

# **Accommodations Tax Reserve Proposal Application**

Application must be typed using a 10 pt size font or larger:

## **PROJECT NAME: Yampa River Flow Endowment**

Lead Applicant Name /Organization: Friends of the Yampa

Contact Person: Peter Van De Carr

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Email Address: [peter@backdoorsports.com](mailto:peter@backdoorsports.com)

Total Project Cost: \$1,000,000.00

Accommodations Tax \$ Request: \$1,000,000.00

Leveraging ( $\frac{\$Request}{\$Total} = \%Leverage$ ): 33%

Project Start Date: Next drought cycle

Anticipated Completion Date: End of drought cycles

Physical Location of the Project: Yampa River in Steamboat Springs

Property Owner: City of Steamboat Springs

Proposed Project Owner: Colorado Water Trust

Is the project within Steamboat Springs' city limits?  Yes  No

Is the project identified in a plan that has been adopted by the City of Steamboat Springs? If so, please provide the plan name and page number:

Yampa River Management Plan

Have you worked with city staff on the development of this project? If so, what is the name of the city staff member involved? Kelly Heaney

Please check the seasons when the project could be used by the public:

Summer

Fall

Winter

Spring

## **Friends of the Yampa – Yampa River Flow Endowment**

### **Request for proposal Accommodations Reserve Application**

#### **1) Briefly Describe the Project. Include a short project description with target audience, expected use data, need , benefit, etc**

A short project description detailing the target audience, expected use data, need and benefit begins with the understanding that the Yampa River is the heart and soul of northwest Colorado. Yet in many years, the river's low flows threaten the environment, wildlife, and economies that depend on it. Our request reflects a collaborative effort between the Friends of the Yampa, Colorado Water Trust, The Nature Conservancy, business owners and recreationalists in Steamboat Springs. We are in the process of creating an endowment, Trust, or Water Fund to create a sustainable funding source for purchasing available water from the Upper Yampa Water Conservancy District to supplement river flows in the Yampa River. These purchases will help to maintain and enhance aquatic diversity while improving the economic vitality of the Yampa River. Sustaining healthy flows in the Yampa River will benefit fishermen, bird watchers, restaurants, kayakers, tubers, hikers, property owners and various businesses.

#### **2) Please describe how the project meets each of the 1986 ballot criteria listed below. Provide economic data when possible in your response.**

##### **a) Project must be a capital project or capital improvement.**

Sustaining healthy flows in the Yampa River is itself a capital improvement. Having funding available for flow enhancement will be imperative to maintaining a flourishing, strong economy in Steamboat Springs. With the Yampa River having consistent, healthy streamflows, more businesses will thrive in Steamboat Springs which will bring growth and increased capital investment to the city.

##### **b) Project must promote tourism in Steamboat Springs.**

A healthy Yampa River is paramount to Steamboat Springs' tourism industry. Fly fishing shops, tubing outfitters, restaurants, breweries and river property owners depend on healthy river flows.

##### **c) Project must enhance the vitality of Steamboat Springs as a destination resort**

To enhance the vitality of Steamboat Springs as a destination resort, the city needs a consistent, healthy flow in the Yampa River. When flows on the river dip too low, fish and wildlife are stressed, which can limit or even prevent recreation from taking place. Our project will benefit the citizens of Steamboat Springs and all of Routt County, as well as its visitors. A strong, flowing river will help support top

notch recreational opportunities and the beautiful, healthy environment for which the region is famous.

**d) Project must enhance the community identity of Steamboat Springs.**

Sustaining healthy flows in the Yampa River enhances the community identity of Steamboat Springs because the area is known for its beautiful environment, recreational opportunity, and thriving city all of which is supported by the Yampa River. Also, the residents of Steamboat Springs identify with the Yampa River which is proven by the community-wide support and participation in our four River CleanUps. Each year, over 500 participants representing outfitters, conservation groups, businesses and youth organizations participate because they care about the health of our community's most important river.

**e) Project must enhance the environmental desirability of Steamboat Springs**

There is no greater threat to our environmental desirability of Steamboat Springs than losing access to the river that sustains it. To enhance the healthy environment for which we are famous, we must begin by providing healthy rivers and streams.

**f) Project must enhance the economic health of Steamboat Springs.**

Sustaining healthy flows in the Yampa River directly correlates with economic health in Steamboat Springs. In years of severe drought (i.e. 2002, 2012), significant losses were incurred by the many local businesses, including restaurants, fly fishing and river outfitters. When the Yampa River drops below 85 cfs (critically low flows), the city must shutdown commercial use and highly discourages non-commercial use. This can have a devastating impact on our local economy. We have reached that threshold four times in the past ten years.

**3) Briefly provide information on the individuals who are serving on the project team- their name, expertise, and relevant experience.**

- Kent Vertrees, Board Member Friends of the Yampa for 15 years, aquatic biologist, has seen 8 FOY projects to fruition.
- Peter Van De Carr, Board Member Friends of the Yampa for 35 years, River outfitter for 31 years, has seen 15 FOY projects to fruition
- Peter Hall, Owner, Hala Sports
- Zach Smith, Staff Attorney, Colorado Water Trust
- Geoff Blakeslee, Yampa Basin Roundtable and The Nature Conservancy

**4) Please identify project partners and describe their roles, responsibilities and contributions to the project.**

- Billy Atkinson and Kevin Rogers, Colorado Division of Parks and Wildlife
- Downtown Business Association, specifically Yampa St. Businesses
- The Nature Conservancy, Geoff Blakeslee. The Nature Conservancy has established numerous Water Funds and Trusts globally and would provide support in establishing a governance structure for the funding mechanism.
- Upper Yampa Water Conservancy District, Kevin McBride
- Big Agnes, Rich Hagar
- Steamboat Springs Chamber Resort Association

**5) Where will this project be located and what is the status of that property? Will land or an easement need to be acquired? Please describe any infrastructure that will need to be completed with the project, including who would be responsible for developing this infrastructure and when it is anticipated to happen?**

The Yampa River flows through approximately ten miles within the Steamboat Springs City Limits. No easements will be required for this project. No infrastructure will be needed.

**6) How “ready to go” is this project? What project development work has been completed? What are the remaining key steps or milestones to complete this project? Please describe below and provide a timeline as an attachment.**

The project framework already exists, and the project has resulted in restored flows on the Yampa River in five of the last six years (including 2017 releases). As a collaborative group of organizations and agencies, we began working together to restore the Yampa River in 2012, when snowpack in the Yampa valley was historically low, resulting in low streamflow and the recreational closure of the Yampa River. That year, the Colorado Water Trust purchased water from Stagecoach Reservoir and released it back to the river. That release of 4000 acre-feet was not only pioneering for the Yampa River, but for the entire state.

In the past, our work was supported by outside foundations interested in the unique pilot project we were implementing on the Yampa River in 2012. These supporters included the Gates Family Foundation and the Bonneville Environmental Foundation. They were willing to take risks to see how we could change the way water is managed for conservation on the Yampa River with hope that, if successful, the method could be replicated across the state. Going forward, we hope to increase our local funding support for the benefits that remain local. In terms of the endowment/funding vehicle that we seek to establish through this application, the partners are in the early stages of forming a coalition that will

establish the necessary governance structures and funding distribution mechanisms.

The Yampa River Flow Endowment will provide funding to purchase water for the Yampa River to enhance flows during drought years. Funds will be supplemented by other organizations and community members committed to maintaining the biological integrity of the Yampa River. Those organizations will likely be (but are not limited to) City of Steamboat Springs, Upper Yampa Water Conservancy District, The Nature Conservancy, Big Agnes, Friends of the Yampa, and Colorado Division of Parks and Wildlife.

**7) How will the project/amenity be operated/managed once it is complete? How will operations and maintenance be funded without an additional subsidy from the City? In addition to describing this below, please provide a financial pro-forma as an attachment.**

Once funding is in place, the endowment/fund will be managed through a collaborative governance structure that will include representatives from the Colorado Water Trust, the Upper Yampa Water Conservancy District, The Nature Conservancy, the Colorado Dept of Parks and Wildlife and the City of Steamboat Springs, among others, to determine the Yampa River's expected flow needs each year. We will work together each spring and summer to facilitate any necessary purchase and release of water.

The applicants are investigating options for housing and operating of the fund. This work is occurring contemporaneously with this application.

Funding for operations, maintenance, and project execution will also come from this proposed endowment/fund. The project proponents are also communicating with local recreational business owners about contributing to this endowment/fund that will sustain healthy flows in the Yampa River. In order to make this project successful, we need the support of the community. Join us and our Yampa Valley community partners to keep the Yampa River healthy for years to come. We invite the City's collaboration because when the Yampa River is vibrant and flowing, the entire community benefits including wildlife, people, businesses, and agriculture.

\*Based on City of Steamboat Springs, Parks and Rec Dept estimate of 500+ people walking on the core trail, 17,000 Commercial River Uses and an estimated 5 times that number of private users, 85,000

## I. PROJECT BUDGET

Disclaimer: The proposed budget below requires speculation regarding the severity of drought. The proposed budget represents a worst-case scenario based on Yampa River flow data from the last 27 years. During July of 2002, a drought year, the average flow of the Yampa River through the City of Steamboat Springs was 41.19 cfs. To increase flows in the Yampa River to the 85 cfs threshold required for commercial use by the Yampa River Management Plan would require an additional 43.8 cfs.

1 cfs/day = 1.98 acre-feet

43.8 cfs for

31 days is

2688 acre-feet at

\$40 per acre-foot is

\$107,520

\$107,520 is the amount required to boost the Yampa River's flow from a monthly average of 41.19 cfs to the commercial threshold of 85 cfs for one month.

The budget should also include the Colorado Water Trust's annual costs for the project's development and implementation, estimated at \$7,500 per year.

Annual budget for drought years: \$115,020

Annual budget for non-drought years: \$7,500

## 2. OPERATING PRO FORMA

The Colorado Water Trust has the proven capability to administer funding taking advantage of developed relationships with the City of Steamboat Springs and the Upper Yampa Water Conservancy District.

The Colorado Water Trust requires \$10,000 annually to cover administrative costs.



### 3. TIMELINE

The project can begin immediately upon determination of drought conditions by the Upper Yampa Water Conservancy District, The City of Steamboat Springs, The Colorado Division of Parks and Wildlife and other interested parties.

4. MAPS



OPTIONAL ATTACHMENTS: TBD