

**MEETING MINUTES
CONSERVATION EASEMENT OVERSIGHT COMMISSION MEETING
August 2, 2022**

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MINUTES
CONSERVATION EASEMENT OVERSIGHT COMMISSION MEETING
August 2, 2022
COLORADO DIVISION OF CONSERVATION
1560 BROADWAY, SUITE 1550
DENVER, CO 80202

Commissioners in Attendance

Courtney Bennett, representing Great Outdoors Colorado; Paul Holsinger, an individual who is qualified to analyze conservation purpose; Carmen Farmer, representing a certified conservation easement holder; Tim Mauck, representing the Department of Natural Resources; and William Fales, representing a certified conservation easement holder; Jill Ozarski representing a member of the general public; and Hollis Glenn, representing the Department of Agriculture.

Staff in Attendance

Aaron Welch, Director, Beatrice Lawson, Compliance Specialist, and Josh Berry, 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 9:34 a.m.

The agenda was reordered to accommodate the needs of attendees.

Approval of Minutes - September 28, 2021

It was moved by Commissioner Mauk and seconded by Commissioner Fales to approve the September 28, 2021 minutes.

Motion carried.

Public Comment

None.

POLICY MATTERS

Staff Updates and Commission Appointments

Director Welch reviewed updates to Division staff and the status of appointments to the Commission. The Division now has statutory authority to hire more staff beginning with Bea Lawson, who began in June. The Commission gained a new representative from the Department of Agriculture, Hollis Glenn. Director Welch thanked the members of the Commission for their continued service and welcomed Commissioner Glenn.

Tax Credit Application TCC-2022-001

Director Welch provided a summary of the easement that includes a provision that restricts the future sale of the property to agricultural value. Such a provision is unique in the history of the tax credit program. The provision limits the future sale of the property to a price at or below the agricultural value plus the contributory value of improvements. Director Welch clarified that the Commission would not directly discuss the appraisal report, but rather the deed provision and its impact on the easement's conveyance in perpetuity, and the responsibilities of the conservation easement holder. Commissioner Fales recused himself from the discussion. Molly Fales, Staff Attorney, Colorado Cattlemen's Agricultural Land Trust, was present to answer any questions from the Commission. Commissioner Holsinger made a motion for the Commission to find such future agricultural value limitation language in support of the conservation purposes, and that the conservation easement appears to comprise a qualified contribution eligible for a tax credit. Commissioner Farmer seconded the motion, Chair Ozarski called for a vote, and the motion was carried.

Preliminary Advisory Opinion PAO-2022-001

Director Welch provided a summary of the PAO application where the applicant requested an opinion of the conservation purpose of a proposed conservation easement. Commissioner Farmer recused herself from the discussion. Director Welch noted that the open space conservation purpose seeks to preserve a sustainable water supply in the region and thereby provide a significant public benefit to the area's agricultural lands and nearby Baca National Wildlife Refuge; the relatively natural habitat conservation purpose seeks to convert the current agricultural fields to remediated perennial grasslands in conjunction with a land transition plan; water rights to be encumbered by the easement include water rights dedicated to a water conservation program that will be held for non-use, and water rights that may be used for irrigation and revegetation. Sarah Parmar, Director of Conservation, Colorado Open Lands, joined the meeting to discuss the application with the Commission. Commissioner Holsinger made a motion to offer an opinion in favor of the PAO application, noting the reduction of groundwater withdrawals supports the conservation purpose of open space and furthers the efforts of local government policy to address sustainability of aquifers. Commissioner Mauk seconded the motion, Chair Ozarski called for a vote, and the motion was carried.

Applications Update

Director Welch summarized application activity since the last meeting. In the first half of 2022, the Division has received 27 applications and has 10 applications in the queue awaiting review. The rate of incoming applications suggests the Division can anticipate 50-60 tax credit applications this year, which would be an increase of 25% to 50% over the historic average of 40 applications per year. The Division has issued tax credit certificates for 15 applications received this year, which encumber more than 14,000 acres in 13 counties. Additionally, the Division renewed certifications for 34 of 36 organizations. The remaining two are expected to renew before year-end. There is one pending application for certification which will go to the Commission before year-end.

Agenda Items for Next Meeting

The next meeting has yet to be scheduled. The date will depend upon the availability of members of the Commission and the capacity of the Division. Topics may include a pending application that needs to be reviewed by the Commission and annual training for all Commissioners.

ADJOURN

The Commission adjourned the meeting at 11:04a.m. on August 2, 2022.