

WHITE RIVER WATERSHED RANCHLAND CONSERVATION PLAN



VERSION 1 – JUNE 2014

COLORADO CATTLEMEN'S AGRICULTURAL LAND TRUST

INTRODUCTION

Colorado's Farms and Ranches make up more than 80% of the private land in the state and own and manage a similar percentage of the state's surface water resources. With an ever-increasing population slated to add 2 million more residents by 2050, coupled with pressure for recreational and second home uses, much of Colorado's productive agricultural land is under threat of conversion.

In northwestern Colorado's Rio Blanco County, the White River makes up the heart of a relatively small but vibrant ranching community. The primary focus of the ranches is in two productive valleys located to the east of Meeker (Agency Park) and to the west (Powell Park). In 2007, the Colorado Cattlemen's Agricultural Land Trust was invited into this community by a group of long time ranch families who were interested in exploring conservation easements as an option for their property.

That initial interest led within a few years to several major projects, including CCALT securing funding for the purchase of conservation easements on the Nelson White River and Russell Ranches in Agency Park. This was effectively the first phase of our work in the Valley. The second phase initiated almost immediately, in 2013 when several ranch families approached CCALT with an interest in conserving their lands. It was at this point that CCALT decided that we needed to talk a look at the landscape and develop a plan to guide our work there.

This report is the result of that planning effort. We hope that it will not only lead to the conservation of several thousand acres of productive ranchland by the end of 2015, but also will serve as the foundation for CCALT's work in this landscape for many years.

The Plan consists of three main components. The first is an analysis of the landscape and a corresponding analysis of the highest conservation priorities along the White River. The second component is the development and structuring of several high quality land conservation transactions in both Powell Park and Agency Park. The final piece is a plan to raise all of the funding needed to complete the due diligence and for the bargain sale purchase of the conservation easements.

The White River Valley is a special place. The ranching community has expressed an interest in seeing it remain much as it is for future generations. We are honored to be able to play a role in seeing that vision become a reality. We feel that there is great hope for conservation in this landscape and we feel that this plan is an important step in our efforts to secure a future for the agricultural heritage and natural resources in the White River Valley.

PART I - WHITE RIVER VALLEY LANDSCAPE ANALYSIS

As CCALT set out to analyze the White River Valley landscape, we set out several initial questions that we hoped that this work would shed light on. Those include:

1. How many acres of private ranchland, both irrigated and non-irrigated remain in viable ranching units in the area?
2. Where are there significant overlap between agricultural, wildlife and scenic conservation values?
3. Which properties have the highest combination of those values and therefore should be considered priorities for conservation?
4. Is the model able to be exported to other landscapes?

Methodology

While there are many examples of natural resource driven prioritization methods for determining land conservation priorities, very few of those took into account agricultural values. Even fewer completed their analysis in a simplified way that could be completed quickly and without detailed scientific information. While CCALT has GIS capacity and significant staff capacity, what we do not have, and what many conservation organizations or local governments don't have, is the ability to create data layers easily or gather large amounts of information. Also, in many rural areas of Colorado, that information simply does not exist.

CCALT set out to develop a rapid assessment tool that could point out the critical conservation information with the information readily available and in timely manner. Using the White River as a test case, we feel that we have solid tool to accomplish this goal.

We started with assessor's parcel data from Rio Blanco County. Staff took a look at the data parcel by parcel and in many places was able to aggregate adjacent parcels in common ownership to more accurately reflect ranch ownership and management. Ownerships were able to be determined and a detailed table of the ranches in both Powell Park and Agency Park were compiled. Because we felt that these two areas along the White River would turn out to quite different, separate tables were developed for the two areas. Versions of those tables are included in Appendix 1.

CCALT then developed a simple scoring system that analyzed six key factors in the landscape:

1. Parcel Size in Acres

This completed by using the aggregated parcels and Arc GIS analysis. The analysis removed any aggregated parcels that were less than 100 acres. This was done for two reasons. First, agricultural sustainability requires a significant amount of acreage to be viable and we felt that parcels less than 100 acres would likely not meet the criteria. Second, this analysis is aimed to determine conservation priorities. With current 35 acre agricultural zoning, parcels smaller

than 100 acres would have difficulty ensuring enough dollar value to justify the donation or purchase of conservation easements under current state law.

The CCALT staff has significant familiarity with the landscape and felt comfortable with the 100 acre limitation. In other places that figure may need to be adjusted to properly address land ownership patterns in a landscape.

2. Irrigated Land in Acres

CCALT Staff created a simple data layer based on aerial photography that showed the currently irrigated land in the valley. This layer was then combined with the parcel data to determine how much irrigated land exists on each of the parcels. While this layer may not be completely accurate, we feel that it gives us a good idea of the overall.

3. White River Frontage

The White River is the focal feature of the entire valley. Frontage on the river provides important attributes for ranching, wildlife habitat and recreational potential to the degree that we felt that river frontage in and of itself was an important conservation consideration.

4. Scenic Visibility

In a similar fashion, the visibility and scenic features of a property are largely determined by the public's ability to see those properties. We therefore developed a measure of adjacency to commonly traveled public roads in the White River Valley, namely Colorado Highway 13, Colorado Highway 64 and Rio Blanco County Road 8 (Flat Tops Scenic Byway).

5. Adjacency to Conservation Easements

In terms of landscape connectivity, it is important to recognize that conservation values are increased when they extend over multiple properties. We developed criteria that gave a score to the amount of property boundary shared with properties that have already been protected.

6. Wildlife Habitat Values

Wildlife habitat has been extensively mapped in the White River Valley by Colorado Parks and Wildlife. In discussions with local landowners, this mapping data appears to be relatively accurate. CCALT overlayed data for Greater Sage Grouse, Bald Eagle and Elk and Mule Deer Winter Range to capture values of these species in the landscape.

A table showing the complete scoring system is attached in Appendix 2.

Results of the Parcel Analysis

1. Identification of Parcels and Acreage

The investigation identified 213,858 acres of private ranchland in the study. This includes some land that may not be in active agricultural use, but which is held in larger parcels and could have value to an agricultural operation. It did not include any smaller parcels which may have already been lost to development or will be purchased in the future for residential uses. It also did not include any land held by the US or the State of Colorado.

2. Summary Statistics

Powell Park

Total Parcels: 81

Parcels with Irrigation: 28

Parcels with White River Frontage: 17

Total Acres: 61,966

Irrigated Acres: 3,519

Irrigated acres in parcels larger than 100 acres: 2,956

Agency Park and Upper White River

Total Parcels: 135

Parcels with Irrigation: 88

Parcels with White River Frontage: 35

Total Acres: 151,892

Irrigated Acres: 12,319

Irrigated acres in parcels larger than 100 acres: 10,960

3. Ranking of Parcels

Scores for the 216 parcels that were analyzed ranged from a high of 14 to a low of 0, with the median score being about 4. Only 19 parcels had rankings greater than 10. The complete ranking sheet is attached in Appendix 1.

4. Analysis of Parcel Rankings

As we expected, this analysis allowed CCALT to determine which properties in the White River valley hold the largest combination of conservation values. However, several trends developed as we looked at the results of the scoring of individual parcels. These trends include:

A. Existing Conservation Easements

We found that 7 of the 19 parcels ranked with 10 points or higher are already protected or are in the process of being protected. Because conservation easements are a voluntary tool, they are oftentimes disregarded by conservation planners as not being a strategic tool for achieving goals in a landscape. In this case, it appears that landowners are self-selecting the best properties for conservation.

B. Importance of the White River

Those properties that have White River frontage were disproportionately represented at the top of the rankings. This is not surprising as the river is the central organizing feature of both the natural systems and the human communities in the White River Valley.

C. Differences between Agency and Powell Parks

We found that properties in Agency Park in particular scored somewhat higher than those in Powell Park, or those farther up the White River. This was due to several factors, including the fact that irrigated parcels in Agency Park are generally larger than in other areas and there are more existing conservation easements in the area which give neighboring properties points for being part of a critical mass of rangeland.

D. Upland Acreages

Through the analysis we became aware of just how many ranches have significant private land acreages off of the river in the uplands to both the north and south. While many of those ranches also have smaller holdings along or near the river, these larger grazing land parcels were somewhat of a surprise to CCALT. As we explain later, the interconnectedness of irrigated parcels and larger upland parcels, both private and public, deserves more attention in this landscape.

E. Integrity of Irrigated Lands

The vast majority of irrigated land (84% in Powell Park and 88% in Agency Park) is in large acreages of more than 100 irrigated acres each. This is a testament that the ranching and agricultural uses of these properties remain the dominant land use. It also provides an interesting way to focus future conservation opportunities to those larger parcels. There were 57 parcels in the whole study area that had more than 100 acres of irrigated land.

F. Small proportion of irrigated lands

Less than 16,000 acres of irrigated lands were identified in the study, representing about 7.4% of the total private rangeland in the study area. In a region where water is so scarce, and so important to both agriculture and wildlife, this relatively small amount of irrigated land should become a larger focus for conservation by CCALT.

Applicability by CCALT:

The parcel analysis confirmed several things that CCALT had suspected were the case in terms of conservation of the working landscapes of the White River Valley. First, the existing conservation easement projects have focused on some of the properties with the largest combination of conservation values in the valley. Second, CCALT's suite of existing opportunities also rank high on the list and should therefore compete well in future public funding rounds.

Perhaps the most useful component of the analysis is that it made CCALT staff look at every parcel in the landscape. This meant learning about sub-areas and landowners with whom we had no experience.

The investigation led us to know that there are a small number of properties that rank very high on the list with whom we are not familiar. As CCALT staff continues to be active in the landscape and in the local ranching community, those landowners will be on our radar and our staff will now be more aware of finding ways to develop relationships with those landowners.

Another key finding of the analysis was a more fundamental understanding of how this landscape works from a ranching perspective. It became clear early on that ranchers in the White River Valley often have several parcels of land that are not contiguous. This represents a land ownership pattern that is not seen all over Colorado. The interaction of irrigated and dryland parcels for grazing is evident, but we were not expecting to see so many ranchers with parcels located so far apart in the area. As we move forward in the landscape, we will need to understand those interactions better, as well as the related questions about the importance of public land grazing leases.

Since the initial analysis was completed in the Spring of 2014, CCALT has fielded several calls from Rio Blanco County landowners who are interested in exploring their conservation options. CCALT's Director of Conservation Transactions was immediately able to turn to the parcel analysis spreadsheet to see what conservation values were likely to exist on the ranches. It also gave staff the ability to make a initial determination of the likelihood of public funding being available. This served to guide our early conversations with landowners and maintain realistic expectations of what CCALT and the landowners could accomplish together. In short, the information that the study gave CCALT is very empowering as we have a much better understanding of the landownership and interconnectedness in the area. During the Summer of 2014, CCALT project staff will ground truth the analysis on these parcels. We fully expect that over the winter of 2014-15, we will adapt this plan based on those findings and new private land conservation opportunities that present themselves.

Finally, CCALT thinks that we have accomplished one of our initial goals, to develop a tool that can be quickly applied to a landscape with minimal data development in order to determine conservation priorities. We hope to take this model to other landscapes in Colorado, including the Upper Yampa, North Park and Upper Arkansas Valleys.

Unanswered Questions:

As we have mentioned above, the separated ranch parcel land ownership pattern in the White River Valley makes some of this analysis more complex. CCALT would like to spend more time investigating the effect that different land ownership patterns have on the effectiveness of conservation easements.

The study also did not take into account public land issues. Additional points were not given for properties that were adjacent to public lands, in many cases because so many parcels would have met that criteria. We also did not investigate which private land parcels were base properties for nearby public land grazing leases. Without taking into account the impact of those leases, we may not be getting the entire picture of how the ranching community functions in this area. CCALT feels that this is an important topic that could have wide ranging impacts for conservation in the West where a patchwork quilt of public and private land ownerships commonly exist.

Finally, we did not include recreational values in our analysis. Clearly, hunting and fishing uses are an important consideration in land uses in the area, but fall outside of CCALT's core mission. They are also very difficult to quantify on a parcel by parcel analysis. Again, including this important economic use in future analysis will give conservationists a more complete picture of what is going on in the landscape.

PART II – PROJECT TIMELINE

When this planning effort was initiated in the summer of 2013, CCALT had six different properties that we were considering for Phase II of the White River Ranchland Conservation Initiative. These properties are all owned or managed by longtime ranch families, and each had a very compelling conservation and personal story to tell. CCALT recognized that we needed to have a tool internally to determine which projects we should focus on first and which could wait until future years.

By the spring of 2014, CCALT had initiated discussions with four additional landowners, in both Agency and Powell Parks. Those properties all rank highly, between 6 and 10 on the parcel analysis spreadsheet. The four properties we chose for Phase II scored highly when the parcel analysis was completed, including the highest rated parcel in Powell Park and the 6th and 17th rated parcels in Agency Park. CCALT has committed to the following four projects in the White River Valley and plans to complete their conservation by the end of 2015.

Phase II Projects:

Project A – 290 acre ranch property in Powell Park. CCALT had secured a commitment from these landowners to move forward on a conservation easement back in 2011. Therefore, they became the first on the list as we move into Phase II. This ranch contains more than a mile of the White River and is predominately irrigated hay meadow. Estimated project value: \$1.2 million.

Project B – This highly visible ranch contains 450 acres along nearly 2 miles of the White River in Powell Park and more than 350 irrigated acres. The landowners committed to selling a conservation easement to CCALT in the summer of 2013. Based on the parcel analysis, this is the highest rated parcel in Powell Park. Estimated Project Value: \$1.5 million.

Project C – 880 acres in Agency Park. This historic ranch lies in two parcels separated by about ½ mile. The White River flows through the ranch for over a mile, some of which includes public fishing access administered by Colorado Parks and Wildlife. The upland portion of the ranch provides important habitat for Greater Sage Grouse, while the lower portions are almost entirely irrigated. The landowners committed to sell a conservation easement to CCALT in July 2013. Estimated project value: \$2.2 million.

Project D – 1,500 acres in Agency Park. This property has been in the same family for more than 100 years. While it does not lie on the White River, its combination of nearly 800 acres of irrigated land and upland wildlife habitat caused it to rank very high in the parcel analysis. The landowners committed to sell a conservation easement to CCALT in the spring of 2013. Estimate project value: \$1.5 million.

The two projects that fell out of initial consideration scored a 7 and a 4 on the scoring sheet. While both of these are important to the landscape and represent important ranches, we hope that they will be included in Phase III of our effort in the White River Valley.

Phase III:

In addition to the two projects tabled during the summer of 2013, there is clearly the demand for additional conservation activity in the White River Valley. We expect that this means that there will be a third phase of our work in the landscape. We also anticipate that the third phase will not begin until 2016 and may continue for several years.

PART III – FUNDRAISING AND IMPLEMENTATION PLAN

Funding Required:

The combined project value of the four ranches in Phase II is \$6.4 million. One of the most challenging components of a landscape conservation effort is to raise and allocate funding to projects equitably. CCALT has found that striking a similar bargain with all landowners in a region will lead to highest level of success and community peace. In general, we attempt to raise 50% to 70% of the value of a conservation easement in cash, and ask the landowners to donate the remainder. The value given up in landowner donation can be partially recaptured through the Colorado State Income Tax Credit for conservation easements.

With a \$6.4 million dollar overall project value, CCALT set out to raise 2/3rds of that amount in project funding. For Phase II, CCALT set the goal of raising \$4.25 million, with the idea of that funding coming primarily from two public sources: Great Outdoors Colorado and the NRCS Farm and Ranchland Protection Program. The final part of the funding plan will rely on the four landowners donating over \$2 million in easement value.

In addition to the direct cost of conservation easement acquisition, it takes about \$75,000 per transaction in associated contract expenses and staff time to complete an easement. In this project's case, that translates to about \$300,000. A portion of that funding has been secured by CCALT through a recent grant from the National Fish and Wildlife Foundation. We will continue to seek additional sources of operational funding to ensure that these and future land conservation projects will be able to be completed by CCALT.

Funding Timeline:

In order to meet our goal of completing the second phase of the White River Valley Conservation Plan by the end of 2015, CCALT decided that we needed to move forward immediately on funding opportunities for the four projects. We felt that we had some funding opportunities, particularly through Great Outdoors Colorado, that might not be there if we waited for the first version of this plan to be completed. Below, we outline the major funding opportunities for Phase II of the White River Initiative.

Great Outdoors Colorado

In the fall and winter of 2013, GOCO announced a major funding opportunity. Instead of their normal \$3 million competitive grant round, they announced that there would be a significantly larger round in the fall of 2013 and then again in Spring of 2015. Funding available in the fall 2013 round would be in the neighborhood of \$9 million. There would then be two normal funding rounds in the spring and fall of 2014, with another \$9 million or being available in the spring of 2015.

Internally, CCALT had to make the determination of readiness of the White River projects and what other obligations we had statewide. After much discussion and close staff analysis, the combination of

project readiness and the amount of funding required caused CCALT to move forward in the fall of 2013 with a request of nearly \$2 million to Great Outdoors Colorado for conservation easement acquisition funding. GOCO staff and board conducted a site visit to all four projects in October and in December GOCO announced that CCALT had been awarded \$1.85 million in funding to go toward the four projects. In early 2014 a grant agreement was signed giving CCALT 18 months to complete the conservation work.

USDA Natural Resources Conservation Service

Over the past 20 years, the Natural Resources Conservation Service (NRCS) has become a significant partner in CCALT's private land conservation efforts statewide. The main program that we have utilized is the Farm and Ranchland Protection Program (FRPP). 2013 was a record year for Colorado allocations to this program from NRCS national headquarters. In the summer of 2013, NRCS reached out project partners asking for additional projects to fulfill this unprecedented allocation of funding. CCALT again looked to our White River projects and selected the two that were most ready to go forward. NRCS quickly allocated funding and the two Powell Park projects received more than \$1 million in funding.

The other two projects were slated to be included in a 2014 request to the FRPP program. However in February 2014, President Obama signed a new Farm Bill. This new legislation replaced the FRPP program with a similar program called the Agricultural Land Easements (ALE) program. While much of those changes were in name only, the new program requires a new set of rules and regulations surrounding its implementation. As of June 2014, it is unclear if the program will be functional for 2014 allocations.

CCALT has submitted applications for the remaining two projects in Agency Park. However, it is unclear if funding will be awarded as the program revises its implementation. In the event that funding is not secured, CCALT expects to re-submit funding applications for the two remaining projects in the spring of 2015. However, a mid-year award of funding in 2015 might make project completion difficult by the end of 2015.

Private Funding

As the changes to the NRCS program above illustrate, reliance on one or two funding sources poses a risk to project completion. CCALT has long recognized the importance of securing additional funding for our work in the White River Valley.

In Phase I, CCALT worked with the Packard Foundation from California for matching funding for an easement along the White River in Agency Park. In 2013, the foundation changed its focus and at the current time is not granting additional funding to the area. CCALT continues to work with the Packard Foundation on other projects and we hope to bring them back to funding White River Valley projects. In August 2014, we have plans to bring the Program Director to the White River Valley for a project tour and will request funding at that time.

CCALT has also had some success in securing project funding from the National Fish and Wildlife Foundation (NFWF). This group, based in Washington DC, has several programs that could provide

modest matching grants to the projects in the White River Valley. The Foundation has supported CCALT's outreach and project staff costs for several years, including a current grant covering western Colorado. In August 2014, CCALT staff will tour their senior Vice President for Conservation Programs, David O'Neill through the White River Valley.

Project Implementation:

Project A – Powell Park

Funding has been completely secured as of the end of 2013. Due diligence is to be completed in the first half of 2014. The project is currently being reviewed by funders and CCALT expects that it will close before the end of 2014.

Project B- Powell Park

Funding has been completely secured as of the end of 2013. Due diligence is to be completed in the first half of 2014. The project is currently being reviewed by funders and CCALT expects that it will close before the end of 2014.

Project C – Agency Park

Great Outdoors Colorado funding secured in December 2013. NRCS funding applied for in May 2014. CCALT continues to work to finding other sources of public or private funding to match the GOCO funding in hand.

Project D – Agency Park

Great Outdoors Colorado funding secured in December 2013. NRCS funding applied for in May 2014. CCALT continues to work to finding other sources of public or private funding to match the GOCO funding in hand.

Phase III

We expect CCALT's commitment to the White River Valley continue for another decade or more. With the current level of landowner interest in conservation, we foresee a Phase III of our work being completed in the 2016-2018 time period. Clearly, we cannot initiate serious negotiations with landowners or project fundraising until Phase II is completed, but we are aware that there is much more work to be done and that it may take five years or more to see it through.

Acknowledgments

This plan could not have happened without the financial support of the Colorado Water Conservation Board (CWCB) through their Healthy Rivers Grant Program. CCALT received a generous grant from CWCB in the summer of 2013 that moved this plan from a good idea to reality.

The National Fish and Wildlife Foundation and the Intermountain West Joint Venture provided additional staff time and planning funding to the effort in 2012 and 2013. Both agencies should be

commended for their foresight in understanding the inherent connections between ranching and conservation.

Great Outdoors Colorado and the Natural Resources Service provided the conservation funding that makes this planning able to become a reality.

Additional partners, including Trout Unlimited (TU) and the Land Trust Alliance (LTA), share our vision for the future of the White River Valley and other working landscapes in Colorado. In particular, Chris Herrman from TU and Bryan Martin from LTA reviewed this plan.

Finally, nothing happens in private lands work without the landowners. In 2007, CCALT was honored to be invited into the White River Valley Ranching Community. We hope that future generations of ranchers in the area will look back to that moment as a critically important moment that helped to secure this landscape for generations to come.

Appendix 1. Parcel Analysis Scoring System

Appendix 2. Parcel Analysis Spreadsheet

Appendix 3. Parcel maps of Agency and Powell Parks