

LIBERTY PRAIRIE CONSERVANCY

Farmland Preservation Outreach Project Report

January 7, 2009

For there to be a future for local farming in any community, there must be farmland. Because of a variety of economic forces, however, farmland is at risk of being developed around the country. Without preventive action, much farmland, especially parcels near growing metropolitan areas will be lost. Land trusts are one kind of organization that can take action. In this brief report, we relate our experiences in working to preserve a farm in Lake County with the hope that the story will be useful to both land trusts and other institutions (like local governments) in Illinois that are dedicated to farmland preservation as they reach out to the owners of farmland. Several things, we believe, stand out. First, it is important to establish a relationship of trust with a farm family and to understand their way of life and their values. This will take time. Always be patient. Second, even for farmers who love their land and way of life, it is rarely possible for them to give up the development value of their land with no financial compensation whatsoever. The land is their family's key asset. Purchase of development rights is a critical tool. Third, it is very useful for farmers to hear from other farmers about how a particular land preservation tool actually works and impacts their farming.

Farm Background: Since 1843 the family described in this report has owned and farmed land in central Lake County. They began with a mixed farm, transitioned almost completely to the raising of steers, before shifting again to a variety of crops. This family is not afraid of going against the current. When other farmers in the area were pulling out of farming, this family bought up adjoining lots and now owns over 200 acres with the majority used for agriculture. The family's last shift in farming was also off the beaten track as they are now committed to prioritizing soil fertility over profit. They do this by rotating wheat, soybeans, oats, and red clover and also using winter cover cropping when the main crop is done for the year. In fact, when you walk their fields, there is still a springy quality to the ground. Farming is their way of life. They want to continue farming and want the land to always be farmed.

There are many challenges for this family. Their farm is almost completely surrounded by residential and commercial development. It is surrounded by the boundaries of a pro-development municipality and would be very easily developable. They have received many development offers (the value of their land is at least \$17 million), and the local municipality has threatened to forcibly annex their land into the village. There are three other realities that must be dealt with as well. First, if the two elderly parents were to die, the estate tax would hit the family very hard as the land is in their names. In fact, the son, who now runs the farm, would have to sell some of the land to pay the tax. Second, the current farming system doesn't generate enough money for the family to live on and so the son works part-time off the farm. Third, the land they own is their retirement nest egg and family wealth all rolled up into one package. Donating an easement on the land is just not financially practical for them.

LPC Outreach to Family: We first made contact with the family early in 2007 through a free workshop program we offered and had marketed through the Lake County Farm Bureau and other channels. We subsequently made efforts to get to know the family which was just as interested in getting to know us. We found that we had similar values with us, including a love for the land. Over time and through many conversations, we learned what we detailed in the

section above. The family was cautious at first about our intentions, but we have, over time, developed a good rapport. As part of the rapport-building, we floated alternatives for preserving the land and introduced them to the vegetable farmers near our office.

During the grant period from June 2008, we continued to discuss options with them, deepened our relationship, and have identified what is likely to be the best option for preserving that land (described further below). One way we deepened our relationship with them was through asking them to be part of the Farm Tour of Lake County we were organizing. This family has long felt isolated from the surrounding community which is very suburban. The family was also cautious about public interest in their farm because of the years of fending off development proposals and initiatives that the local village was supportive of. It took some time for them to welcome the idea of being included on the tour, but the tour ended up inspiring a great deal of satisfaction for them. They were pleasantly surprised that so many people were interested in their farming heritage and appreciated the care with which they have treated their land. Even one of the elderly parents enjoyed sharing stories about the farm's past.

We later had a meeting with the son at our offices during which we discussed another land preservation option. Specifically, we proposed the purchase of the development rights in combination with a bargain sale of those development rights. This was of great interest by the son as it meets their criteria – it preserves continued farming by their family, it prevents any future development, and assures their family's financial stability. We explained that we would not be able to generate the needed funds ourselves but would need to tap into the Farmland Protection Program funding offered through the new Federal Farm Bill. This would require the Conservancy to establish a farmland protection program for the county (although the county is supportive, it is not capable of doing this themselves). We have made establishment of the farmland protection part of our 2009 workplan and expect it to take about six months. We are also encouraged that the son has told us that the family is interested in making a bargain sale of the development rights if we can arrange the funding for the purchase of those rights.

As a way to further help the family, one of our staff members visited the family in November to introduce them to the State of Illinois' Conservation Stewardship Program. Through this program, a landowner with significant natural resources on his/her property can receive a special lower tax assessment (as much as 83% lower) on their property in return for the commitment not to develop the land for the next 10 years and to carry out stewardship practices such as removing non-native plants. A portion of the family's property is not farmed and is in natural condition. We thought this program might be of interest for the family as a way to reduce their property taxes. We found, however, that the family was not interested at this time as they have a good relationship with the local tax assessor and feel they are treated fairly.

As the next step in pursuing the possibility of purchasing development rights from them in combination with a bargain sale, we are now working to arrange a meeting between the family, several representatives of Kane County's farmland protection program, and the first farmer in Kane County to sell his land's development rights to the county. We are optimistic that we will make the meeting happen in January or February. This will be important reassurance to the family. It is simply not enough to describe the program in abstract. The family wants to know how it really works and to be reassured about key aspects of the arrangement directly by another farmer who has already done this. In particular, the farm family wants to be sure that after they sell the development rights they will still have the freedom to farm as they see fit. They do not want anyone or any agency telling them how to farm.

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