

Memorandum

To: Marv Falconburg, Acting City Manager, City of Brighton
Travis Haines, Director of Parks & Open Space, City of Brighton

From: Christine Quinlan, Senior Project Manager, The Conservation Fund

Date: July 22, 2020

Re: Status Report—Morimitsu Farm Preservation Project in Historic Splendid Valley

Acting at the request of the City of Brighton (“City”), The Conservation Fund (“TCF”) expects to close on fee title acquisition of the 79-acre Morimitsu Farm by the end of July. As you know, this project has been in the works for close to two years. TCF’s acquisition will represent the most recent success in Brighton’s active efforts to preserve its agricultural land and heritage, achieved in partnership with TCF, Adams County, Great Outdoors Colorado (“GOCO”) and willing private landowners.

Like the other farms conserved as part of this effort, Morimitsu Farm possesses two finite and irreplaceable resources—soils classified as USDA prime, and significant water rights from the Fulton Ditch, one of Colorado’s oldest ditches. These favorable growing conditions for food crops, coupled with intact processing and distribution systems and convenient access to the Denver metro area, position the conserved farms in the Historic Splendid Valley to capitalize on the growing demand for fresh, local and organic food. The recent COVID-19 pandemic has created an even greater need for the availability of safe, healthy food that can be locally sourced and produced.

Urgency is high in the Historic Splendid Valley, as these historically farmed properties are attractive for development, and the water rights are attractive for conversion to municipal or other non-agricultural uses. Typically, the only way to keep these farms (and their water rights) intact is to gain control through fee title acquisition, then place the property under a conservation easement that eliminates all subdivision and allows agricultural uses to continue.

In the case of the Morimitsu Farm project, TCF will acquire the property by the end of July for \$3,500,000 using bridge financing from its Revolving Fund. After an approximately 3-month holding period, TCF will convey a perpetual conservation easement (the “CE”) to the City of Brighton and will convey the CE-encumbered fee title property to a private conservation buyer who will continue to own and operate the property. Using funds already awarded to the Morimitsu project, the conveyance of the CE to Brighton will be funded by \$728,000 from GOCO and \$1,500,000 from the Adams County Open Space program. The sale price to the private conservation buyer will be \$1,486,000; this is the value of the CE-encumbered property as determined in an April 2020 appraisal by Mike Nash of Nash-Johnson Associates.

Involving a private conservation buyer in this transaction is saving the City nearly \$1,500,000, since the City will not need to utilize its funding to acquire the fee title property. As mentioned above, the CE that will be held by the City will be completed with funding from GOCO and Adams County. The end result is permanent preservation of this historic and strategically located farm without the City investing any of its funds in the acquisition.

The conservation easement that Brighton will hold will permanently restrict the property to use for irrigated farming. The CE will eliminate the right to subdivide the property and will prevent the water rights from being removed from the property. The improvements at the existing farmstead will be allowed to be maintained, repaired, renovated, reasonably enlarged or replaced within a 2-acre building area. Brighton shall have the right to approve plans concerning changes to the improvements within the 2-acre building area, and Brighton will be responsible for monitoring the property on an annual basis to ensure that the CE is adhered to.