



State of California – The Natural Resources Agency
DEPARTMENT OF FISH AND WILDLIFE
North Central Region
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GAVIN NEWSOM, Governor
Charlton H. Bonham, Director



March 10, 2022

Dan Shaw
1513 Investors LLC
15700 Winchester Blvd
Los Gatos, CA 95030

**Subject: Draft Prospectus Evaluation for Meadowmont Mitigation Bank
(1798-2021-01-02)**

Dear Mr. Shaw:

The California Department of Fish and Wildlife (Department) has completed the initial evaluation of your draft prospectus dated November 2021 for the Meadowmont Mitigation Bank (Bank). This evaluation is distinct from that of any other potential signatory agency.

Issues have been identified that if not addressed will likely result in the Department rejecting the proposal of the Bank. If you wish to submit a prospectus, please address the issues discussed below.

The proposed restoration activities of the Bank property would need to result in high quality natural habitat. The current incised narrow intermittent low-sinuosity stream channel appears to have been straightened and relocated and lacks riparian vegetation. Restoration designs should entail placing the channel back into its historical location, removal of the man-made features such as culverts and weirs and include active riparian vegetation planting. Additionally, wetlands should have natural floodwater retention.

The proposed Bank property is surrounded by residential and commercial property on the north, south, and west and State Route 4 on the east and, per the draft prospectus, the hydrology of the proposed Bank property is influenced by State Route 4 and runoff from the neighboring development. The developed areas likely affect the Bank property through changes in hydrologic regimes and/or water quality. The proposed restoration designs for the Bank property will need to consider and address how changes in the offsite hydrology will influence the wetlands.

The proposed Bank property habitat was converted to a golf course in 1962 and golf courses are typically treated with fertilizer, pesticides, and/or herbicides. Wetland habitat would naturally filter out pollutants; however, wetlands are absent from areas of proposed re-establishment. There may be residual effects to the proposed wetland rehabilitation and re-establishment due to excess nutrient load. Please investigate if there are any residual fertilizer, pesticides, and/or herbicides present at the proposed Bank property and if so, please described at what level these are present at the site and what actions would be taken to minimize the effect.

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The preliminary title report identifies underground utilities on both the east and west side of the proposed Bank property. Work within these easements could affect the conservation values of the Bank property. Restoration designs would need to take into account any potential activities conducted by the easement holder and the easement area, and buffer if applicable. Areas where easements are located would be excluded from Bank credits.

The preliminary title report identifies an encumbrance of an outstanding debt. The Bank sponsor would be required to subordinate the debt to the conservation easement by recording a subordination agreement in order to establish the Bank, if approved.

The draft prospectus does not identify legal access from a public road. The draft prospectus states that access would need to be through the parking lot of a business located on the southern Bank boundary. An access agreement would be required in favor of the conservation easement grantee and third-party beneficiaries.

If you choose to submit a prospectus, it must be accompanied by a new [Bank Submittal Form](#) (<https://nrmsecure.dfg.ca.gov/FileHandler.ashx?DocumentID=58780>) and the current prospectus review [fee](#)¹ [Fish and Game Code § 1798(b)(1)]. For more guidance on what to include in your prospectus please view the [prospectus checklist](#) at (<https://www.spd.usace.army.mil/Portals/13/docs/regulatory/banking/Checklists%2020210604.pdf>) and the Department's web site at <https://www.wildlife.ca.gov/Conservation/Planning/Banking>.

If you have questions regarding your draft prospectus or the bank review process, please contact Stephanie Buss, Senior Environmental Scientist (Specialist) at (916) 406-4311 or stephanie.buss@wildlife.ca.gov.

Sincerely,

DocuSigned by:

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California Department of Fish and Wildlife

¹ Fees may be adjusted annually pursuant to FGC 1799.1(a). The current fee schedule at the time of submittal is the fee required for review of the bank document.