

**MEETING MINUTES
CONSERVATION EASEMENT OVERSIGHT COMMISSION MEETING
December 13, 2024**

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MINUTES
CONSERVATION EASEMENT OVERSIGHT COMMISSION MEETING
December 13, 2024
COLORADO DIVISION OF CONSERVATION
1560 BROADWAY, SUITE 1550
DENVER, CO 80202

Commissioners in Attendance

Nick Jacobson, an individual who is qualified to analyze conservation purpose, appointed by the Governor; Carmen Farmer, representing a certified conservation easement holder, appointed by the Governor; Kelly Romero-Heaney, representing the Department of Natural Resources; Maggie Hanna, a member of the general public, appointed by the President of the Senate; Cindy Lair, representing the Department of Agriculture; Chris Yuan Farrell, representing the Great Outdoors Colorado (GOCO) Program; Matthew Heimerich, an individual qualified to analyze conservation purpose, appointed by the governor; and Joshua Johnson, an Individual Qualified to Analyze Conservation Purpose, appointed by the Speaker of the House of Representatives.

Staff in Attendance

Aaron Welch, Director, Beatrice Lawson, Compliance Specialist, Madeleine Green, Compliance Specialist, and Kirsten Grooms, Assistant Attorney General.

Notice of the meeting was timely published and the meeting was held pursuant to the Colorado Sunshine Laws, Title 24, Article 6, C.R.S., as amended.

ORDER OF BUSINESS

The meeting was called to order at 9:33 a.m.

Approval of Minutes - September 20, 2024

It was moved by Commissioner Farmer and seconded by Commissioner Lair to approve the September 20, 2024 minutes.

Motion carried.

Public Comment

None.

POLICY MATTERS

Commission Update

Director Welch welcomed the new Commissioners. Commissioners Yuan Farrell, Heimerich, and Johnson all briefly introduced themselves. Director Welch also mentioned that a new chair and co-chair will be elected at one of the next meetings.

Applications Update & 2025 Fee Schedule

Bea summarized application activity since the last meeting. The Division has 17 tax credit certificate applications pending review. The Division has issued tax credit certificates for 11 applications since the last Conservation Easement Oversight Commission meeting in September. The CEs involved encumber over 15,000 acres in 8 counties. The rate of incoming applications suggests the Division can anticipate 60-65 tax credit applications this year, which would be an increase of 15% to 25% over the average number of applications across the last four years (52 applications per year during 2019-2023). The Division is currently issuing tax credits from the 2026 cap, but that cap is nearly reserved at a little over \$49 million. Bea then gave an update about the 2025 certified holder renewal process. The Division currently certifies 37 organizations, composed of 13 government agencies and 24 nonprofit organizations, to hold conservation easements. The 2025 certified holder renewal season began last week and as of the date of this meeting, five organizations have applied for renewal. A more complete update will be presented at the next meeting. Then, Director Welch gave a brief update on the fee schedule. Fees are largely unchanged with the exception of a modest decrease to the tax credit application fee. Commissioner Heimerich asked about the average number of applications per year and Director Welch answered that the number of applications the Division receives is consistent year to year.

Tax Credit Application TCC-2024-029

Director Welch introduced the application. He described the application's conservation values and the property's mineral resource potential. The easement encumbers 3,937 acres of a 4,209-acre property which is underlain by minerals with high resource and development potential due to significant coal reserves and an active mineral lease. A 272-acre portion of the property is unencumbered by the conservation easement, but restricted by covenants intended to complement the conservation easement. The Division asked for guidance as to whether the conservation easement adequately meets the requirements of a "qualified conservation contribution" and should, pending review of the appraisal, generate a conservation easement tax credit. Commissioner Heimerich asked to clarify why this conservation easement is different from others and Madeleine described the restrictive covenants in detail. Commissioner Heimerich followed up by asking if the portion of the property restricted by covenants is eligible for a tax credit and Director Welch answered that it's not eligible. Commissioner Hanna asked about access to the middle parcel and Madeleine described the existing right of way that addresses access to this parcel. Commissioner Yuan Farrell noted that GOCO has seen projects like this and wanted to make sure the applicant submitted a high quality mineral report. Madeleine confirmed that a mineral report was made in 2022 then updated in 2024. Lastly, Commissioner Farmer remarked that using restrictive covenants is a thoughtful approach considering the landowner and CE holder could have simply excluded these project areas altogether. Commissioner Heimerich made a motion to approve tax credit application TCC-2024-029 pending the completion of the review process. Commissioner Lair seconded. All Commissioners voted in favor.

Motion passes.

Annual Ethics and Conflict of Interest Training

Kirsten Grooms, Assistant Attorney General, led the Commission through annual training in open session. None of the Commissioners had any questions about the presentation.

2025 Meeting Schedule & Agenda Items for Next Meeting

The next meeting is not yet scheduled. Topics may include election of a new chair and vice chair and a certified holder renewal update.

ADJOURN

The Commission adjourned the meeting at 10:38 a.m. on December 13, 2024.