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**CITY COUNCIL WORK SESSION
SUPPLEMENTAL PACKET**

Afton Agricultural Land Preservation Committee Report March 2022

Agriculture Preservation: Roadmap, Options and Evaluation

Introduction

The City of Afton needs to consider and clarify what it means to preserve agricultural land in Afton. We believe this can best be done by evaluating which tools identified within this committee's report to invest in and further investigate. These actions can propel the city forward by putting forth a framework that will enable proactive planning and consensus building that will effectively impact decisions by farmland owners regarding their property, as well as decisions on future land use proposals that come before the planning commission or city council.

The Afton Agricultural Land Preservation Committee has prepared the findings of a 5 month exploration period where we heard from county officials, reviewed plans & lawsuits, and explored what governments in similar situations have done. With that experience, came an understanding that there is a limited expectation that Federal, State and County level guidance or funding will help Afton preserve farmland in meaningful ways. It is also clear to this committee that the goal of preserving agriculture in our community is challenging on many fronts. This is why changes at the city level, through ordinances and intent, that match a comprehensive plan, is the most likely course of action.

The completion of a survey to evaluate parcels the City of Afton has an opportunity to preserve for farmland, is an essential part of choosing what options will fit best. The committee recommends this as the first step towards building a decision framework and comprehensive plan to inform the most suitable ordinances. The survey has an opportunity to explore a scoring system for the quality of a parcel (including soils & productivity features), desirability to be developed for residential, and size. Examples of these surveys done at the Township, or city level are included in the resource page.

The existing conservation easements and development ordinances in Ag zoned areas, available to land owners and developers, do not adequately promote the preservation of Afton's rural farming heritage, but do offer a framework for improved incentives. A combination of time horizons and incentives attached to parcels should be considered in pioneering new farming easements. Considerations for the number of potential homes or lot sizes mixed with extended (50 year) terms or permanent terms for farming easements is also recommended. Additionally important, and part-and-parcel of developing improved tools/incentives for Ag land preservation, is an evaluation mechanism that can help guide the City Council in an effort to build consensus around change.

Roadmap

A Comprehensive Agricultural Preservation Plan, including a land survey, is an important precursor to any viable effort to substantially change the trajectory of agricultural land loss in Afton. However, since this committee was convened to make initial recommendations; defining with broad brush strokes, various options is an important process. Without a guiding plan however, these strategies are more corruptible and thinly defended should they be adopted. *Furthermore, supportive revisions to the language in our Afton Comp Plan should be considered. If we are going to codify new agricultural preservation strategies, we should state clearly and passionately our commitment to protecting our farm land for farming, embracing and inviting new and aspiring farmers and celebrating farming in all its best forms.*

The options listed in this document should be considered with the input and inclusion of farmers, ag landowners, and the broader community, should they be recommended for further action. Because this is a very complex and challenging issue, Afton's leaders must be persistent, deliberate, creative and committed to support potentially controversial options if we are to make meaningful progress towards protecting our agricultural lands. It cannot be overstated that **no agricultural preservation plan will get traction without the support of farmstead landowners and a thorough and robust commitment from the city council to champion the public benefits and act boldly.**

The following examples offer a sampling of tools for further consideration. Some have been used with varying degrees of success in other communities, others are untested ideas generated through this committee's work. It is by no means an exhaustive list but does start the "build-out" of strategies to consider for a range of parcels. Tools that have a more mission, philosophy, or idea-driven component should also be worked into the City's Comp Plan statements regarding the value of agriculture in our community. Additionally, if we value farming in all its forms, we must generate and expand a more community centric agricultural base.

The lack of federal, state or county funding programs is a disappointing reality that will have to be overcome. Alternatives such as the donations of land, funds derived from grants, or other strategies utilized by individual landowners are not detailed in this document but should be identified and promoted by the city through some type of community resource mechanism.

Options

#1-Purchase of Agricultural Easements

The City of Afton could purchase the development rights to an agricultural parcel directly from a landowner. That parcel would then be held in a permanent agricultural easement. The landowner would be able to continue to farm the parcel, would have funds in hand from the sale of those development rights and at the time of transfer would sell the parcel with the permanent easement attached. A fair market value would be established on the parcel based on its current status and paid to the landowner using a farmed value vs developed value calculation. The landowner would be paid the difference between the two or some negotiated amount. This option has been the primary tool used by communities to preserve larger parcels. Funding from either the State or County has been the primary resource mechanism. Considering the current lack of funding sources available to Afton, under most circumstances this would be a very cost prohibitive option. However, Afton would be smart to reach out to landowners to gage interest in this type of arrangement. It may even be smart to flush out and document a plan to pursue these easements. Should funds or interest from a surprising or unknown source become available the City would be positioned to act swiftly.

#2-1:1 Offset

1:1 Offset is a concept that allows for the transfer of development rights from one parcel to another in exchange for the protection of further development on one of the parcels. In other words, if a developer wants to buy and develop an 80-acre parcel that currently allows for 8 subdivisions and 50% conserved land (parcel A), they can purchase an additional 80 acre parcel (parcel B), transfer those 8 subdivisions to the initial parcel (A), buildout on one parcel with 16 subdivisions while preserving the entire 80 acres (parcel B) in an agricultural easement. This strategy would be part of a larger more defined development plan. The city would need to identify highest priority land for agricultural preservation, areas to focus development and design a robust strategy for long term growth and preservation. This can be a very effective tool but is rarely used due to its potential for a perceived negative impact to some landowners and a potentially complicated purchasing process. A Comprehensive Agricultural Preservation Plan would certainly be needed to guide this process.

#3-PLCD Incentives/Requirements

While PLCD's (Preservation and Land Conservation Developments) in the past have only focused on the "open space" benefits through use of conservation easements, the set aside land may have more present and future value in agricultural production and should be prioritized as a first option. The city could adopt a set of provision that would encourage the open space be put into agricultural easement, rather than conservation easement. Where appropriate, an incentive could be offered such as a reduction in parcel size, an additional parcel or infrastructure flexibility. There would be a potential rental income to cover the city's management cost. Alternatively, requirements could be instituted such as buffer zones to support the continuation of farming amongst non-farming homesteads, platting that requires conservation easement land be contiguous or platting that considers future adjacent land use and prioritizes continued agricultural production options. Communities have utilized this type of planned use zoning to help protect agricultural land.

#4-City Agricultural Preservation Fund- tax, levy or community foundation

A Tax, levy or establishment of a community foundation could be used to generate funds held for the specific purpose of acquisition and enforcement of agricultural easements, grants for farming enterprises or the funding of other community based agricultural preservation. This would require a long-term commitment, creative thinking and/or engaging with partners in order to create a meaningful program designed to enhance agricultural opportunities for the citizen of Afton.

#5-Agricultural Easement- Agricultural Zoning Bonus PID

One additional (unbuildable PID) subdivision could be allowed on Ag Zoned lands to preserve current, or encourage future, agricultural enterprises. A permanent or long term (think MFL- 25-50 year) agricultural easement would be applied to the parcel regardless of its transfer in ownership. In this scenario, a 3 per 40 could be maintained, with the additional parcel held in an agricultural preservation easement, thereby being unbuildable. This would have minimal impact for years to come to the current philosophy regarding subdivision options in Ag zoned areas. It does, however, offer an additional option to landowners who wish to have their land retain most of its market value, but do not just want to sell out to a developer. In effect, this relieves the city from having to purchase easements now, in the hopes that there are funding options down the road for larger impact projects. While it could allow quarter quarters an additional PID, it also provides a middle ground for the 8 per 80 now available for PLCD development. Many details would have to be worked out, but with a 25-50 year preservation option, any future tax forfeiture burden that the city may incur would eventually have a buildable value that the city holds, thereby reducing the city's risk for being responsible for fallow property. An appeal to landowners to consider this option would likely help determine its viability.

#6-Conversion of existing “Open Space” or Parkland to Ag production

The city could evaluate the viability of current property held in the Park and Open space inventory being converted to ag production such as pasture land or high value crop production. Additionally, we should investigate if there is any legal option to convert a conservation easement to an agricultural easement, as there may be options should that be possible. The city could lease the land out for the establishment of a productive agricultural enterprise. This would give the Afton some experience in managing ag land without the overhead cost of acquisition.

#7- 1:1 Offset + PLCD + Ag Zoning Bonus PID= PALD (Combine these three concepts to create a Preservation of Agricultural Land Development Ordinance)

Example: A landowner wants to sell an 80-acre parcel based on the availability of utilizing the PLCD ordinance. Instead of selling the entire 80 as a single PID, the 40 acres that are required to be preserved to get an additional 2 parcels, is held in an agricultural easement. Rather than being part of the Homeowner’s Association, that parcel has a separate PID and can be held and farmed by the landowner, rented by the landowner to another farmer, sold by the homeowner to another farmer or donated to the city to be rented or sold to a farmer. This should in theory not substantially influence the overall value of the property and may even be a preferred option to both seller and buyer. The Ag easement would be permanent and could be encumbered with some “best practice” farming requirements. Like conservation easement requirements, the agricultural practice requirements would follow a set of guidelines that are the product of an agency such as NRCS. The primary focus would be in sustainable practices that protect groundwater, soil health and wildlife.

Evaluation: Priority Dashboard

Any of the mechanisms considered for the preservation of agricultural land, should ideally have a set of “test” metrics that guide the committee’s discussion. This could take the form of a Priority Dashboard or similarly high-level evaluation tool. Characteristics might include things such as: long term impact, scale or high impact, can be achieved “In-house”, has an obvious “stacked” public good, can be done without public \$, can be done without private \$, can be achieved near term, has positive impact on environment and minimal “losers vs winners”. A green, red or yellow check would be assigned to help the committee build a “funneled” list of priorities, both for general concepts and specific projects going forward. The priority dashboard should be deliberated and refined in order to get a clear and focused set of recommendation and help minimize bias.

Example

Preservation Option	long term impact	large scale	in-house	public benefits	no public \$	near term impact	positive environmental impact	minimal city management	minimizes "winners and losers"
Purchase of Agricultural Easements	X	X	X	X	X	X	X	X	X
1:1 Mitigation	X	X	X	X	X	X	X	X	X
PLCD Incentives/Requirement	X	X	X	X	X	X	X	X	X
City Tax or levy	X	X	X	X	X	X	X	X	X
Agricultural Easement- Ag Zoned Land bonus PID	X	X	X	X	X	X	X	X	X
Conversion of existing “Open Space” or Parkland	X	X	X	X	X	X	X	X	X
1:1 Mitigation + PLCD + Ag Zoning Bonus PID= PALD	X	X	X	X	X	X	X	X	X

Once the proper framework for making decisions about land that has the potential to exit production is complete, the city can decide if further actions need to be explored in helping the entry of new farmers. This can be of value to the residents and the surrounding community. The form and details of the evaluation tool has endless possibilities.

Questions for further discussion

Assuming the burden to preserve farm land is primarily the city's responsibility, how can we best partner with farmers to identify possible avenues- Survey, focus group, etc.

How might feedback from people help understand if Afton residents favor open space or farm fields?

Should Afton consider a rezoning plan that promotes ag preservation and what would that look like?

Do PLCD's give farmers/landowners more incentive to sell to developers than to another farmer?

Should preferential treatment be given to certain types of farming?

Should landlords be incentivized to hold farmers to a "best practice" standard if given incentives? Crop rotation, no till, spot spraying and fertilizing, erosion control, etc.?

Summary

Preserving and promoting Afton's rural farming heritage in all its forms is deeply important to the members of this committee. The members of this committee brought a variety of perspectives, ideas, personal experiences and priorities, to this discussion. Much of those perspective center around what does it mean to "preserve a sustainable farming community". Should we focus on encouraging and attracting new small farming operations? Should we address this issue primarily as an anti- development strategy? Should we be thinking in terms of "environmental" impacts when a parcel changes hands? We considered these questions and many others as we sought to gain a consensus of ideas to prioritize. This report is an attempt to boil down some of our discussions into an actionable plan. Further work may be best suited for smaller "break-out groups" that can dive deeper into more niche areas of interest once the City Council has a more clear-eyed vision for next steps. We look forward to engaging the City Council in a cooperative effort moving forward.

Resources: Agencies that Support Agricultural Preservation

Minnesota programs

Unfortunately, Minnesota does not have a robust program to support and encourage local government agencies with their efforts for protect and preserve their agricultural lands

<https://www.lrl.mn.gov/docs/2018/mandated/180302.pdf>

- Minnesota FarmLink – a web-based tool connecting prospective farmers with retiring farmers.
- Beginning and Transitioning Farmer Resource website – a directory of programs and services offered by farm-related organizations in Minnesota, including services for all sizes and types of farming and farmers. Services range from assisting in finding land, finances, farm management planning and scholarships, legal services, networking and mentoring.
- Technical assistance on planning and zoning issues concerning diversified agricultural operations in the urban fringe areas, including issues affecting immigrant farmers.

Federal programs are explained in the two links below

- These docs highlight available grant programs: Managed thru NRCS: EQIP, ACEP, CRP

<https://bwsr.state.mn.us/sites/default/files/2018-11/Appendix%203%20-%20Farm%20Bill%20Opportunities%20for%20Working%20Lands%20Final%20Report.pdf>

<https://sgp.fas.org/crs/misc/R40763.pdf>

Foundations and Organizations that support preservation of Agricultural Lands- Others certainly exist and should be included

<https://farmland.org>

<https://landstewardshipproject.org>

<https://mosesorganic.org/farming/farm-finances/funds/>

Resources and Examples of Comprehensive Agricultural Preservation Plans

<https://www.nj.gov/agriculture/sadc/home/genpub/comprehensiveplans.html>

<https://www.nj.gov/agriculture/sadc/home/genpub/franklinsomersetplan.pdf>

<https://www.nj.gov/agriculture/sadc/home/genpub/Bedminster%20Somerset%20plan.pdf>

<https://www.co.eau-claire.wi.us/home/showpublisheddocument/2574/635503479178170000>