Barry Lonik, Farmland Conservancy FULL EPISODE

**Daniel Vernia:** Hello, my name is Dan Vernia. Today, I'm here with Barry Lonik at his home in Dexter, Michigan. For the last 26 years, Barry has led the local effort to establish the model farmland and natural area protection programs in Washtenaw County, some of the most successful initiatives in Michigan.

In 1991, Barry joined the board of the Legacy Land Conservancy, and served as its first executive director for six and a half years. Over the years, Barry has been involved in ten ballot campaigns, raising over 150 million dollars of public funds for the acquisition of land and conservation easements.

Through Barry's direct involvement, nearly 7,000 acres of land have been permanently protected. So, Barry, there is a lot we can talk about. The focus areas of our investigation are farm succession, land ownership, farmland preservation, and the role of community.

To get started let's look at the long-term costs and benefits of land use decisions.

**Barry Lonik:** One of the things I've found over my career is that local government officials, who have the decision-making authority on how land gets used, think of development, particularly residential development, as being beneficial for the community, because it generates more tax revenue than open space lands like farmland.

And what we find is that those officials don't look at the other side of the coin to say how much are those different land uses costing them in terms of having to provide services to them, and the taxes that are required for that. I've been involved in several studies over the years that show that

Barry Lonik, Farmland Conservancy FULL EPISODE

residential development in particular, doesn't pay for itself.

The first of those that we did was called a Cost of Community Services study. This was a format that was developed by the American Farmland Trust many years ago and looks at a particular unit of government. In my case, we did one township here in Washtenaw County. And we compared what the costs were for providing services to three different land uses in those cases — residential lands, commercial and industrial lands, and open space and farmlands — and then how much tax revenues each of those land uses provides.

And what we found in our study, which was very similar to what other studies like it around the country have found, is that, yeah, residential development does pay more in taxes than open space lands. But it costs more to service those properties with all the different things that are required: additional police protection, additional fire services, road maintenance, township government, and particularly public schools.

People that build houses oftentimes, or buy houses have kids that need to go to school. And I'm all in support of good schools for our children, but that costs money to the community. And so, what we found in our study was that residential development doesn't pay its way in taxes.

Commercial and industrial land pays its way in taxes. It generates a fair bit of revenue for the community but doesn't require much in the way of services.

Now, a lot of rural communities don't have commercial and industrial land. So, it really comes down to a choice of do you have residential lands, or do you have open space and agricultural lands. And the open space and agricultural lands don't pay a lot in taxes, but they don't require a lot in

Barry Lonik, Farmland Conservancy FULL EPISODE

services either. The old saying about it is that cows don't go to school, and cornfields don't call 911, which is very true. So, preserving open space lands in our communities is a good, long-term benefit for the community in terms of keeping taxes low.

A second study that we did was called the Community Cost Comparison. We chose a different township in this case, and said, "So, what would it take in terms of new taxes to generate the amount of revenue needed to supply the services for three different scenarios of residential development?" And in this township, there was about 2,000 acres of undeveloped land.

So, we said, "What if that land was developed at half-acre lots, or three-acre lots, or ten-acre lots," which is actually the current zoning for most of the land in that particular township. What would it cost to provide services for those three different densities of development, again: for police services, fire services, township government, road maintenance and public schools?

Then we also did the other side of the coin for that one, which was how much would it cost to buy conservation easements on those properties, so those lands would never be developed? And it turned out that even for ten-acre developments, the cost of providing services to those new residential property owners exceeded the amount that would be required to buy conservation easements on all 2,000 acres of land. So, it was a better deal for the community to preserve their land than to allow it to be developed. Cost less money in the long run.

The third one we did was called the Total Tax Commitment Study, which looked at, over the course of a ten-year period, how much new taxes

Barry Lonik, Farmland Conservancy FULL EPISODE

were required to supply the residential development, in particular of the entirety of Washtenaw County.

So, we went back and looked at every new tax increase that had been approved by voters over the course of that time. The lion's share of that was for public school costs, new school construction, in particular. But it also was the new fire truck, having to hire a new police officer and other things like that. And over that ten-year period of time, and again this is just Washtenaw County, around Ann Arbor, it was one billion dollars, with a B, of new taxes that people had committed to paying to support residential development in their communities.

Now again, having good schools for our kids is very important, but we wanted to point out the fact that you're making decisions with land use that are having long-term impacts on the community just in terms of the tax dollars, and that preservation of land is really a good long-term strategy for the community.

**Daniel Vernia:** What are some of the other reasons why it is worthwhile to preserve the farmland?

**Barry Lonik:** There are a number of things, Dan. The first one that I would cite is what we call 'ecosystem services' these days. Open space lands provide lots of benefits to the community that most people aren't even aware of, like for example, groundwater protection. When rainwater and snowmelt have the ability to filter into the ground, it recharges groundwater aquifers that people get drinking water from, for example.

Trees and prairies like I have here on my property store carbon from the atmosphere. When there isn't impervious surfaces on properties — that is

Barry Lonik, Farmland Conservancy FULL EPISODE

rooftops, and roadways, and driveways, and so forth where rainwater and snowmelt can't filter into the ground — those surfaces run water directly into local waterway, untreated, and cause flooding, cause pollution of those systems. Preserving open space lands maintains the quality of surface water in our area.

Obviously, trees and other things produce oxygen for us to breathe. Open space lands provide soil stabilization as well. So, there's all kinds of, again, ecosystem services that are provided from preserving lands.

There's also a factor of the local economy. Most people don't think of agriculture as ... anything. But they are local businesses. They're run by people, and employ people within our community, whether they're growing standard commodity crops like corn and soybeans or whether they're growing fruits and vegetables. Those are businesses within our communities. And growing more and more these days around this area in particular, but all over the country really, is the idea of agricultural tourism, where people come to farms to have a farm or rural experience, whether it's corn mazes, or cider mills, or event barns. Those are in high demand these days. So that's an important component of the local economy in our area here, but that's true elsewhere.

And finally, I would say that there's an element of protecting what we call community character. Many times, the communities will do surveys of their citizens asking them what it is that they like about their communities, and what they want to see protected as part of it.

And everyone that I've seen, people say, "We like having a rural character," whatever that means, but having that rural feeling, having scenic views. Even if they don't go to farms they like being able to see

Barry Lonik, Farmland Conservancy FULL EPISODE

farms, whether they're driving by, or biking by. That's an element of the community that attracted them there in the first place, and that they want to maintain.

**Daniel Vernia:** One of the things that I like that you said about that was the jobs, and how those jobs are in a sense—they're going to be there. It's not like a developer coming in with a construction crew, getting the job done, and then taking off. With these people it's steady employment, and they're there in the community to support the other businesses.

**Barry Lonik**: Yeah. A lot of them have been here for, in my area, you know, 150 years. And they will continue to be here if we support them.

**Daniel Vernia:** So, what can individuals in communities do to protect the farmland from overdevelopment?

**Barry Lonik**: Well, every community around here certainly, and this is true in most places around the country, have the authority to do planning and zoning within their communities. In Michigan, every township has its own planning commission as well as its elected board of trustees. And those are the folks who make decisions on how land is going to be used going forward.

There's certainly a lot that can be done for good planning. But it's very limited in what they can do also. For example, one of the townships where I work now where the agricultural zoning allows for property to be divided into two-acre parcels, and have houses built on them.

So, you could take a 100-acre parcel, and divide it up into 50 two-acre lots, and it's still considered zoned agricultural. There are other townships that have taken on a ten-acre minimum zoning. So, if you want to build a

Barry Lonik, Farmland Conservancy FULL EPISODE

house, you've got to put a house on ten acres. You could take 100 acres and make ten houses out of it. It's still zoned agricultural. It's no longer in agricultural use in all likelihood. But that has slowed development to some degree in some communities.

Good planning also provides you with an opportunity for legal defense when you get sued. And it's not if you get sued; it's when you get sued. Developers will come in and contest your zoning, or your master plan. And if you've done good work on those kinds of documents, then when you go to court you can use that to defend yourself.

There have been a number of cases in Ann Arbor Township in particular where they have been sued because the developer wanted to do something that wasn't permitted under the zoning and wasn't supported by the master plan for the community. And the developers lost those lawsuits time and time again, because the township was able to fall back on the statements that were made in the public process of creating a master plan, or a general development plan sometimes called, and a zoning ordinance that are created by the planning commission but approved by the board of trustees in those communities. So, that's a very important thing is that if you've done good planning, that provides you with a better standing to fend off developer lawsuits.

Many communities have also identified what they call an agricultural preservation area where they say, "This is where our current ag-land is. And going forward this is where we'd like it to continue to be. We might identify other areas for residential development, or commercial development. But if we had the opportunity to preserve farmland, this is going to be the area, our ag preservation area, where we're going do that."

Barry Lonik, Farmland Conservancy FULL EPISODE

Many communities have also undergone a process of identifying the key natural features that they have remaining in their township — to know where the woods, and the wetlands, and the streams are located — and to develop policies to be able to protect them.

Many communities use things like cluster developments where they say, "Rather than putting 50 houses on 100 acres that we'll allow you to put maybe 52 or 54 houses on that 100 acres on slightly smaller lots with open space preservation as part of it." That can be beneficial, but it doesn't protect farmland by any means. So, there's lots of things that communities can do for planning and zoning, but they have the limitations as well.

**Daniel Vernia:** And what can the individual do to participate in these decisions?

**Barry Lonik**: Well, the master planning process and the revisions of zoning ordinances, or the creation of new zoning ordinances are public processes. And so, you as an individual, anyone can participate in that process by attending meetings. A lot of stuff is online these days.

You could also volunteer to be a member of a planning commission in your township, your county your city, your village. And ultimately you could run for office. You could be a member of a board of trustees, or a city council, or village council, or a county commissioner and be involved even more directly.

**Daniel Vernia:** Planning and zoning can only go so far. What are some of the other things that people can do to get involved with this?

Barry Lonik: Well, starting about 1996 around here we realized what the

Barry Lonik, Farmland Conservancy FULL EPISODE

limitations were with planning and zoning, and came upon the idea of creating a publicly funded land preservation program, which at that time almost didn't exist in the state of Michigan. There had been established programs in other parts of the country for ... going back to the 1970s.

But only one place in Michigan at that point had established a dedicated millage for land preservation and that was in Peninsula Township, which is the peninsula that divides the two arms of Grand Traverse Bay just north of Traverse City, Michigan, which is a unique climate for growing fruits — both cherries and grapes — but also, a very scenic area, and very popular for, particularly, second home developments. And they recognized, going back to 1992 or 1994 that they were going to lose their farms through second-home developments unless they did something.

And that served as an inspiration for us here in Washtenaw County as well where they put a proposal on the ballot, and asked voters of their township, Peninsula Township, to say, "Are you willing to tax yourselves for ten years, and use that money to buy conservation easements," or buy development rights is another way of putting it "on farm properties on the peninsula?" And people voted in favor of that in a large number. And a couple years later we looked at that as our inspiration and said, "Well, if they can do that, then we'd like to do that too."

And the key thing about that is, when landowners have desirable land both for farming, but also for residential development, they get approached by developers. And developers have cash in hand. And when you go to those farmers and say, "We'd like to protect your land. Can you donate the development rights to it?"

They say, "That's my retirement account that you're talking about there.

Barry Lonik, Farmland Conservancy FULL EPISODE

You know, I never made very much money as a farmer, certainly haven't saved very much money. My retirement account is that piece of ground out there, and I can't give it away. It's just not feasible for me. But if you offered me some money for it, then we could do something." And that was Peninsula's inspiration, and ours here as well, as well as the other communities across the country that have been doing this for a long time.

And so, we initially approached our county board of commissioners here, and said, "We'd like to put this matter before the public, and ask them here in the county, 'Do you want to create a fund to be able to buy land, or development rights on land, through conservation easements?" And after a long struggle we were able to actually get something on the ballot in 1998. That was our first endeavor.

Unfortunately, the developers and the realtors opposed us in that effort. They saw it as the camel's nose under the tent, and that their livelihoods would be impacted. We thought that was ridiculous, because we were only going to be able to save at our best efforts, 10 or 20 thousand acres of land. And there was lots more land out there to be developed. But nevertheless, they ran a very effective campaign. And we lost that first election in 1998. It was very bitter and left us feeling very empty.

But we regrouped a couple of years later and put a proposal before the voters of Washtenaw County in 2000. And that was very strongly supported. I think it was 67% of the vote was in favor of that proposal. And we've taken off from there with other proposals as well.

So, having money available through these kinds of property tax millages that we can match with other funds has been essential to our land preservation efforts here in Washtenaw County. We're able to

Barry Lonik, Farmland Conservancy FULL EPISODE

compensate landowners for the value that they have in their land without having to sell it off for development. And so, we're in essence providing another option for those landowners when they get to that stage of needing to or wanting to sell their land for something else. And it was through these publicly funded land preservation programs, through property tax millages that we were able to accomplish that.

**Daniel Vernia:** That was a countywide vote, but you're also working with townships on ballot proposals that are specific to that township, or the residents within that township.

**Barry Lonik:** That's right, Dan. We were successful in 2000 with a proposal that was countywide here in Washtenaw, but just funded natural area preservation, at least initially. But that also gave us then the ability to start pursuing other even more local sources of funding within the county.

A couple years later in 2003, two other proposals went on the ballot, one of them in the city of Ann Arbor, which is the largest city in Washtenaw County. And that was a proposal that's commonly called the Parks and Greenbelt Program, to take a 30-year millage. One third of the money was to be used for continuing to buy parkland within the city limits. But two thirds of the money could be spent outside the city limits to assist in the purchase of land by other entities. The city didn't want to own property outside its borders, but they would be willing to contribute towards somebody else buying the property, or particularly the conservation easements on farmland and natural areas. So that proposal went on the ballot in November of 2003.

At the same time, there was a similar proposal in Ann Arbor Township, which is immediately north of the city of Ann Arbor, and a little bit to the

Barry Lonik, Farmland Conservancy FULL EPISODE

east. Most of the city used to be Ann Arbor Township, but it's been annexed over the course of the last century or so. But there's still a couple thousand acres of farmland and open space in the township that residents there, through their surveys, said they wanted to see protected.

So, those two proposals voted on by different populations — one in the township, one in the city — were on the ballot in November of 2003. And both passed by large margins. In fact, in Ann Arbor Township it was 80% of the people who voted, voted in favor of increasing their taxes basically doubling their taxes to preserve farmland and open space, which is an extraordinary number. I mean, no election I've ever heard of got 80% of the vote.

In Ann Arbor, the city it was 67%, which is also an extraordinarily high number for a 30-year tax. People in the city said, "We want to have green space around us. We don't want to be surrounded by, cookie cutter subdivisions," which is the kind of thing that's been happening over the course of the last few decades in particular. "We want to have green space around us. We want to be able to drive, or bike out into the countryside, and see green space."

"We want to be able to, go to places to buy vegetables, or whatever outside the city. We don't want to be surrounded by residential development and be like any other place in the world." So, kudos to the people in the city of Ann Arbor for agreeing to do that, as well as Ann Arbor Township. And then two other townships followed suit in succeeding years.

West of the city of Ann Arbor is called Scio Township. They also passed their own individual property tax millage. And then north of Scio, the most

Barry Lonik, Farmland Conservancy FULL EPISODE

rural community so far to pass a property tax millage dedicated for land preservation is called Webster Township. And all those have passed at least once, sometimes two or three times. And they're all by large margins. I think the smallest margin was 60% in favor. So, the citizens of those individual municipalities have said, "This is important to us. We want to have this happen. We're going to provide you with the tax dollars to be able to do that."

**Daniel Vernia:** It comes down to the conservation easement, and how does that work?

**Barry Lonik:** Yeah, that's the key tool for us in doing these projects. A conservation easement is a permanent restriction on the use of the land. It's a deed restriction. I call it a glorified deed restriction, because it's 25 pages. 25 pages long. It defines what the property is, who the owners are. Most importantly, what kinds of uses are permitted on the property going forward, and what kinds of uses are limited or prohibited on that.

So, a conservation easement defines all those things for the particular property. And ultimately the owners of the property, and whoever is the purchaser of the easement, or what we call the grantee of the easement, the owner being the grantor of the easement reach agreement. They sign the document. It gets recorded in the County Register of Deeds. And it runs with the property in perpetuity.

One of the ways that people talk about what kinds of rights are being conveyed in conservation easements is the old adage of having a bundle of sticks with each stick representing a particular right that somebody has to the property.

Barry Lonik, Farmland Conservancy FULL EPISODE

That could be the right to for example divide that property into smaller parcels, and build houses on it, what we commonly call the development rights. Sometimes there are sand and gravel resources that are available on or near the surface of a property. That's a development right also. Sometimes there are woods on the property that one could clear cut, and make into a residential development, or farmland, or other kinds of uses.

So, there are different things — different sticks, if you will — that people have that represent rights that they have to be able to do things on their land. In a conservation easement, some of those sticks are given up, they're relinquished. They say, "We're willing to give up our right to divide the property into smaller parcels, and to build houses on the property, and to mine the surface for sand and gravel, and to drain the wetlands," and those kinds of things.

And that's the agreement that we reach then with the landowner to say, "You retain these rights for things like agricultural use, and managing a woodlot, and hunting on the property, and restricting public access. Those are all rights that you have now. You keep those rights. You still got those." But there are other rights that they say, "We're willing to give up."

**Daniel Vernia:** So, for example, a farmer could keep farming the land, but if there was woodland that was protected that right would be still preserved for the property?

**Barry Lonik:** That's correct. That's correct.

**Daniel Vernia:** So, within each easement are there requirements in terms of agricultural, or other uses? I mean, a farm is certainly not a subdivision. But there is infrastructure in terms of buildings, storage, barns, and

Barry Lonik, Farmland Conservancy FULL EPISODE

whatnot.

Barry Lonik: Each conservation easement is negotiated separately. We have a model easement document that we work from. But then every property is different, and every landowner is different. And since it is a perpetual document, I tell landowners not just to look at the land as it is now, but think ahead ten years, 20 years, 50 years. Because somebody's going to own this property at some point, and they're going to have to abide by this easement, whatever we say in it now that we agree to today.

Generally speaking, there's no requirement that there be agricultural use of the property. But it is a permitted use of the property. And there's no specification on what kind of agricultural use can be done on the property.

Many of our properties are still in a sort of standard corn and soybean rotation. Sometimes there's wheat. Sometimes there's hayfields on it. That's all up to the farmer to choose how to do. And there's no requirement for them to put it to an agriculture use with one exception that we'll cover later.

And in fact, we have one example in Ann Arbor Township north of the city where a conservation easement was conveyed by an owner, and then the owner turned around and sold the property. And that new owner has taken the vast majority of the property out of production and planted it in native grasses and flowers, and also has worked with the US Fish and Wildlife Service and Ducks Unlimited to create wetlands on the property. And that's perfectly her right to do. There's no requirement in that case that the ag use be conducted on the property.

If there is a woodlot on the property and there's an interest in harvesting

Barry Lonik, Farmland Conservancy FULL EPISODE

trees off of that for what we call commercial use — that is, selling logs off of the property — then we require a Forest Management Plan to be created by a registered forester. And that plan can allow for a harvest, but not permit the clear cutting of the land. We want to retain those ecosystem services that we talked about earlier and the wildlife habitat, and the scenic views, and so forth.

And in terms of agricultural properties, even if there isn't a residence permitted on the property, or not one that exists there previously, there are agricultural buildings that can be constructed on the property to support the agricultural operation on it. So, we don't prohibit agricultural buildings to be constructed. We like to have them primarily situated within what we call a building envelope, an area on the property that the buildings will be concentrated.

But we also recognize that people may pasture land, and want some shelters for cattle to run in, or if they're growing vegetables, they might want to have a wash-pack station, out in the field rather than hauling all the stuff back into the farmstead. So those kinds of agricultural buildings are permitted within the conservation easement.

**Daniel Vernia**: So, what are the benefits for the community through conservation easements?

**Barry Lonik:** Well, first and foremost I would say that it ensures the land will never be developed. I think of it as an implementation of the master planning process that the community has gone through, through its citizens, through its planning commission, and ultimately its elected body.

They say, "We want to protect certain areas. We want it to remain in

Barry Lonik, Farmland Conservancy FULL EPISODE

agricultural open space use." And the easement solidifies that. It says, "These lands will be available for ag use, or for their natural features forever and ever."

The other thing about the conservation easement is that the easement defines the legal status of the grantee entity, a township, or a city. And land conservancies do this kind of work also. And that is the landowner and the grantee have agreed to certain terms. And it's then the responsibility of the grantee to ensure that that agreement is being upheld in perpetuity. So generally speaking, someone, I do this for a couple of my townships, goes out to the property at least once a year, with notice.

I send a letter. And then I follow up with a phone call to the owner, and say, "It's time for your annual monitoring visit. Do you want to come with me? When's a good time?" This is the time of year, here we are in late October, early November, is when I generally do those things. And I do a walk around the property and use what we call the Baseline Documentation Report which is created at the time that the easement's conveyed, the time we signed it, and it gets recorded, to define what the property looks like at the time that the easement is being conveyed with pictures, and maps, and descriptions of the property, and so forth.

Both parties sign off on that. And then I use that as I do my monitoring visit every year to say, "Everything looks the way it's supposed to be. You haven't done anything that you weren't supposed to do." And that's the extent of my involvement with the property there on out. However, if there is something done on the property that shouldn't have been done, then the easement provides the legal status for that grantee to enforce the terms of the easement.

Barry Lonik, Farmland Conservancy FULL EPISODE

So, the worst-case example is if somebody comes in and builds a house where they weren't supposed to build a house, and I find that on my annual monitoring visit, and I say, "Well, you weren't supposed to do that. It wasn't permitted in the conservation easement. And so, you have to remove that house."

And again, fortunately I've never had to do that. But there are other places in the country where that has happened. And it has gone to court. And the courts have said, "It's very clear in the document no residential use of the property is permitted." And I know there's one case in Pennsylvania where the owner actually had to remove the house, and the foundation, and bulldoze it, and grade it, so it looked like it did when the easement was conveyed. And that was a several year process, and a long legal battle.

**Daniel Vernia:** Well, what is in it for the property owner that might be somebody who is currently farming, or a retired farmer, or even say a group of investors who's decided that on their own they don't want to develop the property?

**Barry Lonik:** And we've seen all of those. I think that the most important thing that's in it for a landowner is having access to the equity that they have in the land. I see many examples where land's been in the same ownership for a long time. They bought it when it was cheap, you know, in the '50s or '60s, or acquired it in some other way through family.

And it's increased in value over that time. But it's just sitting there. It's not working for them. The easements provide an opportunity to access the equity that those owners have in their land without having to sell it off for development. That's the only other way that you could get access to the

Barry Lonik, Farmland Conservancy FULL EPISODE

equity is splitting off ten acres, or whatever.

And many people don't want to do that. But they want to take that equity and use it for some purpose. So that's one of the most important things from it. And when they are able to sell easements, and gain access to that equity, they do a number of things with it. Sometimes there's debt that's been incurred and the debts get paid off. Or people have medical expenses that need to be addressed, or they got kids who want to go to college. And it ain't cheap to do that, so they set up college funds for the kids or they buy equipment. They say, "I'm going to revitalize my operation. I need a new tractor," or whatever they can use the proceeds to invest in their operation.

One of the things that I see happen a good bit is taking advantage of a section of the internal revenue code, section 1031, the so-called Like-Kind Exchange, where you can take the proceeds from the sale of a conservation easement and apply that to the purchase of other income producing property, which includes farmland. Because you can rent it out, or you can generate income off of farming a property. And for every dollar that you spend from your proceeds on another income producing asset there's no capital gains tax that applies to that. It gets deferred from the IRS's standpoint.

So, most farmers that are full time, but certainly even ones that are part time are working way more acres than they own. I know my friends down the road here said they own about 630 acres in my township here. But they farm about 1,200. So that's almost half of the land that they farm they don't own, they're renting from somebody else. And if somebody says, "I'm selling it off," you know, and they're stuck. They don't have anything to do.

Barry Lonik, Farmland Conservancy FULL EPISODE

However, many farmers are able to say, "I'll buy that property," and then turn around and sell a conservation easement on it to secure their operation to be able to continue forward. The other thing that happens is the other way where the landowner will sell the conservation easement. And that land is then valued less, because it can't be developed anymore. It's only an agricultural open space property. It's not a residential development property. As a result of that, a farmer can afford to buy it at a much more reasonable rate and solidify their operation. So those are key things that are advantages for these kinds of programs.

In addition, not so much in Michigan, although to some degree in the three townships where I work, certainly true in other parts of the country to a much greater degree, the state or local governments are allowed to reduce the property tax assessment on properties that have conservation easements on them.

What I find is that properties are assessed as if they have development potential. And most properties do. But after the easement's in place, then the landowner has the ability to go to their local assessor with their signed and recorded conservation easement, and say to the assessor, "You can't assess me for the development value I have on my property anymore, because it's gone, in this perpetual conservation easement document."

And by Michigan Treasury policy here, and this is again true in many parts of the country you can get your property tax assessment reduced substantially, and hence your property tax bill, as a result of having conveyed the easement.

**Daniel Vernia:** Barry, you've talked about the property taxes. But how are the development rights themselves appraised in terms of the value,

Barry Lonik, Farmland Conservancy FULL EPISODE

market conditions, the economy in general, whether it's a recession, whether it's a boom in the building industry?

**Barry Lonik:** Exactly. When we're pursuing a conservation easement on a property, we hire an independent real estate appraiser, who determines the value of the rights that we're going to be purchasing. And in that process the appraiser does two reports of the same property.

The first one is: What's the value of the property on the open market today? If you put a sign out front, and somebody was going to buy it with its development potential intact, how much would they pay for that? And so, the appraiser looks at the sale of similar properties in the immediate vicinity that have sold sometime in the recent past. And acknowledging that not every property is the same, does some adjustments to be able to say, "This is what these four properties sold for, and hence this is what the value of this property is."

So, for argument's sake let's say that's \$8,000 an acre for a property with its residential development potential intact. That's what developers, or people who are buying property unrestricted are paying. Then the appraiser does a second report on the same property, and says, "If there were no houses permitted on this property, that a conservation easement had been conveyed, and the uses are restricted to the agricultural and open space uses, what's the value of the property then?"

So, he goes through the same kind of process, but then chooses a whole different set of comparable sale properties. And we've been doing this a long enough time around here that we actually have properties that have changed hands from a previous owner to a current owner. And we see how much people are paying for the rights on those properties.

Barry Lonik, Farmland Conservancy FULL EPISODE

And generally speaking, that's something around, in our area, \$3,000 an acre. So, \$8,000 bucks an acre with no restrictions on it. \$3,000 bucks an acre with restrictions of a conservation easement allowing for ag and open-space uses only. The difference between those two values is \$5,000 bucks an acre in this example. And that's what we're paying on a property. So, if it was a 100-acre property, and it was \$5,000 bucks an acre, the value of the rights are half a million dollars.

**Daniel Vernia:** Barry, what are some of the best ways to engage a community and local governments in funding farmland preservation?

**Barry Lonik:** Well, it's something that citizens can take an active involvement in. Many times, there are, there's an issue that comes up. I'll give you an example of where I live, here in Dexter Township. There was a proposal to rezone a property from agricultural, which was five-acre minimum lot sizes, to rural residential, which is two-acre minimum lot sizes, that came up before the township planning commission.

And citizens got engaged on that. They were notified of the potential change and started attending meetings and getting information about how this thing came about, and how they might be able to contest it. It was in the middle of that process that that I got called into it as a neighbor and something of a land use expert.

And I gave people some tips on how to contact their planning commissioners, and what to say to them, what arguments to make in opposition to this proposal, and ultimately also to the board of trustees, the elected board, because they ultimately make the decision on a rezoning change of this nature.

Barry Lonik, Farmland Conservancy FULL EPISODE

So, citizens took the initiative on that. But in our case here, I said to those folks, "We need to have a proposal on the ballot to fund a program," as other townships around here have done. And so, we drafted a petition to the township board saying, "We've seen other local programs have great success. We want to have one here in our community. We're asking you to put it on the ballot for us."

And citizens then circulated those petitions around. I think we collected 165 signatures, or something of that nature. And it wasn't a binding kind of petition. In Michigan, anyway the only way to get on the ballot outside of a city is to have the elected board put it on the ballot, so either a city council, or a village council or a county board of commissioners, or a township board of trustees. They're the only ones that have authority under Michigan law to put a proposal before the voters. Cities are the exception in that cities usually have charters. And the city charter usually allows for citizens to go out and collect signatures on legal petitions. You've seen those circulated for any number of things over the years.

But there's a certain format, and a structure. And if you get people to registered voters to sign on that, and have enough of those signatures on there, then that forces the issue onto the ballot. But in Michigan that's only for cities. I don't know how that works in other parts of the country. But outside of cities here in Michigan, you've got to have the elected board put it on the ballot before you.

So, we collected our signatures and went before the board a couple of months ago and said, "We want you to do this." And the board is scheduled to vote on that either in November or December for next May to be on the ballot. So, we're in process about that.

Barry Lonik, Farmland Conservancy FULL EPISODE

So that's one way that citizens can get involved in such things.

Sometimes you'll find a person on that elected board who is a supporter and gets it. And you can work with that person to influence other members of that board of trustees, or city council, or whatever it might be.

Many times, that's not the case where there aren't any current supporters. They just haven't really considered the question before, or they might be ideologically opposed to it. So that presents another set of challenges. A petition showing interest goes a long way toward convincing elected people that there is value and interest in doing something.

Other things that we've done over the years is that we've just held public meetings, and invited anybody to come out that wanted to, publicized it in the newspaper, or online. And just informational sessions so people can come and learn about, what conservation easements are, what ballot campaigns are, and why this is a good idea to do things. We've also done targeted outreach to certain farmers or landowners to generate their support.

It's less of an issue here now, because we've been doing this for a long time. But in the beginning for us there wasn't any easements on properties. And this whole idea of selling development rights, you know, taking a couple of sticks out of the bundle, and conveying those, but still holding the rest of the sticks, and the title to the property was an unusual concept for people to grasp.

And so, we did outreach with particular landowners who we thought would be supportive, who would be torch-bearers in the farming community. Or particular properties — we'd go to those landowners and say, "You've got a particularly significant property, because of these

Barry Lonik, Farmland Conservancy FULL EPISODE

reasons. And we're interested in this program. We'd like you to know more about it and enlist you as a supporter."

So, we've done those kinds of things. So, there's any number of ways that you can generate the interest in the community and engage people in the community, and then also with the elected bodies, which are ultimately the only ones who can put a proposal before the voters.

**Daniel Vernia**: So, you've described a little bit about getting a proposal on the ballot. And I imagine a lot of that work is done, like you're talking about, with some likeminded people, whether they're property owners, or residents, or the officials. But once the proposal is on the ballot, what's involved with getting the word out to the community for them to get engaged?

Barry Lonik: Then you run the campaign. And like any other campaign, whether it's for a candidate, or for a ballot proposal, you've got to form a campaign committee. And here in Washtenaw County you go and register that committee with the clerk of Washtenaw County. And then there are certain requirements that have to be met.

You have to report every so often. Every three months or so I believe it is. And you have to say how much money you've gained. And that there are limitations on how much people can give. All those kinds of things have to be taken into account and accounted for.

So, you form a campaign committee. You get established with the county clerk. And you have to go out and start raising some money. Then usually a local campaign in a township, it's not that much money. It's a few thousand dollars really. If we're going to go for a larger scale, like a

Barry Lonik, Farmland Conservancy FULL EPISODE

county, it could be much more than that. But depending on whether or not there's opposition, not terribly that much money — might be \$8,000 or \$10,000 for a countywide kind of proposal.

I mentioned earlier the first campaign that we ran and lost, the only one that we've lost in '98 when the developers and realtors were opposed to what we were proposing in that campaign, they raised and spent \$330,000 in their campaign. And we raised \$220,000 in our campaign. So, over half a million dollars was raised and spent. That's a very unusual circumstance.

After that initial loss, we were able to work with the realtors — and the homebuilders, to a lesser degree — and minimize, or eliminate their opposition to these programs. So, the need for funds to run campaigns at this point is considerably lower than it was in that initial campaign.

But nevertheless, you need to go out and raise a little money, because you want to be able to communicate with the citizens of your community to get them knowledgeable, get them interested, and ultimately motivate them to show up to vote on the day that the ballot proposal is out there. And that usually entails things like sending one or more mailers.

Think about how campaigns reach you, or candidates reach you these days. Especially if it's a local campaign you're not going to be dealing with television. You're not going to be dealing with radio in all likelihood. And so, it's a matter of being able to reach the people in your community in other ways. So typically, one or two mailers with information about the proposal show up in your mailbox and give you some information. Usually a website is created so people can look at that piece that comes in the mail and see where else they can get more information about it.

Barry Lonik, Farmland Conservancy FULL EPISODE

Other times we hold public meetings during the course of a campaign and have people come to that and learn more about those things. You find people who are willing to serve as captains, if you will, that maybe live in a subdivision, or in a neighborhood. Get them educated, and let them carry the ball, and educate their neighbors about things.

Even in a small community, going door to door is very effective. And people are reticent about doing that. But we've found people here in Dexter Township that are quite willing to do that, because they feel so enthusiastic about the cause. They'll go knock on doors, and either collect petition signatures, or hand out literature, and say, "This is why we're doing this, because we have a beautiful community that we live in, and we want to keep it that way. And we've got to put money on the table in order to do that."

So those are some of the basic strategies that are employed on a more local basis. In other campaigns, we have used newspaper advertisements. We have used radio. We even used television ads when we ran the city of Ann Arbor Greenbelt Program in 2003, and still has some opposition from the developers at that point. And we knew that they were going to run advertisements on the television. And so, we had to counter those ads. And that cost some money to do.

But most local campaigns, especially those without any organized opposition, don't require those kinds media and hence the funds that are needed to use those.

**Daniel Vernia**: So, we get the thing on the ballot. It passes. It creates a revenue source to buy the development rights. You've used some other types of funding in your work to complement, and enhance, and increase

Barry Lonik, Farmland Conservancy FULL EPISODE

those funds. Can you describe some of those?

**Barry Lonik:** Yeah. We've had great success with that here. The millages will generate a certain amount of money per year. And that will go for the term of the millage. Some of them around here were done for five years initially, some for 10, some for 20, one for 20, and the city of Ann Arbor one was 30 years.

I would say that five years is too soon to go out for renewal. You've barely got things going, and then you have to go out, and run another campaign. And that takes time and takes money. So, my advice on that is if you're going to go for a property tax millage in particular, that it be for at least ten years. But that gives you then also the guarantee that you'll have funds available.

And it may only generate say a couple hundred thousand dollars a year. But you can think in terms of, "We've got it for ten years. So, we've really got \$2 million to work with over that period of time. We don't have to wait until each collection is made. We can actually spend more than is in the bank and borrow from some other sources."

And that's happened here in a couple of my townships, where we had tremendous opportunities with matching funds from other sources but didn't have enough of our own money in hand. We have borrowed from other internal accounts for the township. I think one of them was a fire fund. Another one was the general fund of the township. So, it's an inter-, intra- actually, governmental loan. There's interest paid on it. But these days here in 2017 there's not very high interest rates. So, it's basically an interest-free loan from another part of the government, which gets paid back with future revenues from millage receipts in future years.

Barry Lonik, Farmland Conservancy FULL EPISODE

So, there's that part of things. But you can also leverage other sources of funds. So sometimes there are funds from other units of government within your jurisdiction. As I said earlier, Washtenaw County has its own dedicated millage for this purpose. And in many cases, we have plugged into those funds.

The city of Ann Arbor has its Greenbelt Millage. And most of my townships in whole or in part are located within the Ann Arbor greenbelt area, which stretches outside the city limits. That's another potential funding source for us. Sometimes there are private donations that are available, either directly to programs, or through a land conservancy.

There is a federal grant program for farmland properties that's now called the Agricultural Conservation Easement Program, ACEP, which is funded through the Farm Bill, the Omnibus Agricultural Nutrition Bill that Congress passes every five or six years. There's a program to help fund conservation easement purchases on qualified farmland from that.

Another thing that can happen is that we talked earlier about the appraisal process. Landowners do not have to take the full, appraised amount. They can say-- our example previously was the development rights are worth \$5,000 an acre. You could say, "I'm only going to take \$4,000 an acre rather than \$5,000." And they can use the difference, between the sale price, and the appraised price, the appraised value, as a federal income tax deduction. So, they can help offset capital gains taxes if they're looking at those as a cost of doing this conservation easement. They could offset that tax by discounting the sale price of an appreciated asset that is granted to a governmental entity.

Also works for a land conservancy. And that's been a huge source of

Barry Lonik, Farmland Conservancy FULL EPISODE

funds for us. It's not like we get that money. It's just that we have to pay less money. And I think landowners in my three townships alone here have discounted the sale price by, I'm going to say, \$4 million or \$5 million. I mean, significant amounts where people said, you know, "I'm willing to take less." It's their contribution to the whole process which is terrific. And it makes our dollars go that much further. The key is to figure out what other sources of funds are out there, and to take advantage of them. And there can be a lot.

Each one of my three townships have attracted more money from other sources than they themselves have paid. One of them is one and a half dollars of outside funds to one dollar. One of them is two to one. And Webster Township is actually five dollars of outside funds for every dollar that we've brought in from township revenues. And you can make your dollars go a lot further and do a lot more good conservation work with those kinds of leverages of funds.

**Daniel Vernia:** Okay, so Barry, what are some of the factors in the decision-making process in terms of which land to protect? Obviously if something's coming up for sale, that's going to affect your priorities.

**Barry Lonik:** Yeah, absolutely. All of the programs require there to be an application from the landowner. So even if it's a very desirable property, and it's for sale, there's really not as much we can do about that. We've talked mostly about buying conservation easements on properties. Some communities can also buy property, buy the title to property.

Not everybody wants to do that. Sometimes those properties can be purchased and held by a community as more of a nature preserve. But sometimes those communities will also purchase properties that are for

Barry Lonik, Farmland Conservancy FULL EPISODE

sale that, where the landowner hasn't applied to the program, because they don't want to see it be lost, and then place a conservation easement on it, and then resell the property at a future time.

But by and large, we're dealing with applications that come from the current landowners. I'm dealing with a couple of ones right now where the property is also for sale. So, they're hedging their bets if you will. If somebody comes along and offers them the amount of money they want to sell the property, then they'll sell the property.

On the other hand, if that doesn't happen, or we're able to work our process, and purchase a conservation easement sooner, then they'll do that as well. "It doesn't really matter where the money comes from as long as it's US currency," is what I always say. And if they still wanted to choose to sell the property at that point, they can.

So, going back to our example where the property's worth \$8,000, the development rights are worth \$5,000, the ag value is \$3,000 after the easement's in place, they can sell the easement for \$5,000 an acre, and then turn around and sell the property for \$3,000 bucks an acre. They get all \$8,000 out of it. It just comes in two different transactions from two different parties.

Nevertheless, we require there to be an application for any of our programs. Those applications are scored on each individual entity's scoring system. Everybody produces their own set of priorities about how properties will be selected. And it includes things like the quality of the soils, how much road frontage it has — which is a factor for development. The more road frontage you've got, the more attractive a property that it is.

Barry Lonik, Farmland Conservancy FULL EPISODE

And from our purposes it's a scenic resource. If it's got a lot of road frontage, and people drive past it all the time, you'd like to maintain that scenic view going forward. So, road frontage is a factor. Whether or not it has natural features, what's the surrounding zoning, and surrounding land use for the property. What kind of matching funds can you leverage from this? Is the landowner willing to discount the sale price?

There's a whole series of factors that each of my communities, and other communities have developed over time to say, "This is how we're going to prioritize which properties we're going to pursue." So once that scoring is completed, the properties get ranked. And then we start pursuing the highest scoring properties as a result of that.

Daniel Vernia: And, Barry, how do you solicit these applications?

Barry Lonik: There's several ways that we go about doing that. I do a lot of work identifying where the best properties are, whether they're farmland or open space properties, identifying those landowners, and reaching out to them. I find that most people, even a number of years into a program, either don't really know about it, or don't know about it at all, or don't understand it.

And it's really a personal connection that gets an application submitted to a program. And sometimes that can take years to do, before people feel comfortable. Sometimes there's a change in circumstances in the family, somebody passes away, somebody has an illness, along those lines. So, a lot of it is reaching out to those people, establishing a relationship with them, generating some trust with them.

And sometimes you get an application straight up. And sometimes, like I

Barry Lonik, Farmland Conservancy FULL EPISODE

said, it takes a while to do that. But that's definitely one of the best ways, is to go out and establish that personal relationship with people. You know, land's a very personal thing to people, whether they've owned it for a few years or 150 years. And it's something they feel very strongly about, and don't want to just do something that's not well thought out. And it just takes a while for them to come around. So, a lot of outreach goes into my work, certainly.

Sometimes I get calls from realtors who say, "Hey, I," you know, "I'm about to list this property and thought it's one you might be interested in. Are you willing to take a look at it?" And several times it's worked out where, yes, we will go out, and either buy an easement on a property, or actually buy the property.

So sometimes the contacts can come in from an agent that's engaged by a landowner to sell the property. And sometimes it comes in reverse also where I'll get called by somebody who is interested in buying a piece of property in a certain geographic area. Sometimes they want it to be conserved, and sometimes it doesn't matter to them.

And either way they could still conserve the property, and oftentimes have that intention. We call those people conservation buyers where they say, "I want to buy a land that's already been conserved, because it costs me less money. And that's where I want to be anyway, on conserved land," or, "I'll buy this property, and do an easement afterwards." But that's clearly their intention of doing that.

I'm working on a couple of projects along those lines right now, both in Webster Township where I had a conservation buyer call me on the phone, and say, "I'm selling this other property. I'm going to have income

Barry Lonik, Farmland Conservancy FULL EPISODE

from that that's subject to capital gains tax. I want to avoid that. I want to buy other property with it. Do you know of anything?" And I said, "Well, I know of this one 90-acre piece that's for sale right now. And the owners have applied to our program also, but they're wanting to sell the property. They're 90 some years old. And it's time to cash in."

So, he has stepped in in that case, and has a signed purchase agreement to buy the property at a market value and then fully intends to turn around and apply, himself, to the local program for selling an easement once he gains title to the property, which I expect will be by the end of this calendar year.

In another case, a property for sale. A farmer, a young farmer working at the farm incubator site in Ann Arbor Township that's called Tilian Farm Development Center. Been there for several years. Has a successful operation going there. Wants to have her own place. She engaged a realtor and found this other property in Webster Township and approached the owners. This is a unique example. And I give her a lot of credit for doing this.

She went in and offered to buy the property, but only after a conservation easement was conveyed first. And the owners agreed to that. They had applied, as I said, previously. And we were looking at the property anyway. So, it's a great candidate for conservation. But that's greatly enhanced then by the fact that here's this young farmer who wants to set up her vegetable growing operation on this piece of ground. And so now we're in the process of working out how we're going to raise the funds to buy the conservation easement, so she can buy the property after the easement's in place.

Barry Lonik, Farmland Conservancy FULL EPISODE

**Daniel Vernia:** How do we keep farmland in production? What are some of the best ways that come to your mind doing all this work?

**Barry Lonik**: As I mentioned earlier the conservation easements do not require — generally do not require — the land to be put to an agricultural use. That is a retained right in the easement, so people can do that. They can rent it out for farming or farm it themselves. But they're not required to do that in most cases.

The exception here in Washtenaw County for that is in Ann Arbor Township, where it was decided some years ago that for properties that were smaller than 40 acres, that if there was tillable land on it, arable land, that that part of the property had to be put to some agricultural use, whether that was by the owner of the property, or by somebody who was renting the land from the property. It didn't matter.

And it didn't matter what kind of agricultural use it had to be put to. It just had to be put to use. We did some research and found only one or two examples around the country where that had been done. And those are called affirmative conservation easements or has affirmative language in them. So generally, easements are what we call negative easements. It says, "You can no longer divide the property, or build houses on the property, or clear cut the woods, or mine the surface for sand and gravel."

And those are all true for affirmative easements as well, but in addition to that it says, "You have to put the land to an agricultural use, whatever it is." And in that case, we develop with the owner of the property an agricultural production and stewardship plan that states what their intentions are, at least for the coming year, recognizing that things might change over time.

Barry Lonik, Farmland Conservancy FULL EPISODE

But they say, "This is what I plan to do with the property going forward." So, for example we've done three of these so far. One of them is pasture. It's, the property was bought by an adjacent farmer. And he put up new fences and is pasturing his cattle out there. That's an agricultural use of the property.

In another case, the one we just closed, a couple of days ago is a hayfield that is managed for hay that's used by the animals on the farm next door. So, they're cutting hay, and feeding the animals off of that property. That's an agricultural use of the property. In the third case, it's the 22-acre property. About 12 acres is in woods that's actually owned by Washtenaw County Parks.

They bought the fee interest in the property. But there was about ten acres of tillable ground in there. And Ann Arbor Township said, "If our money's going into this, it's less than 40 acres, it's got to be put to an ag use." It had been in a corn-soybean rotation, you know, worked by a local farmer. And that's what continues to this day also on a lease from Washtenaw County Parks in that case.

But the land is required to be put to some ag use. So, it could be pasture. It could be hay. It could be crops. It could be vegetables. It, you know, could be any number of things. It just has to be put to an agricultural use. And it can be by the owner. It can be by somebody they rent it to. If they are unable to find somebody, the township has said, "We will help you find somebody to farm that property. We want to see it be put to ag use, and contribute to the local economy in whatever way that is."

And the township actually has the authority in that easement, in addition to enforcing the other terms of no divisions, and houses, and all of that,

Barry Lonik, Farmland Conservancy FULL EPISODE

that if the land after five years has not been put to an agricultural and we haven't been able to find an arrangement that works for that landowner with a renter on the property, that the township actually has the status in the easement to buy the property back from the landowner at that point with the easement still in place, and to then sell the property to somebody else who is going to farm the property.

Now we've only been doing this for a few years. And it's early on. And I hope that we don't get to that stage. But we do have the standing in the easement to do that if it comes down to it. And as I said there's only a couple of other programs across the country that are doing something like that.

The other thing that I've seen used, and we're talking about now in Ann Arbor Township, is a right of first refusal on the property. So, at some point property's going to sell. And, what a right of refusal does in this case is to say that if the property's going to be sold to somebody who's either not a farmer, or not a family member, we allow for family members to buy property, then the township, or the grantee of the easement has the ability to have a right of refusal to buy the property before that sale to a non-farmer happens.

And we would sell it then to somebody else who is going to farm the property, so that the land would continue to be farmed. Those are the two things that I've come across in my research that a few places, a few more places, are doing that around the country to ensure that land will remain in production. It doesn't become just an estate for somebody that goes out of production, or just doesn't get utilized fully.

**Daniel Vernia:** So, is that the motivation of a township, or a locale that

Barry Lonik, Farmland Conservancy FULL EPISODE

requires that, is to keep the land in production?

Barry Lonik: Yes, exactly. The primary interest of these townships, or grantee organizations is to maintain open space, to have places where there's woods, and there's wetlands, and there's streams, and there's farmland, and not houses, or gas stations, or strip malls, or whatever. That's the primary motivation. But in this one instance here they've taken an additional step, and said, "We actually want this land to be in production. And this is how we're going to accomplish that."

**Daniel Vernia:** Barry, could you give us some examples from your work, and your experience, of some of the things, the focus things that we mentioned about this investigation in terms of community involvement, succession, how do we create opportunities for the next generation of farmers, and some of the unique things about the ownership of the land?

**Barry Lonik:** I'll start off with the example of how the community got involved in a land use battle that was in Webster Township some years ago. There was a very large farm that was proposed for a mobile home park, which was not in conformance with the master plan, nor the zoning ordinance for the community, but backed by some very wealthy developers of mobile home parks.

The township trustees were in opposition to the proposal. But I think even more importantly, a group of citizens also rose up in opposition to it, raised their own funds, hired their own lawyer and assisted the township in defeating that proposal on that property, which would've put in I think it was 1,000 mobile homes on a large farm property kind of out in the middle of nowhere that would've just been a disaster for the community.

Barry Lonik, Farmland Conservancy FULL EPISODE

So, they were able to fend off that proposal through at least one lawsuit. And then the community went the extra step in there, and said, "We don't want to be dealing with this stuff all the time. We should have a proposal on the ballot, just like other townships in the area have done, and in the county." And succeeded in getting their board of trustees to put a proposal on the ballot, ran their campaign for it, and succeeded, and created a fund to to be able to buy development rights on farms.

And in fact, that same farm applied to the city of Ann Arbor's Greenbelt Program along with a federal grant from the ACEP program. And contributions from the township, we were able to purchase an easement on that property, that very same property that was slated for a 1,000-unit mobile home park. It is now a preserved farm.

So, a great example of how a community can rally not only to defeat a bad proposal, but then also to turn it around to the best possible outcome of making sure that will never come up again.

There's many examples of ways that property has changed ownership from an older generation to a younger generation, through a succession process. I'll hit on three of them.

One of them is in Ann Arbor Township. It's called Green Things Farm. This was a couple that started at the incubator site in the township maybe half a mile away from the property where they now own and farm. They'd been there for a couple of years. They had a good farm operation going. They were looking for land. At the same time, I was able to have the owner of a nearby property apply to the township program.

And they only applied on the basis that we would find somebody for them

Barry Lonik, Farmland Conservancy FULL EPISODE

to sell the property to. So, they would sell the development rights first and then they would sell it to somebody else once it has been restricted in use. And so, I put a call to my network there, and the young couple from the Tilian Farm Development Center jumped on that.

They liked the idea that they could buy a property for \$3,000 bucks an acre rather than I think it was \$9,000 or almost \$10,000 an acre with the development value. So, we paid something around I think it was \$6,600 an acre. And they bought it for \$3,000 bucks an acre, and now had their farm set up there and are doing very successfully.

We actually left five acres out of the preserved area on the property in that case as a building envelope. And just earlier this year they built their house within that building envelope, which was a permitted use for them. And they have a small child now. So, their family has grown up there on the farm. And they're employing a number of people, especially in the growing season, on that property. So that's one good example.

There's another example of an old farm family in Webster Township. And they just wanted to sell the property. It was time to be done with it. But they agreed to sell an easement on it first. Didn't have a buyer lined up in that case. Just wanted to make sure that it was protected before they put it out on the market for sale. They did that subsequently. And that was bought by another organic vegetable grower, who started his operation on his parents' property, relatively close by, but was looking to expand.

And there was a property, 75 acres that he could buy for \$3,000 bucks an acre. And in that case, there was a house on the property, and some buildings that were excluded from the easement. And I don't know what he paid for that. But the cost of the land was really quite affordable for

Barry Lonik, Farmland Conservancy FULL EPISODE

him. And so that's another organic farming operation that's been established in Webster Township.

And then the third example that I'll cite is in Scio Township. There was a long-time farm family on a property. Gentleman passed away, didn't have any heirs to the property. A young couple bought the property and turned around and applied to the local program. And we were able to secure the funds to buy a conservation easement on that property from them.

So, they have now set up their organic operation on protected farmland. And they're all viable enterprises, and employing people, and producing food. And they're just great examples of what can be done with these kinds of programs.

I'll touch briefly on ownership of property. I mentioned the Tilian Farm Development Center located in Ann Arbor Township. That's located on 150 acres of land, actually 153 acres that was part of a much larger property owned by a family, but a developer came knocking and said, you know, "We want to develop this property." Working with the township they figured out how many housing units could be put on the property. Most of it actually was zoned and master planned for their agricultural district, which was ten-acre minimum divisions. One part of it was one-acre housing sites. And so, they totaled up all the potential sites that were available on that property and worked out a deal where they could be clustered in two locations.

And that left 150 acres in between those two clustered areas. And the developers didn't want to have 153 acres of common space in a development, which is oftentimes what happens in those cases. But it's usually a few acres here and there. That was way too much. And it was

Barry Lonik, Farmland Conservancy FULL EPISODE

agreed that the township would take ownership of the property.

There wasn't a conservation easement placed on it. But there were deed restrictions-- similar to a conservation easement. So, the township can't develop the property. No houses are permitted. It's available for agricultural use. Some of it's wetland. Some of it's woods. I think it was about 110 acres of tillable ground out of the 153. Some of that's leased out to a local farmer for hay, or corn and soybeans.

But a good chunk of it now is leased out to this Tilian Farm Development Center, where young farmers can get a start on their business with some shared resources. Use of a barn, there's an irrigation well on the property, some other infrastructure that they can take advantage of at a subsidized rate to get their business up and running. And then eventually they can move onto other places, other parcels, some of which they're buying.

So, it's been a great resource for me to to be able to say, "Well, actually there are young farmers that are out there looking for properties." As we all know the average age of farmers in the United States and in Europe is in the 60s and I oftentimes hear people say, "Well," you know, "Why should we save farmland, because there's nobody wants to get into farming?"

And I can say, "Well, actually there are people that want to get into farming." And if we can make land affordable for them, not only will they be farming, but they'll also be growing food for us rather than corn and soybeans to go off for other uses, for cattle feed, or industrial uses. They're actually growing vegetables, and animals. So, in that case, Ann Arbor Township said, "We're going take ownership of this property, and we're going use it for these purposes."

Barry Lonik, Farmland Conservancy FULL EPISODE

"We're going continue to make it available to local farmers. We're going set up this— this Farm Development Center." And that was a unique opportunity, but also a unique circumstance where the township board was not only willing to take that property on, but also to invest some of their own funds to put in the irrigation well, and to shore up the barn, and put a roof on it.

I think they spent \$40,000 or \$50,000 between those various activities to make that property more useful, and attractive for the kind of farmers that are working there now. And then finally I'll just mention in terms of land use, Scio Township has been I think at the forefront of doing some excellent planning within their boundaries for many years now. But there's also the recognition that planning and zoning only go so far.

And as I said earlier, in that township the minimum division of a larger parcel is two and a half acres. So, you can take a 50-acre piece of land and carve it up into a whole bunch of houses. And that's not what people said that they wanted to have happen, as reflected in surveys of the community and just comments that are made at public meetings. People like the greenspace. They want to retain the greenspace.

And so, having the ability to vote on a ballot proposal that would provide the funds to ensure that greenspaces will be available in that community forever was very attractive to the people there, as well as the elected representatives for those people. And it's just been hugely successful and works very well in conjunction with what they've done with planning and zoning.

**Daniel Vernia:** Barry, this is great information. I see that even within one area you're replicating these processes with the different townships,

Barry Lonik, Farmland Conservancy FULL EPISODE

different communities, even the folks in Ann Arbor getting behind the ballot for the preserved areas that are not necessarily out their backdoor. So, thank you very much, and thank you for having us.

**Barry Lonik:** My pleasure, Dan. I think the great message to come out of this is that we've had a great success with what we've done here in Washtenaw County, but it's not limited to our area by any means. These are things that people anywhere can do. They can take control of their future. They can say, "This is what we want to have," and make it so. And that's very powerful.