



# Mitigation Bank Proposal: Baker Woods and Blackberry Creek

December 14, 2021

Kendall County Administration Building

111 W. Fox Road

Yorkville, IL 60560



# Executive Summary

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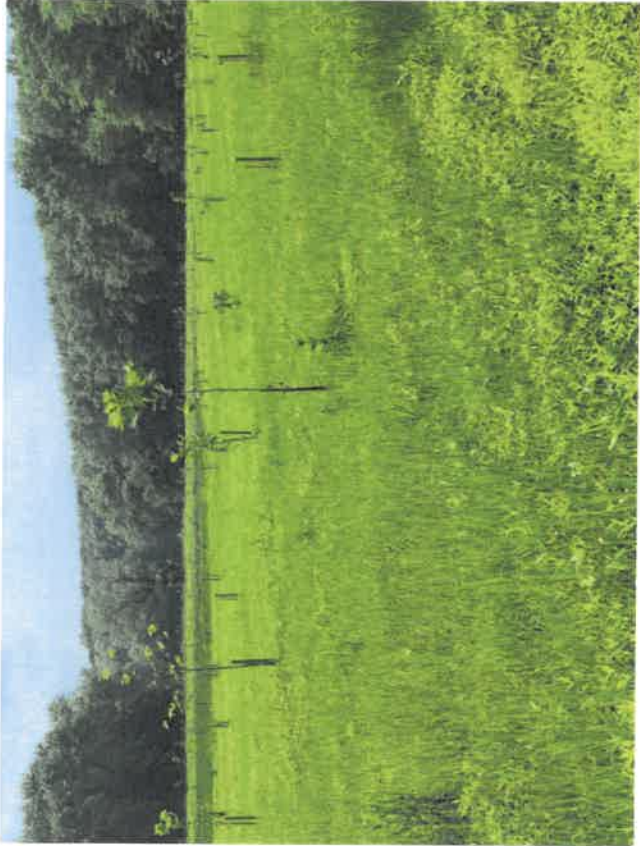
- WFI is a firm dedicated to developing high-quality conservation and restoration projects known as **wetland and stream mitigation banks**
- Kendall County Forest Preserve District (KCFPD) owns multiple preserves that may be good candidates for mitigation banks
- **WFI proposes to develop KCFPD site(s) into mitigation banks**
  - KCFPD will be compensated
  - KCFPD will have no investment requirement
  - KCFPD will remain the owner of the properties

# Who is WFI?

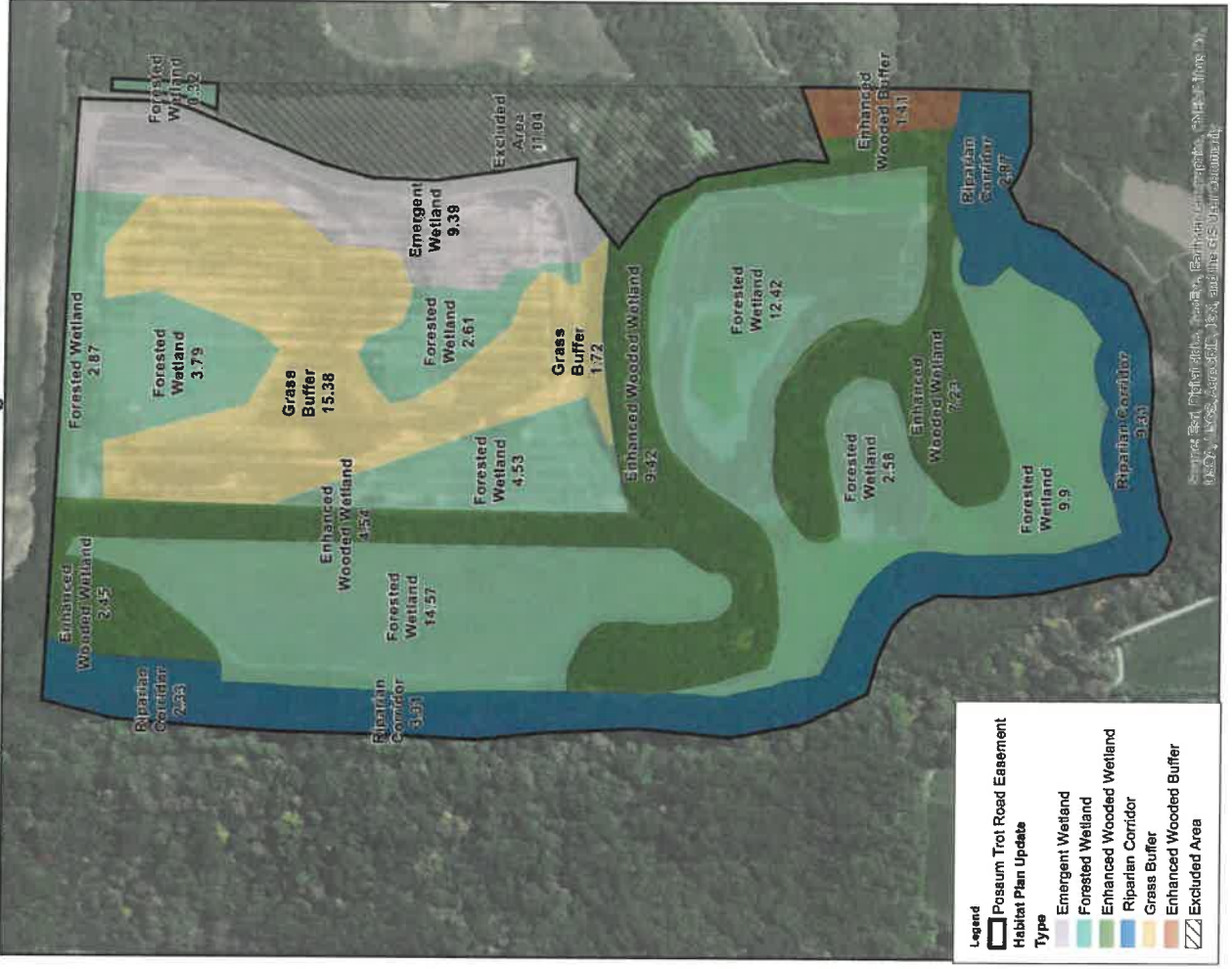
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- WFI is a firm dedicated to developing high-quality conservation and restoration projects known as **wetland and stream mitigation banks**
- Headquartered in Columbia, Illinois (Monroe County)
- Have executed in 30+ projects nationwide
- **MIH's mitigation banking activity in Illinois:**
  - *Approved & Constructed:*
    - Sangamon River Wetland and Stream Mitigation Bank (Sangamon County)
      - Restored and protected 123 acres of wetland and stream riparian habitat
      - Planted 6,000+ native bottomland hardwood trees
      - Improved 5,000+ linear feet of the South Fork Sangamon River with bank stabilization structures and riparian buffer plantings
  - *Pending Final Approval:*
    - Silver Banks: 70 acres of wetlands and stream (Madison County)
    - Locke Bottom: 100 acres of wetlands in Mississippi River Bottoms (Monroe County)
- Three additional projects in the development stages, on-track to achieve regulatory approval in first half of 2022
  - Counties: Clinton, Wayne, Rock Island
- Additional 2022 Expansion: 7 Illinois service areas identified for projects

# Example Project: Sangamon

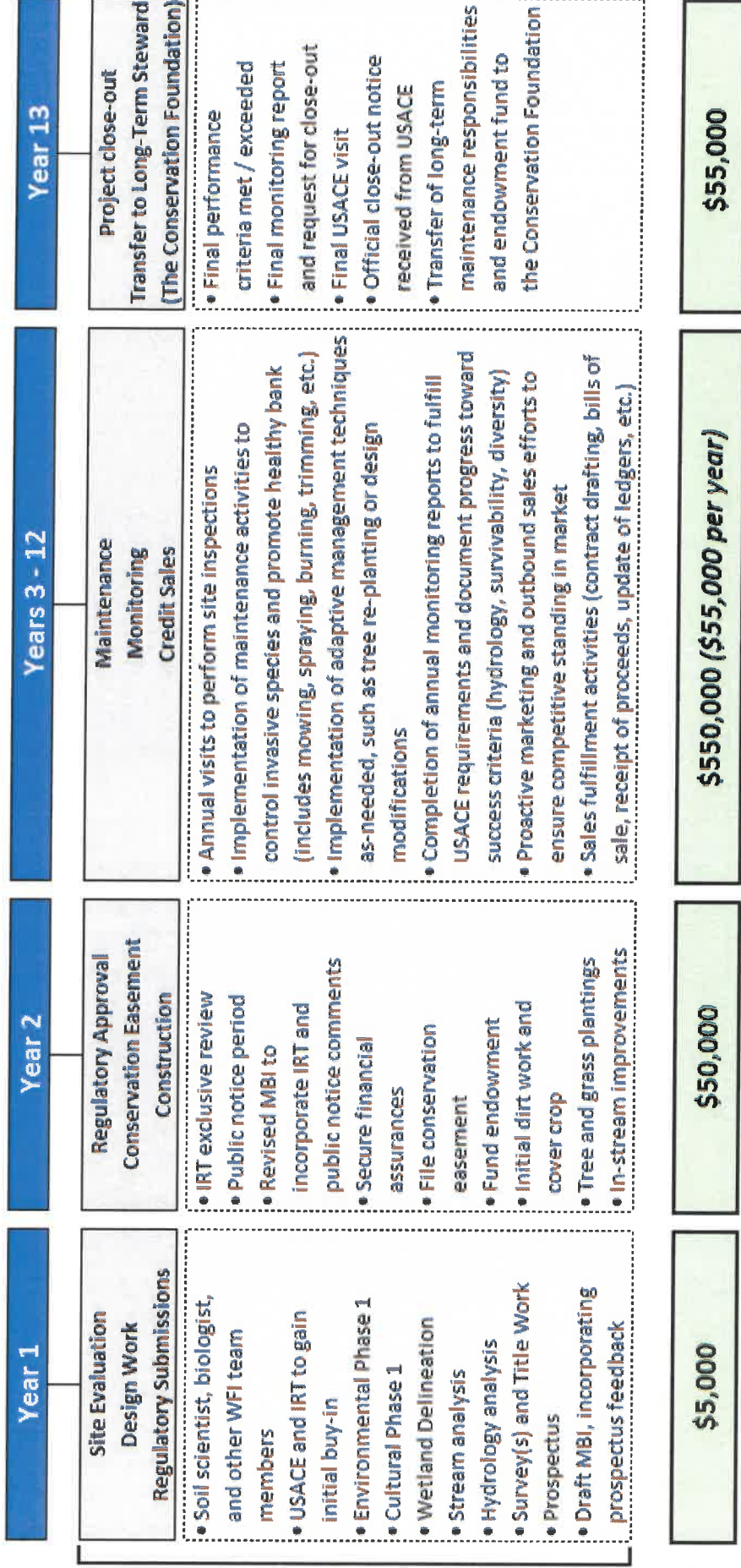


Habitat Map - Sangamon Wetland and Stream Mitigation Bank





# Mitigation Bank Explained



- **Credit Generation:** based on ecological lift achieved by incorporating acreage into mitigation bank, and ranges from 10% to 100% per acre; credits released in stages over 5-7 year period as performance criteria are met

- **Credit Sales:** WFI has in-house credit sales staff that exclusively focus on the marketing, sales, and fulfillment of all credit sales in the Midwestern states



# WFI's Proposal to KCFPD

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- WFI proposes to develop mitigation banks at Baker Woods and Blackberry Creek
  - KCFPD would be compensated for contributing a permanent conservation easement
  - KCFPD would maintain property ownership as it does today
  - WFI would cover 100% of the expenses to diligence, permit, construct, maintain, and monitor the mitigation banks through the banks' active life cycle
  - Upon bank "closure", the Conservation Foundation is interested in being the Long-Term Steward, and would be the beneficiary of a fund to cover maintenance costs after WFI completes each project
- **Benefits to KCFPD:**
  - **Achieves Mission Statement & Goals:** "To acquire, preserve, and manage natural areas and open spaces, provide environmental education, and offer recreational opportunities for Kendall County residents."
  - **Accelerates Restoration:** significantly accelerates KCFPD's long-term restoration plans
  - **Public Use:** mitigation banks are ideal for recreational use and public education
    - Educational signage about native plants and wildlife could be incorporated along walking paths
  - **Compensation:** \$55,000 per year for a 12-year period for a total of \$660,000
  - **No capital investment:** this proposal requires no capital investment from KCFPD; instead, KCFPD would be the recipient of funds that can be used to benefit its properties, which could reduce its overall budgeted funding needs
  - **No maintenance requirements:** site(s) will be professionally maintained into perpetuity, allowing KCFPD to allocate time and resources to other properties
  - **No market risk:** KCFPD would receive a guaranteed stream of income and would not be exposed to competitive market risks such as credit pricing or timing of credit sales

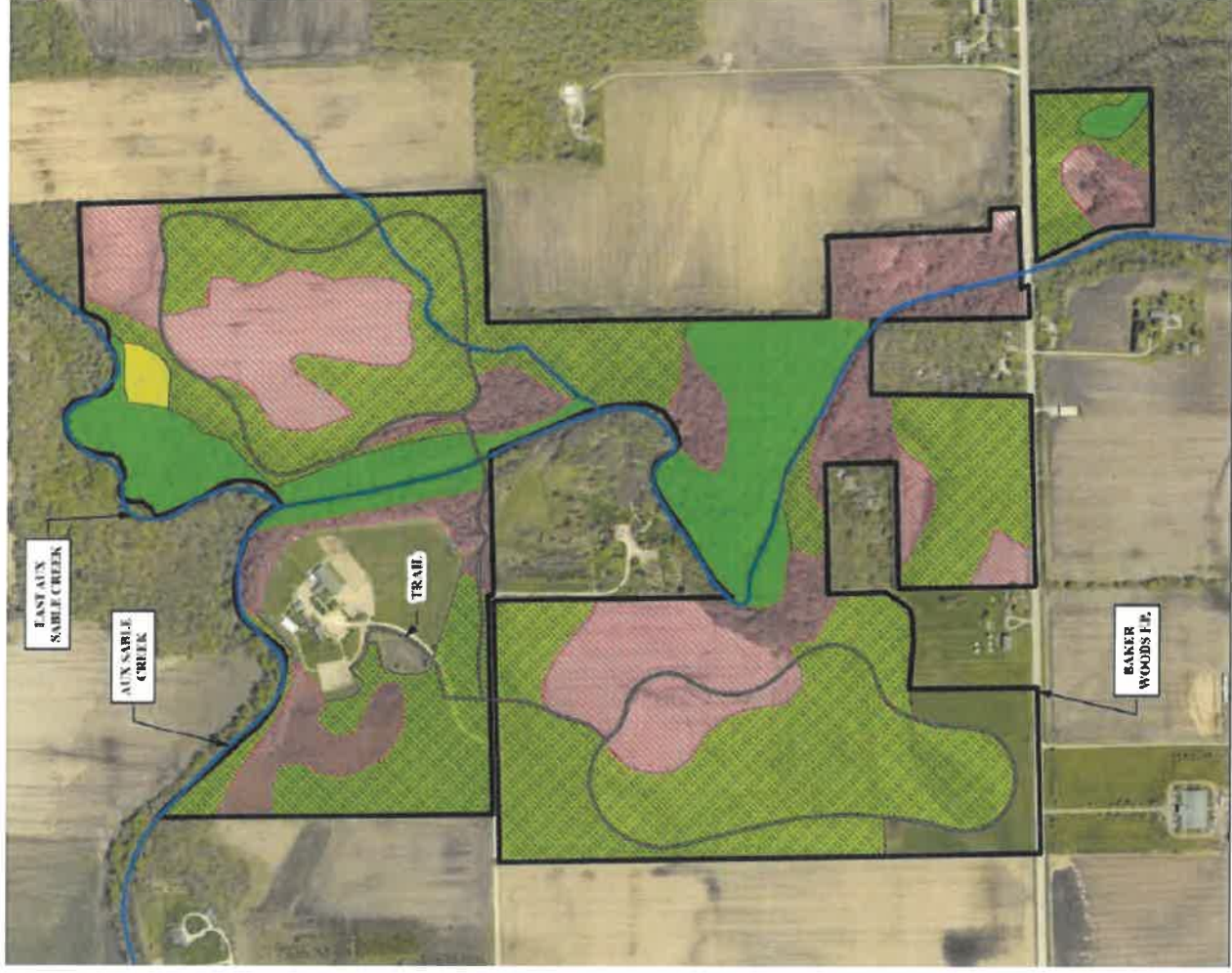


# Current Status and Next Steps

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- WFI's team has visited (with approval) both Baker Woods and Blackberry Creek
  - Baker Woods appears to have the best mitigation banking potential
  - Blackberry Creek has stream-only potential
- KCFPD and WFI have met to discuss proposed deal terms
- KCFPD has engaged The Conservation Foundation and confirmed their interest in being the conservation easement holder and long-term steward
- **Near-Term Next Steps:**
  - Agree to terms
  - Draft and execute an agreement reflecting agreed terms
  - WFI to begin due diligence (property inspections, USACE visit, cultural and environmental phase 1 reports, title work research, preliminary design, etc.)
- **Mid-Term Next Steps:**
  - WFI to create the project design and share with KCFPD
  - WFI to complete mitigation banking instrument (MBI)
  - WFI to gain MBI approval from all regulatory agencies
  - Close and make first payment to KCFPD
  - WFI to undertake restoration activities
- **Timeframe for restoration:**
  - Fall is generally the ideal time to complete restoration activities
  - Dirt work, grass planting, and tree planting take 3-4 weeks to complete

# Baker Woods



## Hydric Soils =

- Design Features could include:
  - Forested
  - Emergent
  - Prairie

## Hydric "Inclusions" =

- Design features could include:
  - Forested
  - Emergent
  - Prairie

## Existing Forested =

- Design features could include enhancement work

## Existing Emergent =

- Design features could include enhancement work





# Term Sheet Items

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- Proposed non-binding offer (binding terms to be described in legal documents):
- Agreement that allows WFI to develop mitigation bank(s) at one or both of the following:
  - Baker Woods (first priority; primarily wetlands, will assess stream potential)
  - Blackberry Creek (second priority; likely stream-only on small portion of entire site)
- Due Diligence Term: 2 years, plus 2-year extension
  - Baker Woods can continue to be farmed during due diligence period
- Deposit: \$5,000 for initial 2-year option term; \$10,000 for 2-year extension if used (all credited towards first installment payment)
- Installment Payments: \$55,000 per year for 12 years (total of \$660,000) beginning at MBI approval
- KCFPD retains ownership of underlying real estate
- WFI funds all project-related expenses (due diligence, permitting, surveys, financial assurances, construction, maintenance and monitoring up to project close-out, long-term management fund, etc.)
- KCFPD has no capital requirement and no market risk
- KCFPD to have input on design features (within reason, without adversely affecting project costs and / or credit yield)