AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

Agenda Item: Grant Agreement; Long Lake Exchange

Action Requested: Board of County Commissioners' Signature

Parties to the Agreement: Crested Butte Land Trust

Term Begins: sign date - perpetual **Term Ends:** **Grant Contract #:**

Summary:

Requesting approval on a grant agreement for the Long Lake Land Exchange of $250,000 from the Gunnison Valley Land Preservation Fund.

Fiscal Impact: $250,000

Submitted by: Mike Pelletier **Submitter's Email Address:** mpelletier@gunnisoncounty.org

Finance Review: (●) Required ( ) Not Required

Comments:
No concerns, can be covered in Land Preservation budget. ln

Reviewed by: Discharge Date: 11/1/2019

County Attorney Review: (●) Required ( ) Not Required

Comments:
ok db 10/19/19

Reveiwed by: Discharge Date: 11/1/2019 Certificate of Insurance Required Yes ( ) No (●)

County Manager Review:

Comments:

Reveiwed by: Discharge Date: 11/1/2019

( ) Consent Agenda (●) Regular Agenda ( ) Worksession Time Allotted: 15 minutes

Agenda Date: 11/5/2019

Revised April 2015

To: Board of County Commissioners

From: Mike Pelletier, GIS Manager

Date: November 5, 2019

RE: Long Lake Land Exchange grant agreement

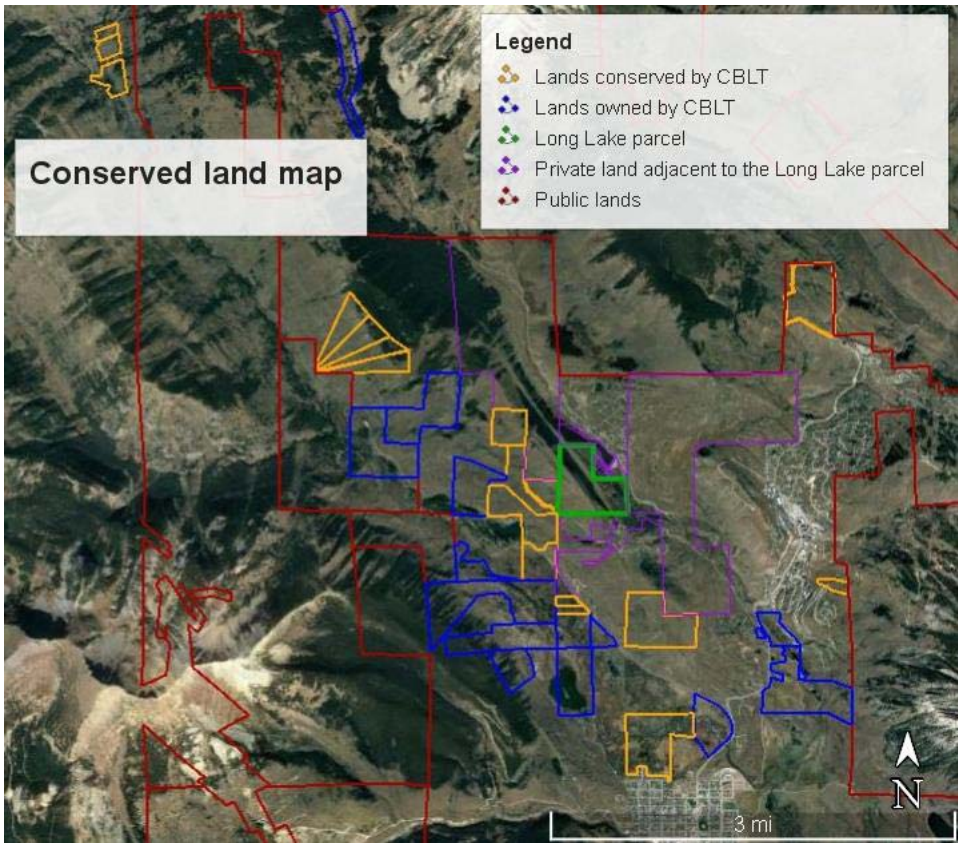
The Gunnison Valley Land Preservation Board approved funding for this project at their November 9, 2019 meeting, for $250,000. This is an unusual and complicated project that conserves 120 acres around Long Lake (Meridian Lake) near Crested Butte through acquisition of the land by the Crested Butte Land Trust.

Currently, the Long Lake land is owned by the Forest Service. It will be exchanged for 613 acres of forested private land east of Signal Peak in an equal value trade. The 613 acres was donated to the Trust for Public Land by Butch and Judy Clark with a restriction that the proceeds go to affordable housing in the valley.

Crested Butte Land Trust is very close to raising the necessary funds to conserve the land and provide $2,500,000 for affordable housing through this unique project.

A much more thorough explanation of the project is provided in Exhibit A of the grant agreement. Please see maps on next page.

Also, on a separate issue, the process of bringing the grant agreement to the BoCC puts an unnecessary spotlight on the private financial information involved in these transactions before the project closes. This has caused very real problems and staff would like to discuss having the process changed, such that these grant agreements are approved administratively by the County Manager.


Conserved land map
Legend
Lands conserved by CBLT
Lands owned by CBLT
Long Lake parcel
Private land adjacent to the Long Lake parcel
Public lands
N
3 mi

Long Lake parcel
N
1000 ft

Gunnison Valley Land Preservation Fund

GRANT AGREEMENT

Project Name: Long Lake Land Exchange

PARTIES TO AGREEMENT

Gunnison County

221 N. Wisconsin St, Gunnison, CO 81230

Contact name: Mike Pelletier

Telephone: 970 641-7645

_____

Grantee: Crested Butte Land Trust

Address: 308 Third Street, PO Box 2224 Crested Butte, CO 81224

Contact name: Noel Durant

Date: October 22, 2019

Exhibits:

Exhibit A - Project Summary

Exhibit B – Budget

THIS GRANT AGREEMENT ("Grant Agreement") is entered into this _____, 2019, by and between the Board of County Commissioners of Gunnison County, Colorado ("Gunnison County"), 200 E Virginia, Gunnison, Colorado 81230, and Crested Butte Land Trust, a Colorado nonprofit corporation, PO Box 2224 Crested Butte, CO 81224, ("Land Trust"), (jointly the "Parties"), and witnesses:

RECITALS

A. A portion of the revenue from the current County-wide sales tax in Gunnison County is deposited in the Gunnison Valley Land Preservation Fund ("Fund") of the Board of County Commissioners of Gunnison County ("Board") which is an account of the Capital Improvement Fund of the Board. The Fund is designated for open space, agricultural preservation, wildlife habitat, wetland preservation, access to public lands, trails, and watershed protection in the County, including matching public and private grants or to acquire interests or easements in land and water rights. The Fund was originally established, by public vote, in 1997 and was reauthorized by public vote in 2012. The amount of monies for the Fund varies annually.

B. Gunnison County has created a process for review of requests for funding of projects from the Fund. The process begins with submission of a written proposal by a proponent to the Gunnison Valley Land Preservation Board ("GVLPB"), which consists of two members appointed by each Gunnison County, City of Gunnison, Town of Crested Butte, and Town of Mount Crested Butte for a total of eight voting members. The GVLPB approves, disapproves or approves with conditions, the proposal. Provision of monies from the Fund requires a formal grant agreement to be executed by the Gunnison County Board of County Commissioners and the project proponent.

C. The Land Trust_ ("Grantee") has applied to the GVLPB for funding of a project known as Long Lake Land Exchange ("Project") and described in Exhibit A ("Project Application"), Exhibit B ("Project Summary") and Exhibit C ("Budget") all attached hereto and incorporated herein. The GVLPB has reviewed and approved the Project.

D. This Grant Agreement is intended to identify and memorialize the relationship between the Parties, the various obligations of the Parties regarding the Project, and required components of any relevant deed or conservation easement.

SECTION 1-PROJECT SCOPE

NOW, THEREFORE, in consideration of the premises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

I. Incorporation of Recitals. The Recitals set forth above are hereby incorporated into the terms and conditions of this Agreement.

2. Grant and Project. The Board hereby awards to Grantee a grant in the amount not to exceed

$250,000.00 (the "Grant"), subject to the terms and conditions set forth in this Agreement and subject to the following specific condition(s) for this project:

The final amount of funding for this project that will be available to Grantee at closing or reimbursement will be dependent upon the overall project being completed with no material changes. The Grant will not be increased, but the Board may reduce the Grant if the project changes in any way that the Board deems material. For example a reduction in acreage, purchase price, or fair market value may cause a reduction in the Grant, unless the Board approves adding or substituting project elements to the overall project. Similarly, the Board will release grant funds in portions if the project is completed in phases (i.e., more than one transaction), according to the Board's determination of how the proportionate acreage, project cost and value relates to the overall project and Grant. The Grantee must meet the Board's reporting requirements before any funds are released. The project must also comply with all of the Board's policies and practices and must meet any special conditions as listed in the attached Project Summary – Exhibit C.

3. Exclusive Use of Grant. The Grant shall be used by Grantee solely to complete the Project only as approved by the GVLPB and this Grant Agreement.

4. Project Scope. The Project will not be materially modified by Grantee without the prior written approval of the GVLPB and the Board. Any material change to the Project, whether or not such change is approved in writing by GVLPB and the Board, may result in a reduction of the Board's funding award or requirement of a refund to the Board from Grantee, pursuant to Paragraph 10 of this Agreement. In addition, any material change to the Project that is not approved in advance and in writing by the Board and GVLPB may result in termination of the Grant.

5. Approved Budget. Grantee has completed a detailed budget that reflects all anticipated sources and uses of funds for the Project, including a detailed accounting of Grantee's anticipated direct costs associated with the Project, a copy of which is attached hereto as Exhibit D and incorporated herein by reference ("Budget"). Eligible costs are described in Paragraph 8 of this Agreement. The Project Application contains a budget that may not match the approved version attached as Exhibit C and which, therefore, shall not be relied upon by the Board, GVLPB or the Grantee. Where discrepancies exist, the approved Budget in Exhibit C shall control until such time as the Board approves the final version.

6. Waiver. Prior to the disbursement of funds, the Board may waive certain conditions set forth in this Agreement. Anything else to the contrary notwithstanding, no exercise by the Board or GVLPB of any right or discretion reserved by the Board hereunder shall be deemed an election, and no waiver by the Board of any action or requirement of Grantee, including any waiver of the foregoing conditions, shall constitute a waiver of any other requirements, actions or conditions, nor shall any waiver granted be deemed a continuing waiver. No waiver by the Board shall be effective unless in advance and in writing executed by the Board. Additionally, any failure by the Board to take any actions as set forth above shall have no legal effect on the contractual duties of the Grantee under this Agreement. Further, no waiver with respect to this Project, Grant, or Agreement shall constitute a waiver in any other Board-funded project.

7. Future Funding. This Grant Agreement and the Grant contemplated hereunder only apply to the Project as approved herein. The Board makes no representations regarding future funding for future phases of the Project or any other properties.

SECTION 2- GRANT PAYMENT

8. Eligible Costs. The following costs are eligible for reimbursement under the terms and conditions of this Agreement:

A. *Interest in Land.* The purchase price of any interest in real property described in the Project Summary, which may not exceed the fair market value as established by appraisal.

B. *Direct Costs*. Costs directly associated with producing due diligence documents needed for closing the transaction on the Project, including but not limited to expenses for a title policy (including endorsements and other title company charges); an appraisal; Grantee's contract or "outside" attorneys' fees; an environmental hazards assessment; development of a management plan and baseline documentation; a survey, if needed; a geologist's mineral assessment, if needed; maps.

C. *Stewardship Costs*. Costs directly associated with stewardship of the Project, and only as expressly identified in the Budget.

9. Payment of Grant. Payment of the Grant is subject to the Board's determination in its sole discretion that it has received and has available sufficient Fund proceeds to fund the Grant and that Grantee has complied with the terms and conditions of this Grant Agreement, including Grantee's fulfillment of all conditions precedent to funding as set forth in herein. In determining the sufficiency of Fund proceeds, the Board may consider all facts and circumstances as it deems necessary or desirable, including, but not limited to, adequate reserves, funding requirements and/or commitments for other past, current and future grants, and past, current and future Board operating expenses and budgetary needs.

10. Withdrawal of Board Funding; Termination of Agreement. Anything in this Agreement to the contrary notwithstanding, with prior notice to Grantee, the Board reserves the right to withhold or withdraw all or a portion of the Grant, to require a refund of the Grant, and/or terminate this Agreement if the Board determines in its sole discretion that any of the following conditions exist, but before making such determination, the Board shall notify the GVLPB:

A. *Altered Expectations*. Facts have arisen or situations have occurred that fundamentally alter the expectations of the parties or make the purposes for the Project or the Grant as approved by the Board infeasible or impractical;

B. *Material Project Changes*. Material changes in the scope or nature of the Project have occurred from how the Project was presented in the Project Application, approved by the GVLPB and reflected in the Project Summary, and all such material changes have not otherwise received prior written approval of the Board;

C. *Inaccuracies.* Any statement or representation made or information provided by the Grantee in the Project Application, this Grant Agreement or the due diligence materials is untrue, inaccurate or incomplete in any material respect;

D. *Conditions Precedent Not Fulfilled or Unsatisfactory*. Any of the conditions precedent to funding is not fulfilled by Grantee or is unsatisfactory to the GVLPB or Board, in their respective discretion; or

E. *Termination of Use Restriction, Disposal of Property*. Any use restriction (e.g. conservation easement) is terminated or materially altered or if other interests purchased with the Grant are disposed of; in which event Grantee shall make a full refund to the Board of all funds received to date.

SECTION 3- CONDITIONS PRECEDENT

11. Completion Date. Grantee shall complete acquisition of the real property interest no later than **May 30th 2020**, which is eighteen months after the date of the Board's approval of the Project (the "Completion Date"). Grantee may request an extension of the Completion Date, which the Board may grant or deny in its sole discretion. In addition to other rights set forth in this Agreement, the Board may elect to terminate this Agreement and deauthorize the Project in the event this Completion Date is not met and/or Grantee fails to comply with any extension.

12. Conditions Precedent to Funding. Grantee acknowledges that any acquisition of the Property prior to fulfillment of the terms and conditions of this Grant Agreement and the disbursement of funds by the Board is undertaken at Grantee's sole risk and may cause a forfeiture of the Grant. Anything else in this Grant Agreement or otherwise to the contrary notwithstanding, the Grant is expressly conditioned upon Grantee's fulfillment of all terms and conditions of this Grant Agreement to the Board's satisfaction in its sole discretion, including, but not limited to, the following:

A. *Matching Funds*. Matching funds in the minimum amount set forth in the Project Application and Project Summary must have been received by Grantee, or the status of efforts to secure matching funding were disclosed to the Board and have been deemed satisfactory by the Board.

B. *Due Diligence*. The Board shall conduct a due diligence review of the Project, the results of which must be satisfactory to the Board in its sole discretion. Grantee shall assist and cooperate with the Board in conducting such due diligence review, and in connection therewith shall provide the Board with the information or documentation specified in the Project Application, as well as such other documentation and/or information as the Board shall reasonably request. Grantee shall have the duty to update all such documentation and information as necessary to reflect material changes from the date such information is originally provided to the Board. The Board may in its sole discretion terminate this Agreement and deauthorize the Grant if Grantee fails to provide any information or documentation promptly when requested by the Board.

C. *Other Property Interests.* Grantee may not use the Grant or other Project funds to acquire any rights other than the Use Restriction defined below as described in the Project Application, including but not limited to, fee title, water rights, or any other partial real estate interest (collectively, "Other Interests").

D. *Gunnison County Use Restriction*. Property acquired with the Board funds, whether through the acquisition of fee title, conservation easement, or any other technique, shall be held and managed in a manner designed to protect the Property's natural resources, open space and other conservation values, to prevent any development that would adversely affect such resources and values, and where necessary and appropriate, to ensure appropriate public access.

SECTION 4-OTHER PROVISIONS

13. Publicity and Project Information. The Board has the right and must be provided the opportunity to use information gained from the Project; therefore, Grantee shall acknowledge the Board funding in all news releases and other publicity issued by Grantee concerning the Project. If any events are planned in relationship to the Project, the Board shall be acknowledged as a contributor in the invitation for the event.

14. Liability.

A. *Indemnity*. To the extent allowed by law, Grantee shall indemnify, defend and hold harmless the Board, its officers, agents and employees from any and all liabilities, claims, demands, damages or costs (including reasonable attorneys' fees) resulting from, growing out of, or in any way connected with or incident to Grantee's performance of this Grant Agreement. Grantee hereby waives any and all rights to any type of express or implied indemnity or right of contribution from the Gunnison County, the Board, its members, officers, agents or employees for any liability resulting from, growing out of; or in any way connected with or incident to this Agreement.

B. *No CGIA Waiver*. Anything else in this Grant Agreement to the contrary notwithstanding, no term or condition of this Agreement shall be construed or interpreted as a waiver, either express or implied, of any of the immunities, rights, benefits or protection provided to the Board under the Colorado Governmental Immunity Act as amended or as may be amended in the future (including, without limitation, any amendments to such statute, or under any similar statute which is subsequently enacted) ("CGIA"). This provision may apply to the Grantee if the Grantee qualities for protection under the Colorado Governmental Immunity Act, C.R.S. §24-10-101, et seq. The Board and Grantee understand and agree that liability for claims for injuries to persons or property arising out of the negligence of the Board, its members, officials, agents and employees may be controlled and/or limited by the provisions of the CGIA. The parties agree that no provision of this Agreement shall be construed

in such a manner as to reduce the extent to which the CGIA limits the liability of the Board, its members, officers, agents and employees.

C. *Compliance with Regulatory Requirements and Federal and State Mandates*. Grantee hereby assumes responsibility for compliance with all regulatory requirements in all applicable areas, including but not limited to nondiscrimination, worker safety, and local labor preferences, preferred vendor programs, equal employment opportunity, use of competitive bidding, and other similar requirements. To the maximum extent permitted by law, Grantee hereby agrees to indemnify, defend and hold harmless the Board, County Staff, and GVLPF members from any cost, expense or liability tor any failure to comply with any such applicable requirements.

D. *Nondiscrimination*. During the performance of this Grant Agreement, Grantee and its contractors shall not unlawfully discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, age or sex and shall comply with any other applicable laws prohibiting discrimination. Grantee and its contractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination.

15. Audits and Accounting Records. Grantee shall maintain standard financial accounts, documents, and records relating to the acquisition, use, management, operation and maintenance of the real property interest. The accounts, documents, and records related to acquisition of the real property interest shall be retained by Grantee for five (5) years following the date of disbursement by the Board of the Grant funds under this Agreement, and shall be subject to examination and audit by the Board or its designated agent during this period. All accounts, documents, and records described in this paragraph shall be kept in accordance with generally accepted accounting principles.

16. Post-Completion Requirements.

A. *Stewardship*. Grantee shall comply with the Board's stewardship requirements as identified in the Board's approval of the Grant.

B. *Change of Use.* If Grantee, in its reasonable discretion, determines a need for a request of a change in use of the Property or Other Interests wholly or partially acquired with the Grant, Grantee shall notify the GVLPB, in writing, of its determination for a request of a change of use review. The GVLPB will review the change of use request. Within sixty (60) days after submitting the change of use request, Grantee shall submit to the GVLPB any additional documentation requested by the GVLPB as a

result of its receipt of the change of use request. The GVLPB will review the change of use request to determine whether or not the need for a change in use is compelling and consistent with the conservation purpose of the easement. The GVLPB in its sole discretion will determine whether to grant, deny, or condition the GVLPB's approval. Further, no change of use shall be made without the GVLPB's prior written approval.

C. *No Termination of Conservation Easement Without Prior Board Written Approval*. Notwithstanding any provision of law to the contrary, it is the explicit agreement of the Parties that there shall be no termination of the conservation easement funded partially or wholly by this Agreement without the prior written approval of the Board which the Board may grant only if the Board finds in its reasonable discretion that conditions on or surrounding the subject property have changed so much that it has become impossible to fulfill the easement's conservation purpose.

D. *Standing To Enforce*. Notwithstanding any provision in C.R.S. 38-30.5-101. et. seq., as it may be amended, to the contrary, the Board shall have standing to initiate and/or participate in court proceedings to enforce the Grant Agreement and/or any conservation easement funded wholly or in part by Funds granted by the Grant Agreement.

17. Breach. In addition to such other remedies as shall be available at law or in equity, in the event that Grantee breaches any of the terms or conditions of this Agreement, the Board shall have the following non-exclusive remedies:

A. *Prior to Payment of Grant*. The Board reserves the right to withdraw funding and/or terminate this Agreement.

B. *After Payment of Grant.* The Board reserves the right to seek equitable relief and/or all other remedies as available to it under applicable law, including but not limited to, return of all or a portion of the Grant as provided herein. Further, the Board reserves the right to deem Grantee ineligible for participation in future the Board grants, loans or projects.

C. In addition to the remedies set forth above, the Board shall be entitled to pursue any other remedy available at law or in equity.

18. Miscellaneous Provisions.

A. *Good Faith.* Both parties have an obligation of good faith, including the obligation to make timely communication of information that may reasonably be believed to be of interest to the other party.

B. *Assignment*. Grantee may not assign its rights or delegate its obligations under this Agreement without the express written consent of the Board. Consent to assign this Agreement may be withheld in the sole discretion of the Board.

C. *Applicable Law.* Colorado law applies to the interpretation and enforcement of this Agreement.

D. *Status of Grantee*. The parties acknowledge that the Board lacks the power and right to direct the actions of Grantee. Grantee acts in its separate capacity and not as an officer, employee or agent of the Board.

E. *Time is of the Essence*. Time is of the essence in this Agreement.

F. *Survival*. The terms and provisions of this Agreement and Grantee's obligations hereunder shall survive the funding of the Grant and the acquisition of, and any future conveyance of, the real property interest by Grantee.

G. *Fax and Counterparts*. This Agreement may be executed in one or more counterparts, each of which shall be an original, but all of which when taken together shall constitute one agreement. In addition, the parties agree to recognize signatures to this Agreement transmitted by facsimile as if they were original signatures.

H. *Third Party Beneficiary*. The Board and Grantee hereby acknowledge and agree that this Agreement is intended only to cover the relative rights and obligations between the Board and Grantee, and that no third party beneficiaries are intended. Notwithstanding the preceding statement, the Board and Grantee hereby acknowledge that the Board is intended to be and is a third party beneficiary of the covenants and terms of the Use Restriction and Grantee's real property interest therein.

I. *Notice*. Any notice, demand, request, consent, approval or communication that either party desires or is required to give the other shall be in writing and either served personally or sent by first class mail, postage prepaid, to the addresses shown on Page 1 of this Agreement.

J. *Construction; Severability*. Each party hereto has reviewed and revised (or requested revisions of) this Agreement, and therefore, any usual rules of construction requiring that ambiguities are to be

resolved against a particular party shall not be applicable in the construction and interpretation of this Agreement. If any provision in this Agreement is found to be ambiguous, an interpretation consistent with the purpose of this Agreement that would render the provision valid shall be favored over any interpretation that would render it invalid. If any provision of this Agreement is declared void or unenforceable, such provision shall be deemed severed from this Agreement, and the balance of this Agreement shall otherwise remain in full force and effect. At any time when this Agreement refers to a party's ability to act or make determinations or decisions with discretion, this Agreement shall be construed to permit such party to act and to make such determinations and/or decisions in its sole discretion.

K. *Entire Agreement*. Except as expressly provided herein, this Agreement constitutes the entire agreement of the parties. No oral understanding or agreement not incorporated in this Agreement shall be binding upon the parties. No changes in this Agreement shall be valid unless made in writing and signed by the parties to this Agreement.

IN WITNESS WHEREOF, the parties by signature below of their authorized representatives execute this Agreement effective as of _____.

GRANTEE

Noel Durant, Executive Director
Crested Butte Land Trust

BOARD OF COUNTY COMMISSIONERS
OF GUNNISON COUNTY, COLORADO

_____
Jonathan Houck, Chairperson

_____
Roland Mason, Commissioner Attest:

_____
John Messner, Commissioner

_____
Deputy County Clerk

Exhibit A Project Summary

Crested Butte Land Trust
Long Lake Land Exchange Summary

1. ORGANIZATION BACKGROUND

Crested Butte is an end-of-the-road community, which in the late 1950's was at risk of becoming a mining ghost town. Crested Butte's scenic remote setting, ease of access to the backcountry, and long standing working ranches have made it a unique destination in a world full of overdeveloped, mountain resort communities.

Founded in 1991, the Crested Butte Land Trust (CBLT) was created by a group of local citizens concerned by changes in land use, which were impacting the heritage and quality of life in the Upper Gunnison Valley. Recreational amenities close to town were closed with no trespassing signs, and the wetlands of the Slate River and scenic views of Paradise Divide were under threat of being lost forever. From its inception, CBLT has focused on addressing community need through land protection and stewardship. CBLT accomplishes this through land acquisition of critical open space, creation of trail connections, and restoration of the environment.

Our focus is protecting the open space that frames Mount Crested Butte and the communities in its immediate vicinity. Our conservation portfolio includes 4,500 acres of conservation easements and over 1,500 acres of fee simple land owned and managed by CBLT for public benefit. Although Gunnison County only has a population of 16,939, the most recent study published by the Outdoor Alliance estimates the visitor population in excess of 315,000 annually. As a result, CBLT lands see over 100,000 annual recreational users, including both residents and visitors. The ultimate outcome of our work benefits our community through the balance of conservation, economy, and community need.

2. PROJECT DESCRIPTION

Easily accessible from the town of Crested Butte and adjacent to over 1,000 acres of CBLT conserved property, Long Lake is a balance of scenic views, wildlife habitat, recreation, clean water, and critical ranchland connectivity. Currently part of the Gunnison National Forest and managed by the United States Forest Service (USFS), this 120-acre tract is a maintenance burden and is slated for auction or sale. If sold to a private developer, our community could lose Long Lake forever.

CBLT has assembled a $3,200,000 land exchange with the USFS that will protect Long Lake, add nearly 630 acres to the Gunnison National Forest, reinvest over $2,500,000 in affordable housing, and allow for better water planning in the Upper Gunnison Valley. CBLT is raising funds to acquire Fossil Ridge, a privately owned 613-acre property in the Gunnison National Forest, and will contribute 15 acres currently owned by CBLT. These two properties will be traded for Long Lake and are of equivalent value.

A restriction on Fossil Ridge requires the proceeds be distributed to the Gunnison Valley Housing Foundation to construct affordable housing in the valley. This project generates funding for affordable housing in a community threatened by the lack of housing options for working families. In 2016, the Gunnison County median home price was $370,129, and median household income was $53,314 according to City-Data.

Additionally, the Long Lake project will help Gunnison Valley communities with long term water needs. Long Lake is a reservoir with limited natural recharge, so it is a prime candidate for a pump storage facility. Local ownership will enable water managers to efficiently increase renewable water storage in Long Lake by 381 acre feet for future water demands. This project is driven by community need and embodies the four pillars of CBLT's mission: protection and stewardship of scenic vistas, recreation, wildlife, and ranching.

CBLT will not be encumbering Long Lake with a conservation easement for the following reasons. The terms of the land exchange require that the appraisals for each property be based on their yellow book (federal standard) appraised values, which is determined by the highest and best use of the property. Acquiring Long Lake under the obligation to encumber it with a CE would reduce the fair market value of the property, which would throw off the equalization value of the exchange. Also, CBLT has identified that Long Lake is in need of significant need of infrastructure investment to better address the impacts of recreational use. A conservation easement would significantly hamper the Land Trust's ability to adapt its management approach to the needs at hand. The Land Trust's will manage Long Lake to protect its conservation values, but it will not encumber this property with a conservation easement as a component of the real property transaction.

2. LEADERSHIP

CBLT is a small organization with six total staff, four of whom are full time. The key responsibilities for supervising this project are performed by Noel Durant, Executive Director, Brian Lieberman, Stewardship Manager, and the Land Trust's counsel, Allan Beezley. Board oversight for this project is led by the Lands Committee and approved by the board of directors.

Noel is responsible for overall project management, including coordinating title and property valuation, and managing public relations. Noel was previously Program Director in Chattanooga, TN for the Trust for Public Land and successfully completed numerous public-private partnerships similar in scale and complexity to this project.

Brian Lieberman is currently responsible for coordinating the environmental due diligence required for the project. Upon completion of the acquisition, Briane executes the land management plan and the infrastructure improvements needed for the property. The stewardship team of CBLT has a proven track record of timely implementation of complex land management projects.

Allan Beezley is one of the most experienced conservation real estate attorneys in Colorado. He represents more than one dozen land trusts. Allan provides legal advice to CBLT for this project.

CBLT's Lands Committee provides project oversight to the board for authorization of execution. This committee is comprised of board members and volunteers with transactional expertise and strong community ties.

3. PLANNING AND FUNDRAISING

In June 2018, CBLT began publicly fundraising to protect Long Lake. Prior to this project, CBLT created the Opportunity Fund, an acquisition fund used to secure land purchase options while minimally impacting the operating budget. These monies provide matching funds

and revolving capital to support land protection. The Land Trust will use over $100,000 of its $450,000 in Opportunity Fund cash reserves to complete this project's due diligence.

In the first year of this campaign CBLT secured $3,000,000 of our $3,300,000 goal. Our current efforts are focused on private support to raise the funds needed to complete this project. CBLT led a robust community engagement effort to gather feedback on the future management of Long Lake, resulting in only letters of support for the project. The exchange agreement was executed in June of 2019 and CBLT's staff and board have made fundraising for this project their primary focus. As of October 22nd, CBLT has roughly $230,000 in funds outstanding to complete the campaign. In preparing for the completion of this project and its impacts to our operating budget, CBLT has designated the following monies: $50,000 to be invested in its Stewardship Fund, and its interest will offset its perpetual costs of managing Long Lake, $75,000 in temporarily restricted funding to be used as match for infrastructure needs such as signage and trail improvements, and a one-time fee of $70,000 to cover administrative and overhead costs of managing this project.

6. GREEN BUILDING

The Long Lake Land Exchange will protect 748 acres of the highest conservation value. The properties involved in this exchange include high alpine lakes and wetland complexes that support habitat for protected species, such as the boreal toad. These properties also include critical big game habitat for elk and mule deer as they migrate from the high country to their winter range. Furthermore, these lands support habitat for migratory birds.

Long Lake is one of Crested Butte's most accessible alpine lakes and is often visited by families introducing their children to nature. Long Lake forms a barrier between sensitive wildlife habitat and recreational use. This separation of uses protects the inspirational value of this property that is critical to cultivating the next generation of conservationists.

7. ADDITIONAL INFORMATION

In addition to its natural resource values, this project fosters the unique heritage and quality of life in our community. The Long Lake property is located on the ridge separating two key valleys near Crested Butte, Slate River and Washington Gulch. These valleys are grazed by a fifth generation ranching operation pursuing innovative grazing techniques that adapt their methods to a changing climate and increasing recreational use. These grazing corridors have been significantly impacted by private development, limiting their ability to mimic natural grazing processes.

The Long Lake property is adjacent to 1,350 acres of unprotected ranchland. Long Lake is critical for watering cattle during the grazing season. CBLT will lease to the ranching operation 44 acres necessary for grazing access to water. Private development of Long Lake would hinder the ranch's ability to effectively graze their herd.

The Mt. Crested Butte Water and Sanitation District has evaluated multiple options for additional water storage and has determined Long Lake to be its most viable option to mitigate habitat and natural resource impacts of reservoir construction. The future of the Upper Gunnison Valley depends on its water resources, and Long Lake is critical to the long term water planning of this valley.

In closing, the acquisition of Long Lake will achieve the following:

- **628 acres of new Gunnison National Forest land**

- **120 acres locally conserved on Long Lake**
- **$2,500,000 reinvested in affordable housing**
- **44 acre grazing corridor protected**
- **380 acre-feet of renewable water storage potential**

Exhibit C Project Budget

The Crested Butte Land Trust (CBLT) is known as an innovative land conservation organization. Our Long Lake Land Exchange and its creative approach to land protection and community development has gathered support from

national, state, and local funders. Recreation focused organizations, community development organizations, and water focused organizations have joined CBLT to make this project possible. CBLT has received gifts from individual supporters ranging from $5 to $150,000, signifying just how important Long Lake is to the Crested Butte Community.

The Long Lake Land Exchange will allow us to protect the valued recreational access to Long Lake, keep a connected wildlife corridor and allow seasonal ranching to continue to thrive. Additionally, CBLT is going to be making significant investments into the recreational infrastructure for Long Lake, including better signage, parking improvements, and restroom facilities. CBLT is partnering with numerous organizations to improve access to Long Lake, including the Crested Butte Conservation Corps to re-route the steep access trail at the north end of the lake, and Adaptive Sports Center to plan an improved trail network that provides access to Long Lake for everyone, regardless of ability. The Long Lake Land Exchange will also invest in Crested Butte's community fabric. $2.9 million needed to purchase the Fossil Ridge property as a component of the exchange will generate over $2.5 million for affordable housing that will help keep our teachers, emergency and medical personnel, and working families living in Crested Butte. CBLT respectfully requests that the Slick Family Foundation consider supporting this effort with a $100,000 grant over two years.

Three-year Project Budget for Long Lake Land Exchange

Expenses: The Long Lake Land Exchange will require $3,337,434.00 to ensure the eastern half of Long Lake is protected under ownership by CBLT. This budget ensures the organization has the financial capability to make the meaningful investments in needed infrastructure and long-term care of the property. This expense budget will make CBLT financially stronger with the acquisition of Long Lake, a key measure sustainability for an organization focused on its perpetual obligations.

Expenses	**2019**	**2020**	**Year 2021**	**Total Budget**
Project Management	$70,000.00			$70,000.00
Fossil Ridge Land Acquisition (includes $250,000 GVLPB funding)	$2,915,000.00			$2,915,000.00
Stewardship Endowment	$50,000.00			$50,000.00
Land Management Fund	$15,000.00		$60,000.00	$75,000.00
Due Diligence, Closing Costs	$108,961.50			$108,961.50
Legal Services	$9,400.00			$9,400.00
Reimbursement of Opportunity Fund for Due Diligence, Closing Costs, and Legal Services	$109,342.50			$109,342.50
Total Proposed Budget	**$3,277,434.00**		**$60,000.00**	**$3,337,434.00**
In Kind Legal Services	-$3,057.50			-$3,057.50
Total Budget Less In Kind	**$3,274,376.50**			**$3,334,377.00**

Revenue: As outlined in the table below, this work is highly leveraged and includes multiple levels of support from a variety of partners. *Italics denote funds that are expected but not in hand.* All sources of anticipated funding are highly probable.

Funding Source	2019	2020	2021	Source Total	Sum Total
Conservation Alliance	$40,000.00			$40,000.00	$40,000.00
City of Gunnison	$10,000.00	$25,000.00		$35,000.00	$75,000.00
Crested Butte Mountain Bike Association	$500.00			$500.00	$75,500.00
Crested Butte Nordic	$460.00			$460.00	$75,960.00
Gates Family Foundation Capital Fund	$30,000	$40,000.00		$70,000.00	$145,960.00
Gates Family Foundation Program Fund		$40,000.00	$80,000.00	$120,000.00	$265,960.00
Gunnison Valley Housing Foundation	$2,500.00			$2,500.00	$268,460.00
Gunnison Valley Land Preservation Fund	$250,000.00			$250,000.00	$518,460.00
In Kind Legal Services	$3,057.50			$3,057.50	$521,517.50
One Percent for Open Space	$100,000.00			$100,000.00	$621,517.50
Private Donations secured	$813,401.21			$813,401.21	$1,434,918.71
Private Donations remaining to raise	$147,564.00			$147,564.00	$1,582,482.71
Land Trust Opportunity Funds	$109,342.50		$0.00	$109,342.50	$1,691,825.21
Private Donations to Reimburse Opportunity Fund	$17,766.79			$17,766.79	$1,709,592.00
Sale of Trade Property	$372,842.00			$372,842.00	$2,082,434.00
Private Family Foundation	$50,000.00			$50,000.00	$2,132,434.00
Private Foundation		33,333.00	66,667.00	$100,000.00	$2,232,434.00
Town of Crested Butte	$1,000,000.00		$0.00	$1,000,000.00	$3,232,434.00
Town of Mt. Crested Butte	$50,000.00	$20,000.00	$20,000	$90,000.00	$3,322,434.00
USFS	$15,000.00			$15,000.00	$3,337,434.00
Total Revenue	**$3,012,434.00**	**$158,333.00**	**$166,667.00**	**$3,337,434.00**	**$3,337,434.00**
Remaining to Raise	**$165,330.79**	**$45,000.00**	**$20,000.00**	**$230,330.79**	