

Duwamish Habitat Restoration Program

Bluefield Holdings, Inc.

Northwest Environmental Business Council
Ecosystem Markets - Making Them Work
June 18, 2009



Stakeholders



Third-Party Driven Market

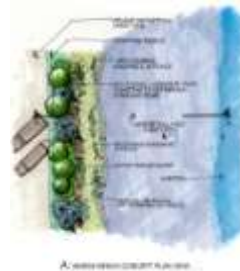
- Eco-credit development company launched in 2006
- Backed by Institutional Pension Investment funding
- Specialize in the development of ecological offsets
- Projects underway in Seattle, New Jersey



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Public Private Partnership Bluefield Holdings/City of Seattle

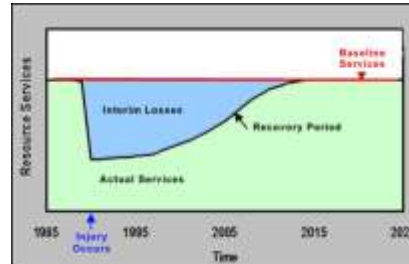
- Market-based solution to create habitat
- Habitat developed under Natural Resource Damage Assessment program
- Bluefield builds projects, creates credit bank, sells credits to PRPs
- Partnership with City of Seattle
- Trustees provide framework
- Community support
- Credits provide pathway for early settlements
- Reduces litigation and delay



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History of Natural Resource Damage Assessment Program under Superfund

- Created 1980
- OPA/CERCLA
- Often follow cleanup which takes decades
- Difficult to restore urban areas
- Litigation creates restoration logjam
- Slow development of habitat
- Patchwork quilt



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Need for Credit Markets for NRDA

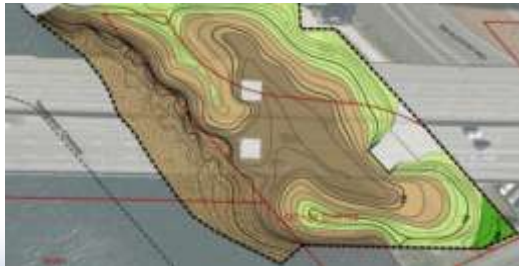
- Allows economic liability to be quantified
- Focus on eco-services vs. fines
- “The Benefit of a bank is that it provides a central point of contact for the purchase, selling trading and holding of credits” - R. Stahl, R. Gouquet, A. DeSantis, J. Liu, M. Ammann; *Integrated Environmental Assessment and Management 2008*



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Duwamish Habitat Restoration Program

- Credits created and maintained under protocols with Trustees
- PRPs seek settlements with Trustees
- Transactions completed with Bluefield
- Habitat built and maintained
- Long Term benefits realized for business, community and environment.



“Seattle is a leader in innovative environmental and business opportunities and **we appreciate Bluefield’s commitment to building partnerships that will result in natural resource credit-worthy habitat** that benefit the environment, the neighborhood and the economic viability of the working waterfront along the Duwamish.”

Kevin Burrell, Executive Director
Environmental Coalition of South Seattle (ECOSS)
March 31, 2008



Challenges and Opportunities

- Credit actually is a complex liability offset
- Governmental approvals are time consuming
- Credit purchase may be intertwined with litigation
- Suitable restoration prospects
- Building the team
- Many stakeholders
- Managing financial model
- Managing risk



- Benefits of salmon restoration publicly accepted
- PRP Debt/Liability defined by Trustees
- Bluefield credits valued by Trustees
- Superfund-driven demand



Why it is working

- Common sense
- Focus on public process
- Alignment of interests among governments
- Strong financial partner

