

# SAN BERNARDINO COUNTY SUN

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## Ensuring a safe habitat for the SB kangaroo rat *Company profits off others' land damage*

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SAN BERNARDINO - Their main business: mining gravel.

Their side business: selling homes for rats.

CalMat Co. didn't have the side business in its original plan for 610 acres it owns in and around Cajon Creek. The company, acquired in 1999 by Vulcan Materials, made most of its money mining rock and gravel, after all.

But providing a home for the endangered San Bernardino kangaroo rat has turned out to be a money maker as well.

Since 1998, CalMat and Vulcan have pulled in \$5.8 million by selling 240 acres worth of "conservation credits" to developers and cities who need to replace habitat torn up by their projects.

Highland, for instance, disturbed five acres of kangaroo rat land when it replaced its Fifth Street bridge over City Creek with a wider roadway. Under the federal Endangered Species Act, it owed the kangaroo

rat which technically isn't a rat, but more of a hamster-like creature 10 acres of land.

Like others before them, Highland turned to Vulcan so it could settle up with the kangaroo rat. The city paid the company \$300,000 for 10 acres worth of conservation credits.

More recently, Vulcan got \$60,000 from Forest City Development, which needed two acres to compensate for habitat it damaged while building the Victoria Gardens shopping mall in Rancho Cucamonga.

Vulcan maintains the habitat. When the company exhausts its mining privileges and leaves the creek, it will be required to put the conservation land in a trust and set up an annuity to pay for maintenance "in perpetuity."

Not all of the sales are driven by the kangaroo rat. Vulcan has about two dozen species of plants on its conservation bank property that are on the Endangered Species list or candidates for it.

But the rat is the main force behind the bank, thus far.

"That's probably the thing that drives most of the sales right now, the San Bernardino kangaroo rat," said Douglas Sprague, reclamation and special projects manager for Vulcan's western division.

Sprague was instrumental in setting up the conservation bank. As an employee for CalMat, he navigated a successful permit for the company to mine some of the Cajon Creek land in the early 1990s.

But the company found itself with more than 1,300 acres it couldn't mine, after settling a lawsuit over an endangered plant called the Santa Ana woolly star in 1996, Sprague said.

CalMat settled with more savvy than the usual give-and-take though. It did give up land for the plant to live on and it secured rights to mine on other land suitable for habitat.

The shrewd move, however, was maneuvering to designate 610 acres of the habitat as "conservation bank" land.

That move was the company's entry into the habitat business. At that point, the concept was relatively

new among mining companies.

"There was skepticism in the industry,' Sprague said. "It was seen as speculative.'

There were selling points too, though. Convenience was among the most important.

Developers disturbing habitat can try to find their own replacement land. But that involves hunting for the suitable property, doing environmental studies, making sure it has the right species on it and then guaranteeing that it will be maintained in perpetuity.

Or they can go the conservation bank route, which simply requires them to write a check and forget about it.

The skepticism started to wane in 1998 when the San Bernardino kangaroo rat hit the endangered species list.

That was the year Temecula-based Curtis Development had a residential project near Santa Clarita that needed habitat mitigation and approached CalMat. Sprague recalls that a representative for Curtis wasn't receptive of the \$18,000 per acre asking price.

"He said 'I'm not going to pay that for weeds,' Sprague said.

Curtis development, which did not return a phone call seeking comment, didn't have much luck coming up with habitat on its own, though. The company eventually coughed up \$342,000 for 19 acres.

Today, the Vulcan site is proof

there's money to be made in selling habitat.

As development explodes, so does the demand for mitigation land. An acre's worth of conservation credits now costs nearly triple what Curtis paid in 1998.

State and federal conservation agencies see the banks as a good thing and even refer developers who are grappling with the Endangered Species Act to banks like the one Vulcan owns.

Environmentalists have mixed feelings about conservation banking and whether it successfully protects the species it's designed to help.

"It does when it's done right,' said David Myers, executive director of Wildlands Conservancy, a nonprofit that uses cunning real estate strategies to preserve wilderness. "You take a lot of piecemeal parcels and (replace them with something more contiguous).'

Others, like Peter Galvin, the conservation director for the Center for Biological Diversity, are more suspicious.

Galvin says there's not enough oversight of the maintenance of the conservation banks. He also worries about whether the land trusts to manage them after the mining companies leave will have the funding they need. "At best they're an imperfect system that needs to be fixed over the long term,' he said.

Bob Agee, a Maryland consultant, is working with the National Stone, Sand and Gravel Association to set

up a land trust to maintain the banks when mining operations are over.

Although conservation banks have been formed by real estate speculators, he believes the greatest opportunity lies with the gravel miners. The mining, he said, takes place in select locations, such as washes that are also unique habitat locations.

Agee believes more and more mining companies will buy into the concept, when they see the conservation banks as a way to at least recoup some of the costs of being environmentally sensitive.

He also sees no harm in people making a buck or a million by providing endangered species habitat.

"As people see it as a benefit to do the right thing, it will become the rule more than the exception.'