AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

AgendaTitle:
Correspondence; Nomination of Parcel 2014-133 East River-Round Mountain West for Designation into the Stewardship Trust

Action Requested: Motion

Parties to the Agreement:

Term Begins: **Term Ends:** **Grant Contract #:**

Summary:
The attached letter was drafted by Jim Cochran.

Fiscal Impact: None

Submitted by: Katherine Haase for Jim Cochran **Submitter's Email Address:** khaase@gunnisoncounty.org

Finance Review: ○ Required ◉ Not Required

Comments:

Reviewed by: Discharge Date:

County Attorney Review: ◉ Required ○ Not Required

Comments:

Reviewed by: GUNCOUNTY1\atrezise Discharge Date: 2/5/2015 Certificate of Insurance Required

Yes ○ No ◉

County Manager Review:

Comments:

Reviewed by: GUNCOUNTY1\mbirnie Discharge Date: 2/6/2015

○ Consent Agenda ◉ Regular Agenda ○ Worksession Time Allotted: 5

Agenda Date: 2/17/2015 Follow Up Agenda Date:

Revised April 2013

February 17, 2015

Colorado State Board of Land Commissioners
Attn.: Mindy Gottsegen, Stewardship Trust/Conservation Services Manager
1127 Sherman Street, Suite 300
Denver, CO 80203

RE: Nomination of Parcel 2014-133 East River-Round Mountain West for Designation into the Stewardship Trust

Dear Board of Land Commissioners:

The Gunnison County Board of County Commissioners (BoCC) has reviewed the documentation provided by your staff regarding the nomination of a parcel north of the City of Gunnison adjacent to State Highway 135 (parcel 2014-133 East River-Round Mountain West). We provide the following comments:

1. Included in the summary of "Resources of Concern" is a note that this parcel is Gunnison sage-grouse critical habitat. The parcel is not included in the recent federal designation (U.S. Fish and Wildlife Service 2014) of Critical Habitat for this species. A small portion of the western part (immediately adjacent to HWY 135) of the parcel, which is bisected by State Highway 135 and the entire eastern portion of the parcel are within mapped Gunnison sage-grouse occupied habitat (Colorado Parks and Wildlife 2005). Considering the development on the property west of the highway, the timbered component east of the highway, and the small amount of sagebrush on the property, we do not consider this parcel important Gunnison sage-grouse habitat. It would be inappropriate to place restrictions on this parcel based upon its resource values to the grouse.

2. The Colorado Department of Transportation (CDOT) maintenance facility is an important component of maintenance of the adjacent State highway. We assume that CDOT has been consulted to ensure that this designation will not impact their operations. We do not support the nomination of this parcel if it will impair the maintenance and safety of State Highway 135.

3. Lynx are also listed as a "Resource of Concern". We do not have immediate access to lynx habitat mapping, but our observation is that this parcel is relatively low in elevation, near a busy highway and is unlikely to have the prey base necessary to support lynx. We suggest you review more closely this aspect of the nomination before making a final decision.

   We note that for other restricted land uses we have been requested to review, the nominator often uses the "kitchen sink" approach without justifiable data. We do not recommend that as an acceptable approach for nominations for our State owned lands.

4. We reviewed the report on the "Gunnison Basin Potential Conservation Area" mentioned in the general description of the parcel. That area is essentially the entire Gunnison Basin within the Gunnison sage-grouse occupied habitat polygon, which, as we have noted in 1. includes only a portion of this parcel. We do not recommend this potential "Area" as an important consideration in your evaluation.

5. The East River corridor includes many amenities including scenic values which elevated management of this property would help support.

6. We note that under "Economic Considerations & Long Term Potential" oil and gas development is included. We are unaware of any significant oil and gas resource in this area of the East River Valley.

In summary we, the Board of County Commissioners of Gunnison County, are not opposed to inclusion of this parcel into the State Land Board's Stewardship Trust. We do recommend a realistic approach to that consideration as noted in our comments above.

Thank you for the opportunity to comment.

Sincerely,

Paula Swenson, Chairperson	Phil Chamberland, Commissioner	Jonathan Houck, Commissioner

Frequently Asked Questions (FAQs)

About the Stewardship Trust

GENERAL INFORMATION

What is the Stewardship Trust?

In November 1996, the voters of Colorado approved Amendment 16 of the state constitution which provided that sound stewardship—preserving the beauty and natural values—is essential to preserving the economic value of certain state trust lands. Amendment 16 required the State Land Board (SLB) to designate between 295,000 and 300,000 acres of trust lands into a special trust – the Stewardship Trust – to *"hold and manage for continued stewardship, public use or future disposition, those lands determined to be valuable primarily to preserve long-term benefits and returns to the state by allowing only those uses that will protect and enhance the beauty, natural values, open spaces and wildlife habitat thereof."* By December 2000, the Board had designated 295,672 acres of state trust land into the Stewardship Trust.

Stewardship Trust properties include state trust lands designated for rare plants and plant communities, important wildlife habitat for big game and/or species of concern, recreational open space, historic and archeological features, and beauty. Stewardship Trust properties range from 80-acres to over 65,000-acres in size and are located in 36 counties around the state.

Most Stewardship Trust properties are leased for grazing, but other uses include timber management, oil and gas development, coal mining, gravel mining, wind towers, cell and radio towers, reservoirs, recreation, and flood control structures. In the last ten years, leases on Stewardship Trust lands have generated over $100 million in revenue for trust beneficiaries.

Does putting land in the Stewardship Trust mean it will remain open space forever?

No. The Board manages all of its state trust lands for the benefit of its trust beneficiaries and this applies equally to lands in the Stewardship Trust. Stewardship Trust lands continue to generate revenue from a wide variety of land uses but the uses are managed in collaboration with our lessees so that the identified natural values are safeguarded from harm.

Is the Stewardship Trust a permanent designation?

No. Land in the Stewardship Trust can be removed by a vote of four of the five State Land Board Commissioners. Amendment 16 provided that the Stewardship Trust must always remain at between 295,000 and 300,000 acres. This means that every time the Board removes land from the Trust, it must replace it with an equal or greater amount of land from a list of Replacement Designation Parcels. Since December 2000, about 50,000 acres (17%) of the lands in the Stewardship Trust have been removed and replaced with other state trust lands. Today, the Stewardship Trust totals 295,941 acres.

Who manages the Stewardship Trust lands?

SLB lessees are responsible for day-to-day management of the state trust land they lease under the terms of their leases with oversight and guidance from SLB staff and the Board; this is equally true of Stewardship Trust lands. The SLB is ultimately responsible for the management and long term stewardship of all state trust lands in Colorado for current and future generations of trust beneficiaries.

Will the public have access to Stewardship Trust lands?

Not necessarily. Some Stewardship Trust lands already allow public access either recreation leases with local government agencies or through the Public Access Program managed by Colorado Parks & Wildlife. However, most Stewardship Trust lands do not allow public access for hiking, hunting, or other public recreational use. Any *new* use of state trust land would require a lease application which the Board would evaluate and determine whether it (1) was consistent with the natural values on the Stewardship Trust parcel, (2) could be coordinated with existing uses, and (3) was in the best interests of the trust beneficiaries.

LESSEES & STEWARDSHIP TRUST LANDS

Will existing leases continue if the nominated state trust land is designated into the Stewardship Trust?

Yes. The overwhelming majority of state trust lands have at least one lease in place—for ranching, farming, recreation, oil and gas production, mining, timber management, etc. These leases constitute legal agreements between the lessee and the SLB and can be canceled only according to the specific terms of the lease. Designation of land into the Stewardship Trust will not cancel a lease or prevent the uses allowed under the terms of the lease. In fact, the state constitution acknowledges that uses and management practices that protect and enhance the beauty, natural values, open space and wildlife habitat of the land are consistent with Stewardship Trust designation.

What are the benefits to me if the land I lease is designated into the Stewardship Trust?

1. Improvement projects such as fences, livestock water improvements, and noxious weed treatments on Stewardship Trust properties are prioritized for SLB cost-share funds over other state trust lands.
2. Lessees of Stewardship Trust lands are notified of and asked to provide comment on any proposed new uses on their leased land. These comments are included in materials presented to the Board before they make a decision.
3. Stewardship Trust lands require a supermajority (4 out of 5) vote from the Board to remove them from the Stewardship Trust. This makes it more difficult for the Board to dispose of these lands.

What are some other ways I might be affected if the lands I lease are designated into the Stewardship Trust?

Stewardship Trust lands are inspected at least once every three years, instead of once every five years as is the practice for agricultural uses on other state trust lands. Stewardship Trust lands will eventually have a short management plan developed in collaboration with the lessee that identifies the designated natural values and best management practices for their protection.

What about when it's time to renew my lease? How might the Stewardship Trust designation affect my ability to renew my lease?

Renewal of any SLB lease depends upon many factors, including good stewardship and demonstrated good management practices by the lessee. The presence of high natural values at the time of a property's designation into the Stewardship Trust typically generally reflects a high level of stewardship of the state trust land by the current lessee. Continuance of those practices is usually enough to demonstrate sound stewardship. If SLB staff determines that a change in management practices is warranted, they will collaborate with the lessee to work out an acceptable management practice.

I hold an oil and gas lease on some nominated land but haven't yet developed it or applied for a drilling permit. If the land is designated into the Stewardship Trust, how will this affect my company?

Active oil and gas leases constitute legal agreements between the lessee and the SLB and can be canceled only according to its terms of the lease. Designation of any state trust land into the Stewardship Trust will not cancel a lease, prevent the uses allowed under the terms of the lease, nor cause an alteration in any stipulations in effect at the time the lease was signed.

Can new oil and gas leases be issued on Stewardship Trust properties?

Yes, the SLB has allowed new oil and gas development on several Stewardship Trust properties over the last 15 years, including a 25,000-acre property in Arapahoe County. However, the Board must determine that such development will not negatively impact the natural values for which the property was designated into the Stewardship Trust and may place seasonal, timing or location restrictions on when and where surface development may be located. In some cases, depending on the location and type of the identified natural values, the Board may opt to not offer certain Stewardship Trust properties for oil and gas development.