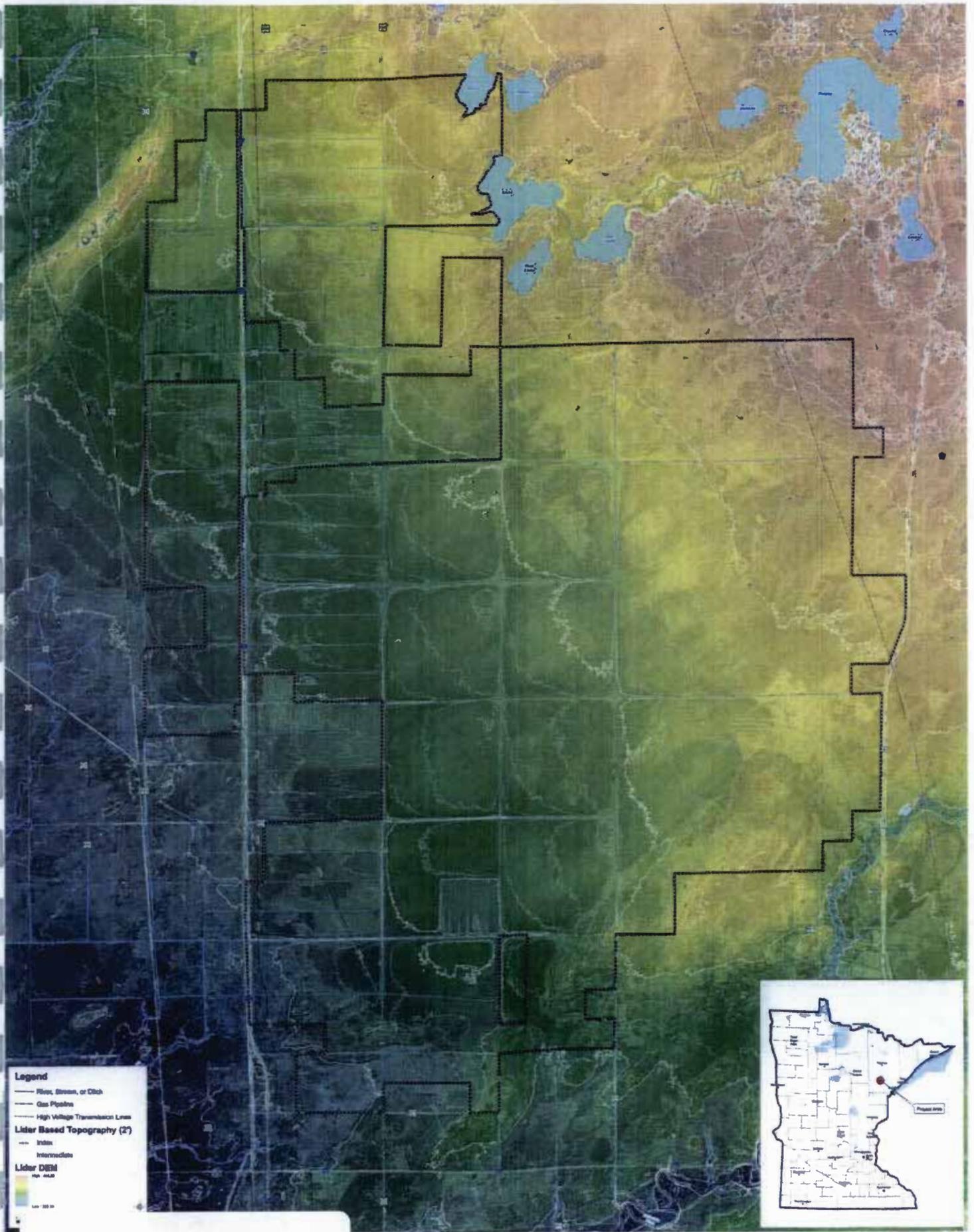
- DNR Wildlife Management Area
- State Forest Land
- U of M Wetland Bank
- Public Lands (County)
- Public Lands (Federal)
- Transportation (Rail)
- Transportation (ROW)
- Utility (Gas)
- Potential Permittee Responsible Mitigation By Others
- Private Lands

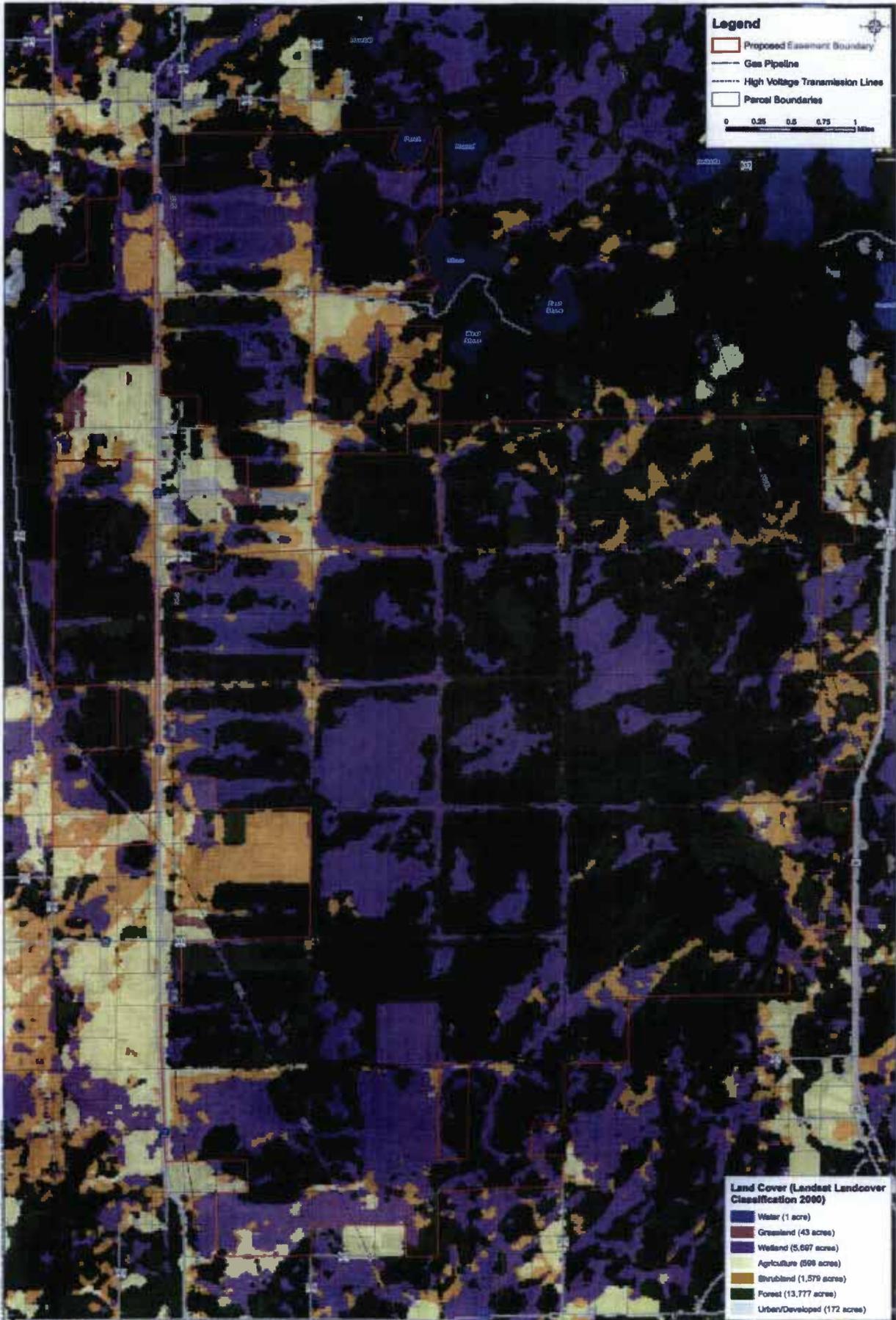
Parcels - Proposed Site

- Current EIP Minnesota Properties
- Trust Lands
- Tax Forest (Managed by St. Louis Co.)

Property Ownership - Proposed Site	Acres
Current EIP Minnesota Properties	3,621
Trust Lands	11,637
Tax Forest (Managed by St. Louis Co.)	6,034
Grand Total	21,292







Legend

- Proposed Easement Boundary
- Gas Pipeline
- High Voltage Transmission Lines
- Parcel Boundaries

0 0.25 0.5 0.75 1 Miles

Land Cover (Landsat Landcover Classification 2000)

- Water (1 acre)
- Grassland (43 acres)
- Wetland (5,607 acres)
- Agriculture (606 acres)
- Shrubland (1,579 acres)
- Forest (13,777 acres)
- Urban/Developed (172 acres)

LAND COVER MAP (2000)
 EIP St. Louis County Wetland Bank
 EIP Credit Co., LLC

Figure 6



2012-04872-LED
Drawing 7 of 15

MARSCHNER PRE-SETTLEMENT VEGETATION
EIP St. Louis County Wetland Bank
EIP Credit Co., LLC

Figure
6a



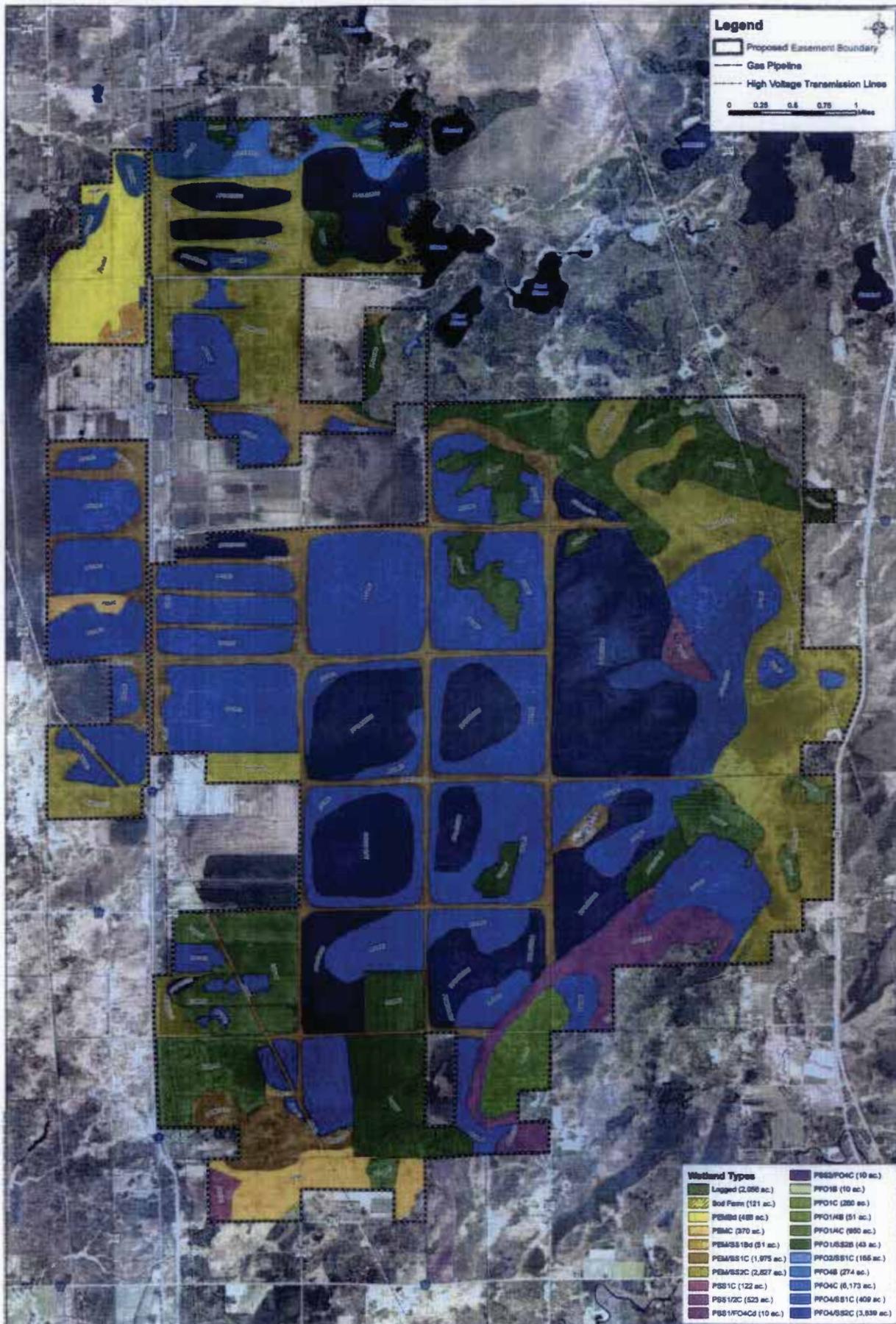
EXISTING VEGETATION MAP
Draft Based on Aerial Assessment

EIP St. Louis County Wetland Bank
EIP Credit Co., LLC

Figure
8

S

2012-04872-LED
Drawing 9 of 15

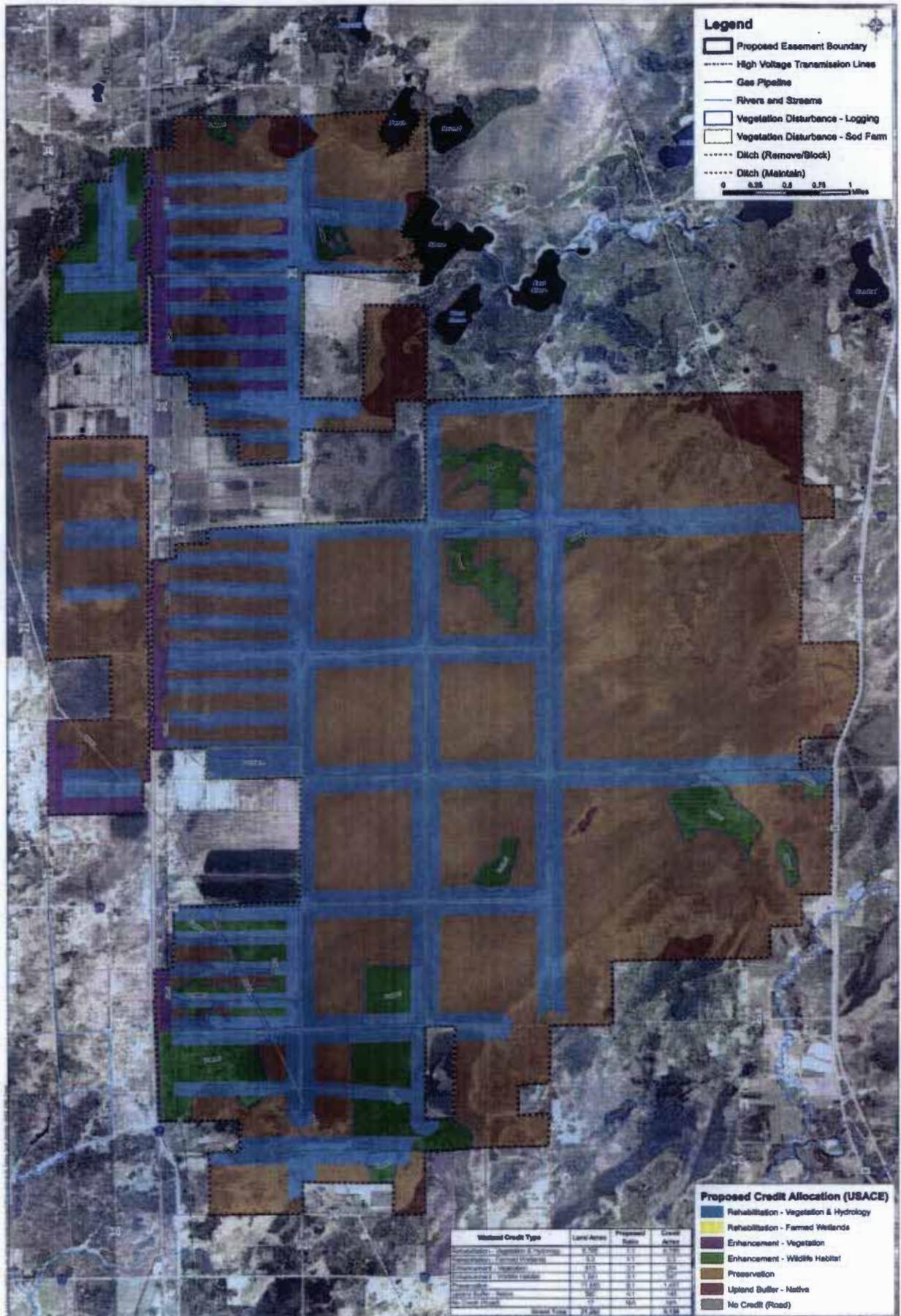


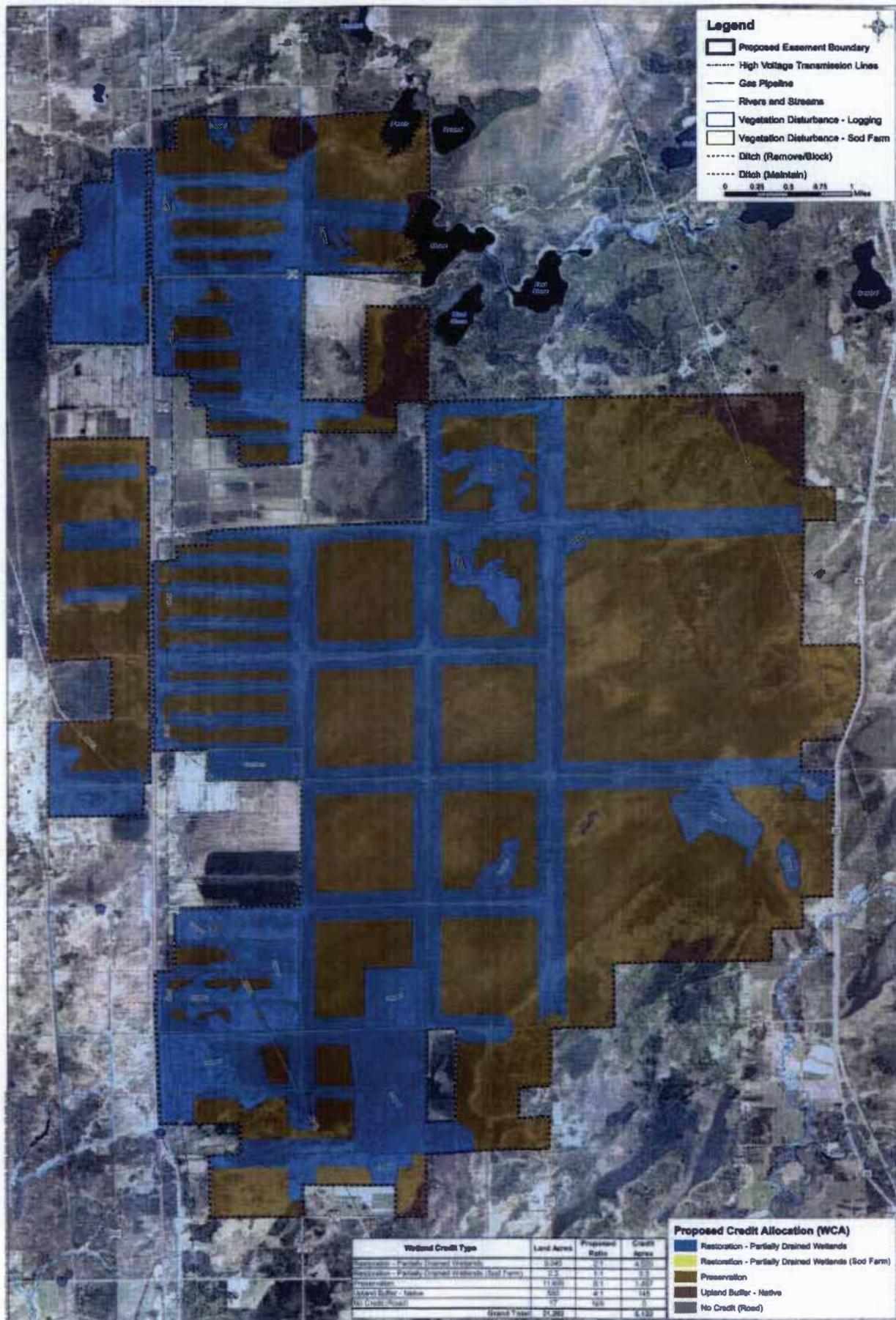
2012-04872-LED
Drawing 10 of 15

EXISTING WETLANDS MAP
Draft Based on Aerial Assessment

EIP St. Louis County Wetland Bank
EIP Credit Co., LLC

Figure
9





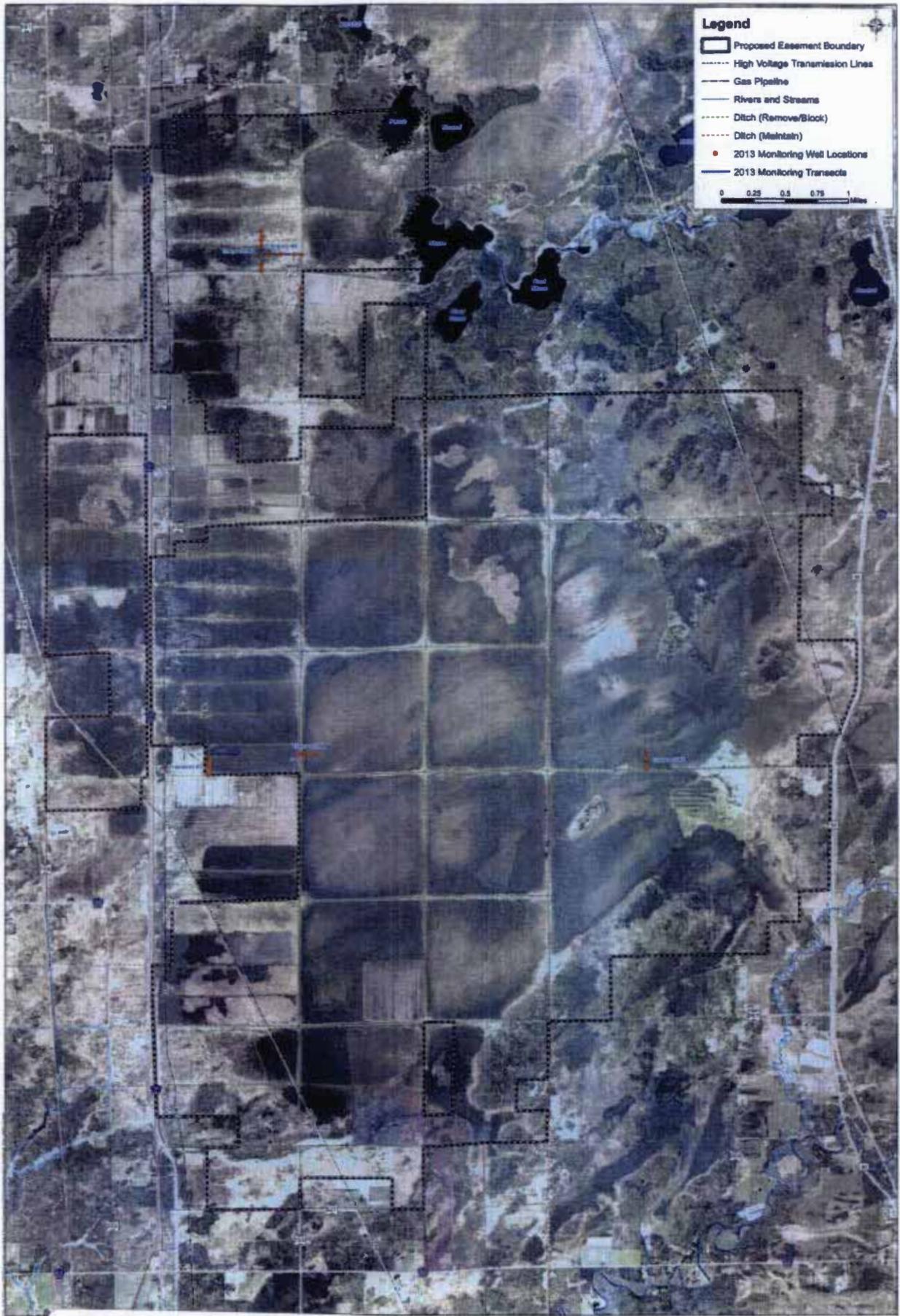


2012-04872-LED
Drawing 13 of 15

PROPOSED VEGETATION CONDITIONS
Proposed Draft Vegetation Plan
EIP St. Louis County Wetland Bank
EIP Credit Co., LLC

Figure
11






 2012-04872-LED
 Drawing 15 of 15

MONITORING PLAN
Placement of Monitoring Wells (2013)
 EIP St. Louis County Wetland Bank
 EIP Credit Co., LLC

Figure
 13