

**SEA THE
FUTURE
WITH US**

Blue Heron Slough Project Update

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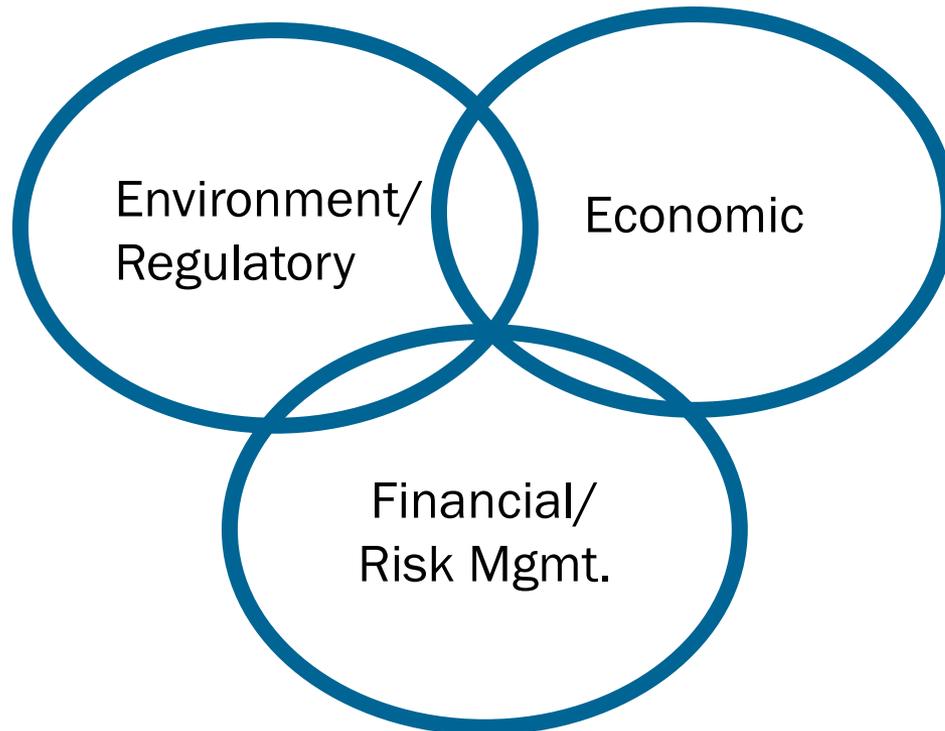
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BACKGROUND:

WHY BLUE HERON SLOUGH?

- Highly efficient bay-wide Natural Resources Damage (NRD) settlement with trustees (Tulalip, Suquamish, NOAA, Ecology) finalized in July 2019.
- The NRD Settlement in combination with the Wildlands Agreement will lead to high value outcomes (environment/economic) and potential revenue
- Construction and future wetland bank approval achieves market readiness



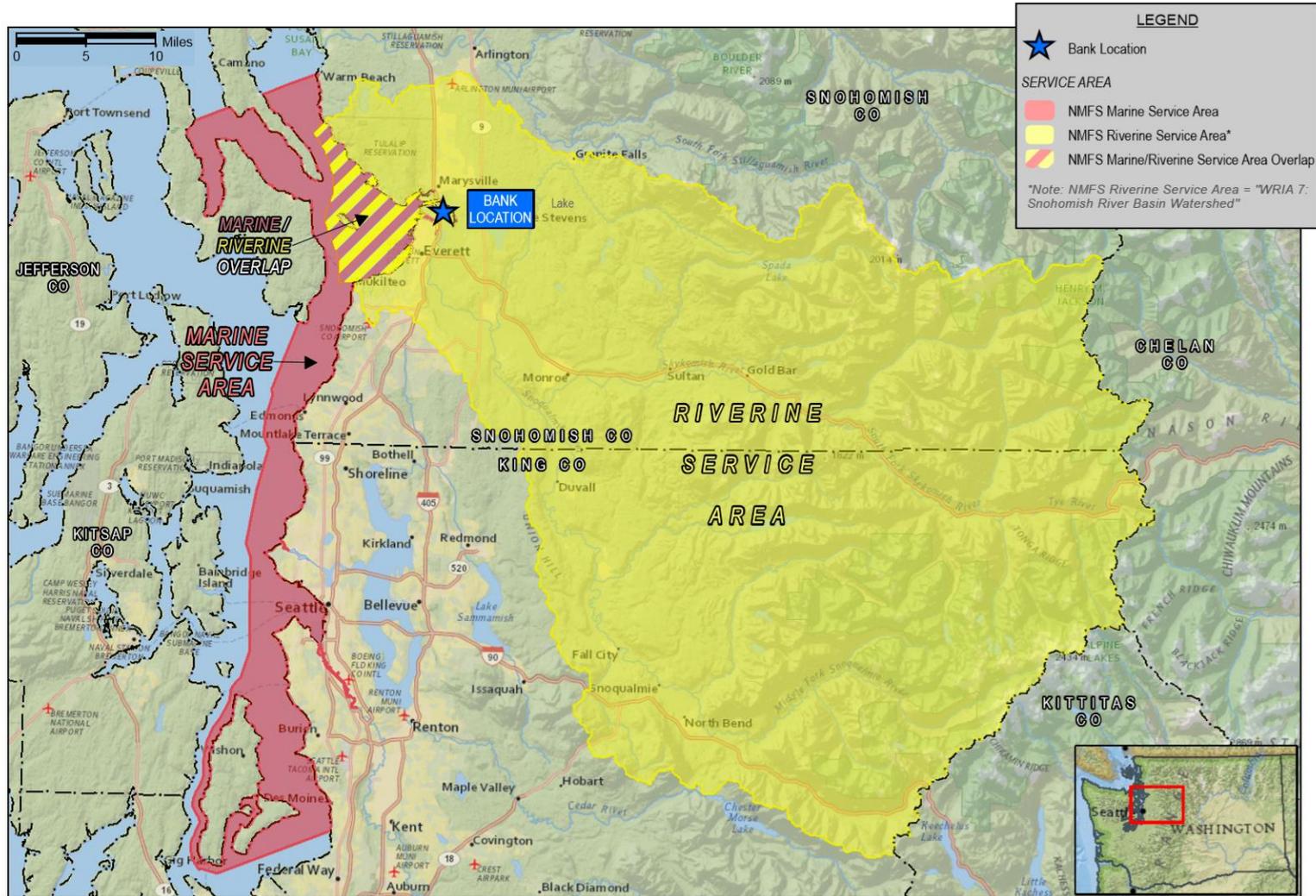
BHS OVERVIEW



April 4, 2020 Construction Progress



Approved Conservation (Fish) Bank Service Area



Proposed Wetland Mitigation Bank

Federal 2008 Mitigation Rule:

“[Mitigation Banks] Provide the highest likelihood of success and greatest value to the watershed from the available mitigation choices. (Section 332.3[a]).”

Wetland Mitigation Bank Process:

- Interagency Review Team (IRT):
 - Corps of Engineers/ Ecology
 - Other Federal, Tribal, State, and Local agencies participate
- Prospectus & public review
- Kick off meeting with IRT
- Negotiate Mitigation Banking Instrument (MBI)
- Finalize MBI
- Estimated time to complete: 18 months



LEGEND

- ★ Blue Heron Slough Conservation Bank
- Proposed Service Area ⁽¹⁾

1. The elevation limit of the Service Area within WRIA 7 is less than 2,500 feet above MSL. Data derived from USGS' 1 arc-second National Elevation Dataset, 1999.



NEXT 100

WE PROVIDE VALUE. WE CREATE ECONOMIC OPPORTUNITIES

THANK YOU!



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NEAR TERM REQUIREMENTS OF CONSENT DECREE

| Task / Responsibility | Port | Wildlands |
|---|------------------|-------------|
| Enter Consent Decree | ✓ | |
| File Conservation Easement | ✓ | |
| \$3.9M from KC, Weyerhaeuser, and Jeld-Wen – place in escrow to support construction | ✓ | |
| \$790K from Navy - place in escrow to support construction | ✓ | |
| Provide mitigation credit “bills of sale” for NRD settlements | | ✓ |
| Establish long term stewardship escrow (~\$625K) from escrow funds | ✓ | |
| Post performance bond, guaranteeing construction (~\$5.1M) | | ✓ |
| Construction mobilization – Wildlands Progress payment to Wildlands from escrow – Port | ✓ | ✓ |
| Construction milestones – Wildlands Progress payments to Wildlands from escrow – Port | | |
| | | |
| Additional bank entitlements and marketing | X (support) | X (lead) |
| Accounting | X (oversight) | X (lead) |