

**EXECUTIVE SUMMARY**

# INVESTING IN COLORADO

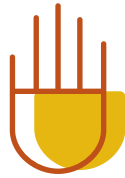
Colorado's Return on Investments in Conservation Easements:  
Conservation Easement Tax Credit Program and Great Outdoors Colorado

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## SUMMARY



### Why did we do this?

To understand the ecological and real economic benefits the Conservation Easement Tax Credit program and GOCO-funded conservation easements provide to the people of Colorado.

#### Executive Summary

Colorado is famous for its iconic landscapes. These diverse lands constitute the natural and agricultural heritage of the state and fuel the economy through the sale of farm and ranch products, outdoor recreation, and tourism. Given the role these landscapes play in shaping the identity of the State, it is not surprising that Colorado has repeatedly identified conservation of the State's natural and agricultural resources as sound public policy and invested significant resources in conservation efforts to maintain these lands into the future. Conservation easements are one of the primary tools to achieve this goal. Conservation easements are voluntary, legally binding agreements between private landowners and nonprofit land trusts or governmental entities to protect specific conservation values of a property, such as fish and wildlife habitat, working farms and ranches, scenic views, and outdoor education and recreation.

The State of Colorado has invested substantial financial resources assisting state agencies, local governments, and private nonprofit land trusts in the voluntary acquisition of conservation easements from willing landowners. Two of the State's principal efforts to incentivize the acquisition of conservation easements are the Conservation Easement Tax Credit program and Great Outdoors Colorado (GOCO). Although these programs have funded acquisitions for over 22 years, there is little quantitative information about the benefits Colorado residents receive from the State's investments. This study examines the ecological and economic benefits to the public from the Conservation Easement Tax Credit program and GOCO-funded conservation easements.

#### Approach

We used data on about 2.1 million acres of Colorado's lands with conservation easements that have received GOCO funding or a state tax credit. To assess the ecological benefits, we calculated the acreage or miles of conserved lands that overlapped with mapped conservation values of priority to the State of Colorado. To assess the economic benefits, we adapted and re-estimated previous studies (Sargent-Michaud, J. 2009; Glenn, E. 2014; TPL 2016b) of the per-acre economic benefits of 11 ecosystem types present in Colorado. These benefits, known as ecosystem services, include the filtration and purification of water, protection of wildlife habitat, and soil retention, for example. We then calculated the total number of acres of the 11 ecosystem types conserved by conservation easements and the total annual economic benefits provided by conserved land in Colorado in 2017 dollars. With this total annual value and the annual amount the State of Colorado invested in conservation easements through the Conservation Easement Tax Credit program and GOCO a real Return on Investment (ROI), net present value, benefit-cost ratios and related measures of investment value can be derived.

#### Results

State investments in conservation easements have conserved nearly 1.5 million acres of mapped Crucial Habitat in Ranks 1-3. Additionally, these investments have conserved nearly 300,000 acres of prime farmland, 270,000 acres of elk severe winter range, 4,100 miles of stream, creek, or river frontage, and 19% of the Gunnison Sage-Grouse Production Areas that occur on private land.

Residents of Colorado have received an estimated \$5.5-\$13.7 billion (US\$2017) of economic benefits from land conserved by conservation easements while the State has invested roughly \$1.1 billion (US\$2017) – through approximately \$280 million from GOCO and \$772 million from the Conservation Easement Tax Credit program on these efforts since 1995. This represents roughly \$4-\$12 of public benefits provided by conserved land for each \$1 invested by the State and a benefit per acre of about \$2,700-\$6,600 against an investment of about \$500 in real 2017 dollars. GOCO investments have also been matched by over \$760 million in local government and federal funding and real estate value donated by landowners.

## CONCLUSIONS

Land conservation efforts in Colorado target ecologically important areas and provide a significant economic stimulus to the State's economy and tangible benefits to its residents. Given the perpetual nature of conservation easements, these benefits are expected to continue to accrue into the future and increase on a per-acre basis due to Colorado's increasing population and wealth and decreasing supply of open lands. **These findings suggest past and current land conservation efforts are sound economic investments benefiting current and future Colorado residents.**



*Moonrise over Soapstone Prairie*

Photos, above and cover, by Michael Menefee

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Read the full study at <http://col.st/jNi3Y>



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