



DATE: August 25, 2025

MEMO TO: Paul Frank, Chair
Planning Committee

Gina Roberts, Chair
Finance Committee

FROM: Pati Vitt
Director of Natural Resources

FOR INFORMATION ONLY: Final approval of the MBI (Mitigation Banking Instrument) by ACOE (US Army Corps of Engineers) for the Wetland Mitigation Bank Project at Prairie Stream Forest Preserve and District approval for HGS (RES) to commence Work.

STRATEGIC DIRECTION SUPPORTED: Conservation; Organizational Sustainability; Leadership

FINANCIAL DATA: HGS has obtained final approval of the Mitigation Banking Instrument from the ACOE and has remitted a license fee of \$510,900.00 and a long-term management fee of \$165,475.00 to the Preservation Foundation. Project implementation is expected to begin soon after the fall harvest is completed at Prairie Stream. The farm lease for the acres that will be restored will be terminated, but the balance of farmed acres at Prairie Stream will remain in farming until funds become available for restoration.

BACKGROUND: A mitigation bank is a restored, enhanced, or preserved wetland or water resource created by a developer to generate "compensatory mitigation credits." These credits are sold to real estate developers or public agencies to offset unavoidable impacts to wetlands from their projects. Mitigation banks are regulated under Section 404 of the federal Clean Water Act and similar state or local laws, with oversight by a team of representatives from the US Army Corps of Engineers, US Fish and Wildlife Service, and US Environmental Protection Agency. The proceeds from the sale of compensatory credits cover land acquisition, project implementation – including permitting, monitoring, and a fund for long-term site management, which the developer must ensure either directly or through a designated manager.

At its May 3, 2021, meeting, the Planning Committee gave staff the direction to (i) work with HGS's parent company (Resource Environmental Solutions, Inc. (RES)) on concept plans for a wetland mitigation bank at Prairie Stream Forest Preserve at no cost to the District and (ii) negotiate a license agreement that would allow HGS to develop and operate the mitigation bank at Prairie Stream. After the final sale of all credits, and the approval from the US Army Corps of Engineers that the mitigation is in full compliance, the District will assume the long-term management of the site.

HGS submitted to staff a concept plan that was subsequently incorporated into an executed license agreement, to develop, engineer, install and maintain (for a minimum period of five years) a mitigation bank at Prairie Stream that fulfills the following:

- ❖ Restore wetlands in accordance with the concept plan, at no cost to the District. Specifically, HGS will re-establish an estimated 27.91 acres of wetland, rehabilitate an estimated 21.66 acres of wetland, and enhance 16.62 acres to provide an estimated 66.19 restored acres within the Wetland Mitigation Bank project area.
- ❖ Provide the District access through the Wetland Mitigation Bank to an unrestored area just south of the Wetland Mitigation Bank for ongoing management activities including, but not limited to, seeding, mowing, and prescribed burning.
- ❖ Include a minimum five-year post-restoration maintenance and management period at no cost to the District.
- ❖ Require HGS to perform all obligations under the wetland mitigation banking instrument that will be required by the Interagency Review Team and other applicable documents.

REVIEW BY OTHERS: Chief Operations Officer, Director of Finance, Manager of Board Operations, and Corporate Counsel.