



## **ENHANCEMENTS TO ROUTT COUNTY'S PURCHASE OF DEVELOPMENT RIGHTS PROGRAM (PDR) – CONCEPT PAPER**

### **Options for consideration:**

1. Simple reauthorization. Given the nature of easements in Colorado, CCALT would recommend no longer than a 10-year simple reauthorization. A longer reauthorization period gives CCALT pause as to the ability of Routt County to be able to utilize the funds to the narrow constraints of the existing program. It should also be noted that the original initiative was for 10 years.
2. Reauthorization with minor programmatic enhancements. 10-year reauthorization that allows for (1) alternative methods to value conservation beyond traditional real estate appraisals; and (2) expands the types of transaction costs that PDR can support.
3. Water, recreation, and fuels reduction are major resource concerns throughout the state and specifically in Routt County. All of these issues impact agriculture. CCALT believes dedicated funding provided to existing programs like the Yampa River Fund, Trail Maintenance Endowment Fund, and the Wildfire Mitigation Council is a more effective strategy for addressing these resource concerns rather than attempting to broaden PDR.

### **Specific Concepts for Minor Program Enhancement:**

1. The ability to value conservation using methodologies beyond traditional conservation easement real estate appraisals. Conservation easements have long been valued on a hypothetical elimination of development rights instead of valuing the natural resources that are being conserved. The traditional valuation methodology is breaking down across the nation as buyers are increasingly willing to pay higher prices for encumbered properties. CCALT has seen this trend occurring in Routt County in recent years and we anticipate it will only increase due to changes in work habits caused by COVID and increased access to reliable high-speed internet. Providing options to use other value methodologies will provide greater program resiliency over time. Several alternative valuation methodologies are currently being developed and tested across Colorado and the Nation. Section 4.7 of the Resolution should be modified to read, "The Value of Development Rights shall be established **only** by **(a)** one or more appraisals made by Colorado State Certified Appraisers; or **(b) an alternative methodology for valuing Conservation Easements which has been approved by the Colorado Division of Conservation.**
2. The ability to expand support for transaction costs associated with conveying a conservation easement. Since 1996, the average cost of conveying a conservation easement has increased from approximately \$20,000 to more than \$80,000. Section

8 of the Resolution should be modified to read, "Either the Owner or the holder of a Conservation Easement purchased in whole or in part with expenditures from the Fund may be reimbursed from the Fund for costs of appraisal, surveying, legal and other services such as easement documentation, baseline documentation and environmental reports, long-term easement stewardship funds, legal defense funds, and administrative fees, incurred incident to the acquisition of approved Conservation Easements up to a maximum of sixty thousand dollars (\$60,000.00). Costs in excess of this limitation may be reimbursed with the prior approval of the Citizens Advisory Board and the Board. This request may be made prior to the formal submittal of the application to the Citizens Advisory Board. ~~The County shall not be responsible for expenses incurred by the Owner incident to the purchase of a Conservation Easement.~~ The maximum amount may be adjusted according to the provisions of the Annual Review as described in Section 9 of this Resolution."