

MINUTES: AGRICULTURAL LANDS PRESERVATION COMMITTEE MEETING

Wednesday October 27, 2021

10:00 AM to 12:30 PM

MEMBERS PRESENT:

John Lebeaux, Department of Agricultural Resources
Clem Clay, UMass, Center for Agriculture, Food and Environment
Rita Thibodeau, Natural Resources Conservation Service, Non-Voting Member
Laura Abrams, Board of Agriculture
Warren Shaw Jr., Public Member
Fred Dabney, Public Member
Susan Flaccus, Public Member
Kathy Orlando, Sheffield Land Trust
Phil DeMartino DHCD

ALSO PRESENT:

Gerard Kennedy, Department of Agricultural Resources
David Viale, Department of Agricultural Resources
Barbara Hopson, Department of Agricultural Resources
Christine Smith, Department of Agricultural Resources
Ashley Davies, Department of Agricultural Resources
Dorothy Du, Department of Agricultural Resources
Jill Ward, Department of Agricultural Resources
Chris Chisholm, Department of Agricultural Resources
Julie Weiss, Department of Agricultural Resources
Becca George, DHCD
Jamie Pottern, American Farmland Trust

John Lebeaux, of the Massachusetts Department of Agricultural Resources (the "MDAR") and Chair of the Agricultural Lands Preservation Committee ("ALPC"), called the meeting to order. The Chair asked participants on the call to voluntarily identify themselves if they were a member of the public although he noted that participants were not required to identify themselves.

The Chair provided instructions on how he will manage the virtual Zoom meeting. He noted that the meeting was being recorded and that pursuant to the Governor's Emergency Order, all votes need to be roll-call votes.

I. Department Updates

Chair Lebeaux presented an overview of Department activities. MDAR has closed on 3 new APRs, protecting a total of approximately 150 acres. Properties include a cidery, a dairy, and a vegetable and fruit farm. There are currently 938 APRs protecting 74,699 acres.

There is \$36,000,000.00 remaining in 2 bond bills. There are currently 22 pending votes of interest and 17 pending final vote projects. There are 4 unresolved projects; 3 did not accept an offer and 1 withdrew.

Rita Thibodeau noted that the reason for the early November 2019 batching date was that federal ALE funding was received very early. \$2,562,757.00 is available for current funding through ALE. Ron Hall had no additional updates.

II. Approval of Minutes from September 28, 2021.

Kathy Orlando had several mostly grammatical corrections. She also clarified Ashley's statement about the start of the federal funding date. Clem Clay asked to add to his statement on pg. 9 paragraph 3 "given that an increase in the cap could lead to a faster rate of spending."

Motion made by Clem Clay to approve minutes, as corrected, second by Susan Flaccus. Motion passed unanimously

III. Presentation and Discussion – The APR Cap

Gerard Kennedy introduced David Viale to make a presentation. David Viale presented a Power Point presentation about the APR cap, which is a spending cap on the per acre cost of an APR acquisition.

Regulations require that the ALPC consider value when evaluating an APR. The per acre cost for farmland has increased to be above the cap in the years since the cap was introduced.

David Viale and others consulted with MDAR's Agricultural Economist, Myron Inglis, who agreed that many appraised APR values are above the \$10,000 per acre cap. Recent median value per acres is \$17,500. A significant number of projects also appraise higher than the \$20,000 per acre over the cap limit; median values of those over \$20,000 per acre were in the \$26,000 per acre range, with some valued up to \$40,000 per acre in some geographic areas.

The proposal recommended by staff is to increase the cap from \$10,000 per acre to \$17,000 per acre, and to increase the above the cap limit from \$20,000 per acre to \$34,000 per acre. Staff analyzed potential fiscal impacts and concluded that there are sufficient stable funding sources to cover an increase in the cap. The MA Bond Bill provides stable funding and NRCS provides funding as well - ranging between \$1 million and \$2.3 million per contract. There is also the potential of funds being reallocated from other states to MA and to increase MA's allocation, should demand for federal funds increase. Staff also looked at capacity to handle a potential increase in the number of APR applications. MDAR is currently hiring a full-time acquisition planner and has also identified ways to further partner with land trusts. Due to the rapid shifts in the real estate market, and the requirement to review policies every 3 years, it is felt that the cap should be reviewed at least every 3 years to keep up with market values. Raising the spending cap will reduce the percentage of properties that appraise over the cap.

Anticipated benefits of raising the cap include better alignment with market values, ability to expand into areas where there are few APRs and making the program more attractive to farmers.

David Viale then referred to the proposal page of the slide show and took questions and comments from members of the ALPC.

Fred Dabney questioned how long the application process takes, and could we reduce the amount of time it takes (3 yrs.). David Viale responded that we have been making changes in the process - we do due diligence such as surveys and title work sooner, so we are currently reducing the time frame for the processes. We have also increased communication with our partners to explore other ways to reduce the timeline.

Fred Dabney asked David Viale if he could put a finite number on the timeline? Is it 1.5 yrs., 2 yrs.? David Viale responded that we can make a general timeline, but each real estate transaction is unique. Another recent change has been to use a P&S that has a stated closing date. It's currently about 2- 2.5 years from application to closing.

Fred Dabney noted that Mass Audubon has been looking to expand their land acquisitions, some of which may counter what APR is designed to do. David Viale stated that his understanding is that Mass Audubon's recently published action plan realizes that farmland preservation is contributing to our mutual goals of land preservation and their intent is to increase capacity of all conservation organizations without limitations. Kathy Orlando stated that she was at a meeting with Mass Audubon and concurred with David Viale that Mass Audubon is looking to help fund a full spectrum of conservation beyond what Mass Audubon itself would do, and that this new action plan is designed to be a different

kind of program to help increase the pace of land protection over-all, including farmland protection, through supporting other organizations and agencies in the land conservation work that those organizations and agencies do.

Chair Lebeaux noted for the record that Warren Shaw and Laura Abrams had joined the meeting. (10:52)

Susan Flaccus commented that the numbers are looking backward. She would like to project what will be needed as far as a cap in the future and increase it every 3 years. She asked how we know whether people are applying for APRs or not because of the amount of money. She also asked about how MDAR would announce a change.

David Viale replied that the information comes from feedback from listening sessions, from information from our other land acquisition partners, and direct feedback from landowners. The Local Food Action Plan also had significant engagement from farmers and also recommended raising the cap.

In terms of outreach, David Viale stated that MDAR has not formalized a plan, but would likely use our traditional outlets which include some combination of mailings, social media, press releases, etc.

Kurt Gaertner asked if the staff could speak to why we have a cap at all. David Viale responded that the regulations require that the ALPC take value into consideration when evaluating APRs. The cap has been a tool in this valuation. It gives a clear value to both landowners and APR staff for what may be an approvable project. It helps provide transparency which has been one of the recommendations that came out of the listening sessions feedback.

Chair Lebeaux added that while we consider this to be a pretty substantial change, we are not opposed in the big picture to consider removing the cap altogether but did not want to take that big a leap at this time. MDAR wanted to try this action first, to see how or if the adjustment makes a difference.

Clem Clay said he was a little unclear how the buffering concept works in terms of funding. He noted that if you have a long queue, then wait times become longer. If this change increases applications, how will MDAR handle funding the additional applications?

David Viale discussed how having a queue of projects helps secure additional federal, and likely state dollars. In addition, going forward, the APR program will receive reimbursements from NRCS for up to 50% of acquisition costs.

Motion made by Warren Shaw to increase the cap in the amount recommended by staff, seconded by Phil DeMartino.

Kathy Orlando made the point that in the original program 30 years ago, there was more money and a faster process because there were rolling applications with things, including final votes, in process all year round. It isn't so much the amount of money as it is the processes in place that are slowing things down.

Clem Clay stated that he is concerned about the program running out of money.

Kathy Orlando reminded the members that it was actually the queue that let us advocate for and get increased money.

David Viale clarified the timeline from application has been 3 years, but we still accept applications on a rolling basis. The program ranks them and advances them in alignment with the NRCS application cycle so that we can leverage the federal funds.

It was noted that there is a question from Jaime Potters in the chat: What land trust costs are able to be reimbursed by the APR program? David Viale responded that via the existing regulations for EEA land acquisition that pretty much any cost associated with acquisition of land can be reimbursed at the discretion of the agency.

Chair Lebeaux mentioned that the previous week there had been a couple of events to celebrate that since 2010, 100 farms have benefitted from the APR AIP program for farm improvements and business planning assistance. Thanks to Melissa Adams and Michael Parker for their role in the program

Chair Lebeaux called for a roll call vote on the issue on the table. Motion passed with 9 members voting in favor; Clem Clay abstained and Laura Abrams had stepped out of meeting.

Motion to adjourn made by Fred Dabney, seconded by Clem Clay. Motion passed unanimously.

Meeting adjourned at 11:19 A.M.

Minutes approved at Nov 30, 2021 ALPC meeting.

Agricultural Preservation Restriction (APR) Program

Summary as of July 20, 2020

Program Totals to date: **74,213 Acres Restricted**
926 Farm Properties

Sources of Program Funding:

1. 2008 Environmental Bond	\$ 1,520,241.00
2. 2014 Environmental Bond	\$20,000,000.00
3. 2018 Environmental Bond	\$20,000,000.00
• Balance Remaining in Bond:	\$41,520,241.00

Total Acquisitions (FY20) Year to Date:

Farms	Acres	Total APR Value	MDAR Contribution	Local Contribution	Bargain Contribution	Comments
4	397.43	\$3,134,848	\$2,467,863	\$462,000	\$204,985	

Vote of Interest (Nominated) Projects:

<u>COUNT</u>	<u>ACRES</u>	<u>TOWN</u>	<u>COUNTY</u>
1	32	Buckland	Franklin
1	42.5	Dudley	Worcester
1	77	Great Barrington	Berkshire
2	51.5	Hadley	Hampshire
1	70	Harvard	Worcester
1	102	Lunenburg	Worcester
1	65	New Marlborough	Berkshire
<u>1</u>	6.6	South Deerfield	Franklin
1	18	Williamstown	Berkshire
10	464.1		

Final Voted Projects:

<u>COUNT</u>	<u>ACRES</u>	<u>TOWN</u>	<u>COUNTY</u>	<u>DAR COST</u>	<u>APR</u>	<u>Local Contribution</u>	<u>Bargain Sale</u>
--------------	--------------	-------------	---------------	-----------------	------------	---------------------------	---------------------

1	27.5	Ashland/Holliston	Middlesex	\$465,588.00	\$1,110,000.00	\$644,412.00	\$0.00
1	20.7	Dighton	Bristol	\$207,000.00	\$290,000.00	\$83,000.00	\$0.00
1	23.3	Feeding Hills	Hampden	\$166,250.00	\$175,000.00	\$8,750.00	\$0.00
1	39	Hadley	Hampshire	\$556,136.00	\$660,000.00	TBD	\$103,864.00
1	81	Hawley	Franklin	\$191,250.00	\$212,500.00	\$0.00	\$21,250.00
1	29.9	Lee	Berkshire	\$475,723.00	\$687,500.00	\$211,777.00	TBD
1	77	Lunenburg	Worcester	\$522,000.00	\$580,000.00	\$58,000.00	TBD
1	36.1	Montague	Franklin	\$382,500.00	\$425,000.00	\$42,500.00	\$0.00
1	47	New Braintree/Oakham	Worcester	\$147,250.00	\$155,000.00	TBD	\$7,750.00
1	36.1	Northampton	Hampshire	\$559,500.00	\$635,000.00	\$75,450.00	TBD
1	20.4	Plainfield	Hampshire	\$90,000.00	\$100,000.00	\$0.00	\$10,000.00
1	29.87	Rehoboth	Bristol	\$261,000.00	\$290,000.00	\$29,000.00	\$0.00
3	243.73	Sheffield	Berkshire	\$872,190.00	\$969,100.00	\$0.00	\$96,910.00
1	5,25	Stow	Middlesex	\$85,500.00	\$95,000.00	\$9,500.00	TBD
2	33	Sunderland	Franklin	\$305,900.00	\$345,000.00	\$39,100.00	TBD
1	36	Westport	Bristol	\$539,600.00	\$820,000.00	\$280,400.00	TBD
2	44	Whately	Franklin	\$413,250.00	\$435,000.00	\$21,750.00	TBD
21	829.95			\$6,240,637.00	\$7,984,100.00	\$1,503,639.00	\$239,774.00

NEW APR Applications (June 30, 2020):

Farms	Counties
3	Berkshire
1	Franklin
4	Hampden
4	Hampshire
1	Plymouth
3	Worcester
16	Total APR Applications