

Agri-Business Community Work Group Minutes
May 11, 2015 – 4:30 pm
300 Monroe Avenue NW

Members Present: Commissioners James Saalfeld (Chair), Diane Jones, and Stan Ponstein; Rick Baker, Patty Birkholz, Bert Bleke, Rick Chapla, Bryan Harrison, Dr. Paul Isely, Ed Robinette,

Members Absent: Mimi Fritz, Steve Grimm, Bryan Posthumus, Steve Wilson

Others Present: Assistant County Administrator Mary Swanson; Management Analyst Nathan Kark; Executive Assistant to the Board of Commissioners Conni Mutchler; Russ Slater; Dennis Heffron; Alison Waske-Sutter; Bill Farr; Ramiro Galvan; and Gerald Miller

News Media: None

I. Chair Saalfeld called the meeting to order at 4:30 pm.

II. **Approval of the April 13, 2015 Meeting Notes.**

The work group unanimously approved the April 13, 2015 meeting notes.

III. **Kent County Agriculture Preservation Board presentation by Stacy Byers, Ag Preservation Consultant**

Mr. Saalfeld introduced Stacy Byers, Coordinator for the Ingham County Farmland and Open Space Protection (FOSP) Program. The FOSP program is dedicated to the protection of working and environmentally sensitive lands through the purchase of conservation easements. The FOSP works to strike a balance between urban and rural areas' development goals so both cities, and agriculture can thrive. Ms. Byers is also the Kent County Ag Preservation Board coordinator. She has expertise in implementing farmland preservation programs and providing technical assistance directly to communities by tailoring innovative land use strategies to meet local needs. She helped coordinate and pass Michigan's first county-wide farmland preservation millage.

Ms. Byers gave a brief history of the Kent County Purchase of Development Rights (PDR) program. The PDR Ordinance passed in 2002, establishing the program and eligibility to apply for matching funds. So far the program has permanently preserved over 2,700 acres with 27 landowners participating. The program has received over \$5.5 million in matching funds. For every one dollar of grant funding, the program has leveraged more than eight dollars.

PA 116 was passed in the 1970s, when farmland preservation was gaining popularity. This Act provided for temporary preservation covenants. In 1998 the first Ultimate Farmland Preservation Tour put a group of leaders from West Michigan on a bus and toured farms in Maryland, Pennsylvania, and New Jersey. They learned how to locally implement a farmland preservation program. The result was PA 262 of 2000, which allowed PA 116 to be divided and allow local units to administer ag preservation programs. There are over 24 county programs, 4 township programs, and 5 localities with dedicated funding sources: Ingham County, Washtenaw County, Peninsula Township, Acme Township, and the Ann

Arbor Green Belt Program. There are three qualifications to participate: a master plan that is less than 10 years old, an ordinance that has been passed, and matching funds, which could be a 25 percent landowner donation.

The benefits of farmland preservation are three-fold. First, the social benefits include an effective tool to help manage growth wisely and ensure rural character, control sprawl, reduce traffic, and protect beautiful landscapes and historic sites. Second, the environmental benefits include protecting aquifer recharge areas, wetlands, forests and fields that absorb rainwater, and protecting habitat and migration of threatened or endangered species. Third, the economic benefits are many. Kent County is fifth in the State for ag productivity. The market value of agriculture products is over \$231 million. The total dollar value of agriculture can be multiplied by seven, when considering the farm-to-plate aspect. Agriculture creates over 3,000 jobs and supports the burgeoning local food movement. 95% of participants in the PDR program put that money back into their operation.

Many West Michigan businesses which depend on agriculture include Gerber Products, Mead Johnson Nutritionals, Kellogg Company, King Milling Co., Butterball Farms, Cole's Quality Foods, Country Fresh and Michigan Turkey Producers. Michigan Turkey Producers is a cooperative of 16 growers and 47 farms in West Michigan which processes over five million birds annually. One average tom consumes one bushel of corn and 20 bushels of soybean meal. To produce the amount of feed for the turkeys requires over 30,000 acres of corn and 37,000 acres of soybeans.

Ms. Byers pointed out that the original goal of the Kent County PDR program was to preserve 25,000 acres of County farmland. 25,000 acres is only 4.6 percent of the total land in the County, leaving nearly 80 percent of the remaining County land available for development.

Ms. Byers explained how a conservation easement (which is what the PDR program creates) works. The conservation easement is designed to permanently protect farm land through a deed restriction. Landowners are compensated based on the fair market value of the easement and participation is voluntary. The landowner accepts a deed restriction limiting non-agricultural use of the land, however all other private property rights remain intact. Any agricultural development is allowed.

Mr. Chapla asked how many acres in Kent County are currently being used for agriculture. Mr. Miller answered that the 2012 ag census indicated that 28.5 percent (154,000 acres) of total land in Kent County is being used for farmland.

Ms. Byers explained that there are 15 categories in which points are scored when deciding if a property qualifies for the PDR program. The selection criteria are reviewed annually by the Ag Board and the Board of Commissioners. Those categories include ag characteristics such as soil and parcel size, development pressures, and additional protection efforts. They also consider a landowner's participation in the Michigan Agricultural Environmental Assurance Program (MAEAP). Applications are scored and ranked objectively against approved selection criteria. Grants to foundations are submitted, and top scoring landowners are selected for purchase based on available dollars. Next, surveys and appraisals are conducted, and an option agreement is signed. Applications to Federal Program (ACEP) are submitted and federal funds are awarded in the fall. The final step is to close and record the deed of easement. Some of the funding sources are federal, state, township, landowner, and county. Additionally several foundations provide funding, including Wege, Steelcase, Dyer-Ives, Frey, Grand Rapids Community Foundation, Lowell ACF, M.E. Davenport and Urban Co-op Board.

Mr. Saalfeld pointed out that the 2002 PDR ordinance makes clear that Kent County would not fund the program.

Mr. Saalfeld asked about concentrating preservation efforts on blocks of farmland. Ms. Byers said that often landowners wait for their neighbors to make the first step. It is difficult to get landowners to apply for PDR in a block.

Mr. Chapla asked about the difference between purchase of development rights and a conservation easement.

Ms. Byers answered that they are the same. The terminology is interchangeable.

Mr. Baker asked if some of this preservation could be accomplished by zoning.

Ms. Byers replied that absolutely zoning could preserve agriculture, but it can make land values inequitable. Zoning can work together with PDR.

Mr. Ponstein inquired about designating areas as prime ag districts, such as a state certification for an area like "The Ridge." Farmers would be able to put that label on their products and command a premium. Mr. Robinette replied that those districts are called Appalachian districts.

Ms. Birkholz noted that one of the most important things townships can do is quality planning and zoning.

Mr. Baker asked if there is a way to undo a PDR.

Ms. Byers answered that there is a built in eminent domain clause. The land under the conservation easement would be reappraised and the PDR program would be paid the current market value of the property.

Ms. Jones asked for clarification regarding farming PDR land. Ms. Byers affirmed that land can be in the PDR program, but it does not have to be farmed.

IV. Patty Birkholz, West Michigan Director, Michigan League of Conservation Voters

Ms. Birkholz distributed a white paper entitled *Growing West Michigan's Agricultural Economy and Promoting Strategic Regional Development: The Need for Preserving Farmland and Open Space*. The paper stresses that farmland and open space are essential elements for Kent County's economic growth and vitality, quality of life, and environment. Ms. Birkholz noted that from 2002 to 2012 Kent County lost approximately 16,000 acres of farmland. A successful county preservation program will mitigate the loss of area farmland and open spaces and send a message that Kent County values its natural resources and land-based economy. There are numerous options on the table that Kent County could pursue to provide a source of sustainable funding for sound land management. They look forward to working with the Agri-Business Community Work Group on a proactive solution.

Mr. Bleke asked about the process for producing the final recommendation. Mr. Saalfeld responded that the group will be utilizing the same process that has been used with other work groups. When the group gets together in September to go over the report that County staff has written over the summer, the members will have the option to make comments and vote on changes, and there may be more meetings after September. A draft of the report will be sent out to members in advance of the September meeting.

Ms. Jones commented that land is only one component to the ag business. Transportation, talent, and water are the other components. She will be very interested to see how Kent County can help ag business in all of the areas.

Mr. Ponstein added that there are ways to add value to Michigan ag business.

V. Public Comment

Alison Waske-Sutter lives in Grand Rapids Township. She is on the board of the West Michigan Business Forum. She works with a number of hospitals in the West Michigan who are working to add more local food products, and with schools and corporations who have on-site cafeterias which are pushing to serve local foods. She cited a study by the National Restaurant Association which listed the top 20 culinary trends. The top two items identified were locally sourced meats and seafood and locally grown produce. She also referred to a *May Consumer Reports* article which noted the growing trend in supermarkets to provide local produce.

Dennis Heffron, 7724 Ashley Ave, Belding, farms with his two sons in Grattan Township. He spoke about the townships' role in farm preservation. The township must first decide if ag land fits in with the township's master plan.

Gerald Miller, 7397 Buccaneer Drive, Cascade Township. He is a member of the Kent Conservation District. They had a tree sale on April 18 and distributed 8,076 trees. The native grass and forest sale is scheduled for May 30. Mr. Miller noted that the MAEAP has a vacancy.

Russ Slater spoke about promoting ag tourism.

VI. Adjournment. Chair Saalfeld adjourned the meeting at 6:06 p.m.

Next Meeting Date: Monday, September 14, 2015, at 4:30 p.m.