

Clifford Scholz: Welcome to the *Farms for Tomorrow* podcast. I'm your host, Cliff Scholz. We'll be speaking today with land preservation specialist Barry Lonik who will share about some exciting new developments in agricultural land preservation. But first, a little background.

Barry was featured in a previous *Farms for Tomorrow* podcast on land conservation, and he brings expertise gained over 30 years conserving farmland in natural areas in and around Washtenaw County, Michigan, now totaling over 8,000 acres. He's also been involved in 11 ballot campaigns, ten of them successful, which will raise close to \$200 million of public funds for the acquisition of land and conservation easements in Washtenaw County. Good to have you back, Barry.

Barry Lonik: Thanks, Cliff. It's great to be back.

Clifford Scholz: Barry, I understand you've recently been involved in an unusual transaction that will protect a significant piece of farmland near the city of Ann Arbor, Michigan. What did you save here, Barry? Can you paint a picture of this valuable piece of land?

Barry Lonik: Yeah, this is a 160-acre farm that has been in the same ownership for at least 150 years. It's about three miles south of Interstate 94 freeway interchange and about two miles west of the City of Ann Arbor city limits. And for those of you who are college football fans, it's about seven miles from the University of Michigan stadium.

It has prime agricultural soils and locally important soils over almost 100% of the property. It's one of the few places in our glaciated, relatively local landscape here in Southeast Michigan where you can actually see for a long distance.

I think it's on the order of 12 to maybe even 15 miles, which is highly unusual in this area of the world. But the soils are very productive for agricultural uses. A Fox sandy loam and a Miami loam. There is an 1870s-era barn on the property, along with the house of that same era, that are both in good condition.

And a few other outbuildings, as well. Both parts of the farm have frontage on a paved public road, Zeeb Road, that runs south from Interstate 94 and Scio Church Road. Both heavily traveled. So, it's a very scenic, very prominent, very historic property.

Clifford Scholz: Wow, that sounds fantastic. So, it's on paved roads. It's got interstate access relatively nearby. It's close to the City of Ann Arbor. That's just gotta be a prime target for residential development, right?

Barry Lonik: Absolutely it is. The great thing about prime agricultural soil is that it can grow crops really well, but they can also grow septic fields really well. And this is in a highly desirable part of the Ann Arbor community, not far from town. Great scenic views. Freeway access. All those things work in favor of residential development, as well.

Clifford Scholz: So, this piece of land has been on your radar for a while, correct?

Barry Lonik: Yeah. Scio Township, oh, about 10 or 12 years ago looked at every last parcel that was still available, undeveloped in the township and ranked them by high, medium, and low priority based on criteria that are in the township's ordinance for the land preservation program.

And not surprisingly, this property came out at the top end of the agricultural properties. For all those reasons that we mentioned a moment

ago. And I had made contact with the owner, Mr. Aprill, several times over the course of the last 15 years or so, and spoke to him a number of times on the phone where he said that he was going to let his kids decide what to do with the property once he passed away. And he was consistent about that over the course of many years. But what came as a surprise to us was to see a site plan for large houses on five-acre lots show up at the township hall. And it was at that point that we thought he must have passed away. And the kids were following through on his wishes to make the decision, which was to sell to a residential developer.

Clifford Scholz: So, I understand that there was a serendipitous event that helped you realize that the property was in fact still available.

Barry Lonik: Yeah, it was about two or three weeks after the site plans showed up at the township hall. I happened to be unloading wood with a neighbor of mine who was kind enough to deliver the ten cords I just bought from him. And we just got to talking about various things.

And he makes a comment to me along the lines of, "Well, hasn't residential development slowed down around here?" And this is about two years ago.

And I said, "No. This 160-acre farm at the corner of Zeeb and Scio Church just got sold for development. And so, yeah, I think the developments back being hot around here."

And it turned out that he knows the farmer who works that ground and said, "No, I'm pretty sure that he has a lease again for the coming year, and that development deal I think may be off." And so, I asked my friend to confirm that, which he did later in the day.

And so, I thought, “Well, we’ve got a chance to pull this off.” I did a little sleuthing work at that point. I had already Googled, actually, the owner of the property, Mr. Aprill, and found that he had passed away several months previously.

So, I went back to the obituary and found that he had six children. All of them were women. And all of them had different last names. They apparently had married at some point in their lives. Which is why we could never find the Aprill kids.

Whenever I would ask my trustees in the township, or my land preservation commission members or anybody: “Does anybody know the Aprill kids? Because the kids are gonna make the decision on this farm.” And nobody knew anybody by that name.

Well, it turns out that they were all women and they all got married and had different last names. So, I Googled each one of them individually and was able to track down their addresses and phone numbers.

And one of those addresses, in a little town called South Lyon, Michigan, north of Ann Arbor, matched that of the property owner address that was on the county website for the property. And so, I called her up one morning and said, “Hi, I’m this guy. You’ve never heard of me before. And I run this program. And we’ve got money. And can I make an offer to buy your farm?”

And she said, “Yes, you can.”

And I lost it at that point. Like, “Holy crap, we could actually do this.”

So, I quickly contacted all of my trustee members of my land preservation commission and others and just said, “We’ve got a chance to buy this

property if we want to but we've gotta act quickly. They've got an offer from a developer." That was on a Saturday, if I remember correctly.

The Board of Trustees met the following Tuesday night. This had not been listed on their agenda, which came out on Friday before the meeting. And I was successful in getting it added to the agenda and authorizing me to make them an offer.

Whenever we're doing these land preservation projects, we get an independent real estate appraisal to tell us what the value of the property is. We didn't have the time to do that in this case, so I just thought of all the sales that have occurred sometime recently in that area and did a quick calculation and came up with a number. And so, I called my trustee friends and said, "Authorize me up to \$2.5 million and we'll see what happens."

And so, within about three days, the Board of Trustees, not knowing what we were going to do with this property, authorized me to make that offer on it. So, that happened on a Tuesday. On Thursday morning, I had sent the offer off to the [Aprill estate] trustee that I had spoken to.

And she called me back and said, "You're in the ballpark. When can we meet with you?"

And I said, "Any time. Day, night, weekend. Doesn't matter. You tell me where and when, I'll be there." And so, that following Saturday just a week after I had spoken to her initially, we met at another house that the family owned.

Five of the six daughters were able to make that. And I explained to them at that point that the township had this program through a dedicated

millage. We've got funds in the bank to make a substantial offer on the property. And we'll keep it as a farm.

We'd never done this kind of a deal before where we've bought a farm. The township has bought land, woods and wetlands and stream frontage as nature preserves, but had never bought a farm before. And so, I said, "I don't know what we're gonna do with this property, but we will conserve it and ensure that it will remain essentially in the state that it's been since your family has owned it for the last 150 years or more. I'll figure that out later. But in the short term, if you wanna sell it, then we will buy it."

And they asked, "How quickly can you close?" And that, as it turns out, was based on what the developer had told them. And this is true in many cases with developers where they might offer you more money, but they're gonna give you some money down.

And then they're gonna punch in some roads and utilities and build some spec houses and sell them and then they'll get a little bit more money and give it to the family, and so forth. So, these kinds of deals can stretch out over several years.

And unfortunately, sometimes they've fallen apart, also. You may remember, we had this little recession, 10 or 12 years ago, for example. And a lotta folks got left holding the bag on properties like this that were half developed.

And they got some of their money but not all of it. So, that's a risk that, people take. And that's what they had heard from this developer. And I said, "Well, we can close in 60 days."

And they said, "Well, that's a little too fast, actually."

And I said, “We’ll go whatever pace you wanna go at.” So, through that meeting we agreed on at least a tentative price for the property and set out to get the approvals from the township board to go ahead with the purchase.

Clifford Scholz: So, to save the farm, the only option was for Scio Township to buy the property. But Scio’s a township. I mean, they don’t wanna own a farm. How did you make that work?

Barry Lonik: Yeah, this was a whole new challenge for me professionally. We knew that we wanted to conserve it. We knew about conservation easements because we’ve been buying conservation easements for years now on farm properties and natural areas, as well, for that matter.

So, we initially identified a federal program which is called the Agricultural Conservation Easement Program, ACEP, that is funded through the Farm Bill. Our intent was to apply for that program as a public entity.

When the Farm Bill was reauthorized this last time, think that was 2018, it allowed for, for the first time these kinds of deals called Buy-Protect-Sell, where an entity purchases a property, conserves it through a conservation easement, and then flips it to a new owner.

The Farm Bill legislation said that the entities that could do that kind of thing and be funded by this program were the... it just said “eligible entities,” which is what it’s always said and has always meant: land conservancies, tribes, and local units of government.

So, we were figuring that’s the way that we’re gonna be able to fund the easement on this is get a good chunk of funds from that program that’ll

cover up to 50% of the appraised value of the easement. So, I thought that would be a good way to get the funding ball rolling, if you will.

And then early in the year of last year, 2020, the interim rule that implemented that program, interpreted that program, funded by Congress, came out. And in that case, the eligible entities were limited to the tribes and conservancies, not for local units of government. So, that shut down that prospect for us to get a good chunk of the money for a conservation easement on the property.

At the same time, we were trying to figure out, how do we identify a potential future buyer for the property? Because again, we'd never done this kinda thing before. Those kinds of transactions have happened around Ann Arbor where a new, younger generation of farmers has been able to acquire farmland that's been conserved at a much more affordable rate. But we hadn't done it in this manner previously. So, that was another challenge that we were facing.

So, I was disappointed that we were not gonna be eligible for that program. And that's when the second serendipitous thing happened for this property. And that was again on a weekend. Got a phone call from a very successful local organic farmer, Richard Andres, whose main farm is called Tantr . He called and said that his mom was selling land in an adjacent county in a township called Canton and wanted to use the proceeds for purchasing a farm property somewhere near Ann Arbor. And transform it into a demonstration project where they would be growing fruits and vegetables, and nuts, and restoring some of the property to native grasses and flower to build some soil health — a regenerative agricultural project.

And I should say that when we were first running our ballot campaigns, starting back in 1998, and then on through the 2000s, one of the things that we heard most often from people around here was, “We don’t want to become another Canton.”

And Canton was the number one producing agricultural township in all of Southeast Michigan back in the day. And there were a couple of efforts to fund essentially a land preservation program in the late 1970s. It got on the ballot twice. They lost by very narrow margins both times. And at that point, the floodgates opened, and Canton Township is now just wall-to-wall you know, cookie cutter subdivisions of giant houses that all look the same, and strip malls. It’s really unfortunate.

And people remember, Canton being an agricultural community. And that was one of the rallying cries for us here was, “We don’t wanna become another Canton.” So, it was ironic that Richard’s mom was selling property in Canton Township and wanting to use the proceeds to buy a farm and do a demonstration regenerative agricultural project here in Washtenaw County.

So I asked Richard, “Well, how much money do you got from this sale?” And he said \$600,000. And that just happened to be the very number that I had been working with in my mind for the value of this Aprill Farm after a conservation easement was in place.

So, in doing a conservation easement, we’re buying the right that landowners have to divide their property into smaller parcels and build houses on it and make gravel pits and so forth, and things that would alter the use of the landscape.

So, we’re buying those rights. And then afterwards, the land can be used

for agricultural purposes. If there's woods on it, they can manage the woods. They can hunt it. Various things like that. They just can't cut it up and build houses on it.

So, the appraisers have been saying that, based on sales of similar kinds of properties, the value of land after an easement's in place is something around \$3,000 an acre. At least it was a couple years ago. It's actually risen recently.

So, for a 160-acre property, \$3,000 an acre comes out to be \$480,000. And then there's this house and barn on the property. The barns don't tend to have much value, even though they've got great historical significance and beauty, and still functionality.

But there's not much value assigned to them in an appraisal. The house was very nice. But I'm sure hadn't been updated in a long time. Would need a fair bit of work. And so, I had just arbitrarily put a number of \$120,000 on that as the value of the house.

So, 480 plus 120 is \$600,000, and that's exactly the number that Richard's mom had available from this sale of this other property. So, that was great news. It was like, well, this is potentially a great match for us.

And this was in February of last year, 2020. The deadline for the federal ACEP program was the end of March, March 31 of last year. And so, we had to scramble to see if it was possible to sell the property to Richard's father's trust. His father's passed away. But it's the Frederick Andres Trust that had the money that was gonna be used.

So, we had to figure out: Can we actually transfer the ownership to the Andres Trust in time for the application deadline for this federal grant

program so a private landowner would be the owner and would be eligible for the program? That was our next challenge, there.

Clifford Scholz: So, what happened next?

Barry Lonik: So, the Andres Trust, as I said, had \$600,000 available. But we bought this property for \$2.3 million. And the difference is the value of the development rights that would be conveyed through the conservation easement. And so, we asked the Trust to find a loan in the short term, to be able to cover the \$1.7 million difference.

And Richard's mom Lois, who's the trustee of the Andres Trust is a delightful, spunky 80-something-year-old woman. And she said, "At my age, I'm not gonna go to the bank and get a \$1.7 million loan. I don't care how certain you are this funding is gonna come through."

And that was a very reasonable statement for her to make. But in the absence of having some security that the township could rely on, we were reluctant to go ahead. As I said earlier, also, I had never done this kind of deal before.

I always receive legal review of any of the documents that we draft, and make sure that I'm not missing anything, and everything's been covered. I leaned much more heavily in this case on our attorney, who's a gentleman named Joseph Fazio from the firm of Miller, Canfield, Paddock, and Stone. It's located in Ann Arbor — headquartered — but has offices in other parts of Michigan and beyond. And Mr. Fazio's comment to me was, "Well, the township could be the bank." And that was the sound of my head exploding. Like: What now?

He said, "Yeah. The township could be the one that lends, essentially, the

\$1.7 million to the Andres Trust to be able to complete this purchase. But that loan, if you will, will be subject to purchase agreements by the trust to sell conservation easements on the property when the township assembles the funding to do so.”

And I said, “Well, that’s fantastic. I wonder if the township board will go for that.” And that’s one of the things I wanna emphasize in this podcast, also, is the leadership of the Scio Township Board of Trustees — an elected seven-person body — they recognized the importance and the significance of the Aprill Farm. And so, when we came to them initially and said, “We’re gonna spend \$2.3 million on this property to buy it, and we don’t know what we’re gonna do with it,” they said, “We understand. This is too important to let go by.” And they approved us making that purchase of the farm.

So, now we’re going back to them a second time and saying, “We’ve got another thing we wanna do here that the township’s never done before,” where the township will be the mortgage holder, the bank, for a couple of mortgages on the Aprill / Andres farm. And the mortgages will be payable when we assemble funding for a conservation easement. And they agreed to do that as well, to their great credit.

So, we entered into a flurry of activity then in February into March of last year. And y’all might remember that something else happened in March of last year. Oh yeah, this little pandemic came on. And so, we had to have remote meetings and all kinds of things that were atypical for how we usually run our lives applied here as well.

So, with great diligence and effort, we were able to write up all of these documents, get all the approvals from the township board and from the

Andres Trust and their attorneys, and so forth. And I think it was on March 28 or 29 of last year, we were successful in making the sale of the property from Scio Township to the Andres Trust for \$600,000 and mortgages. One for each of the two 80-acre parcels. And purchase agreements, one for each of the two 80-acre parcels, so that they would then sell us the easements to pay off the mortgages. And with the ownership of the property then in the hands of the Andres Trust before the federal deadline of March 31, we were able to apply the property and have it be considered.

There's two different federal programs that we ended up applying to. One of them was the one I mentioned earlier, the Agricultural Conservation Easement Program, which is an annual, competitive funding round. Every state in the country gets a certain amount of money appropriated to them. And each state's Department of Agricultural, actually it's the Natural Resources Conservation Service part of USDA, operates that program. And anybody — land conservancies, local units of government and I think tribes, also — can apply for those funds.

And every property is scored individually, and they start at the top of the list with whoever scores the best and then go down the list until they run out of money. And in Michigan, it's typically about \$1.6 million that's available through that program.

So, we applied the east 80 acres of the Andres property to the ACEP program, the competitive round. And then the west 80 was funded through a different program that's called Resource Conservation Partnership Program, or RCPP. Also funded by the Farm Bill.

But this was one where a group of local partners, Washtenaw County

Parks and the Ann Arbor Green Belt, the three townships that I represent, Scio, Webster, and Ann Arbor, and a few other partners banded together, put forth a proposal and had about a million dollars dedicated just for our use to buy agricultural conservation easements in our area. So, we don't have to compete with others for that RCPP fund. It's just available for those partners that signed on.

So, we were able to apply for the RCPP program for the west 80 acres of the property. And we knew those funds were guaranteed. But the east 80 acres was in that competitive round, so we had to wait, then, until July, about almost four months later, to find out whether we got an award for the east 80. And I'm pleased to say that we did for that, as well. And so, between the two of them, we got a big chunk of the purchase price for these easements — about \$700,000 of the \$1.7 million that was needed — to come from those two federal programs.

Clifford Scholz: Last time that you were on *Farms for Tomorrow*, you went into depth about conservation easements. They seem to be central in this situation. Can you tell us about those, and how conservation easements and development rights work in a situation like this?

Barry Lonik: Yeah. So, as a private landowner, people own certain rights to the property. They own the right to divide it into smaller parcels and build houses on it. They have the right to hunt on it. They have the right to make a gravel pit on it. There's all kinds of things that they can do, subject to local zoning, that could change or alter the use or appearance of the property.

And those rights are individual in that they can be severed or separated from other rights in the property, and still have somebody own the

property and all the rest of those rights. So, we commonly call those the development rights: the ability to divide, to build houses, to make a gravel pit, to drain wetlands, to clear cut a woods, and so forth. The things that would harm the conservation values of the property, which we consider to be the scenic views and the agricultural soils, the wildlife habitat, the water quality protection, and so forth.

Those are the conservation values that undisturbed land, or working farmland provides to all of us. So, in a conservation easement, the landowner says, "Okay, I'm willing to give up these certain rights, to convey them to another party." To say, "I'm willing to no longer have the option of dividing the property into smaller parcels and to build houses on it, or to sell it to a developer that would do that kind of thing, or build a gravel pit. I'm willing to convey those rights."

Those rights can be donated, or they can be sold. And what we've been doing with our locally funded programs here in Washtenaw County is to pay for the value of those rights in the conservation easement transaction.

So, we hired independent real estate appraiser. We ask that person to tell us what the value of the land is for its development potential. And, depending on the location and soils and other factors, that could be around here as much as \$14,000 an acre.

And then he does a second evaluation of the property. What would it be worth if the property could not be used for those other purposes and was only available for agriculture and open space uses? And it's been about \$3,000 an acre. But there's been some sales here recently of properties, conserved properties, that have been selling for about \$3,500 an acre.

So, those are sales that go from one farmer to another farmer. And what my farmer friends tell me is that's a good price for them to pay. They can make money off of a property that they buy at even \$3,500 an acre. So, in the course of the easement transaction, the landowner says, "I'm giving up these rights and I'm taking the payment from you."

We sign this conservation easement document that says, those are the rights that are no longer applicable, and these are the ones you still retain — which is the right to convey the property and to farm it and to manage a wood lot and so forth, hunt the property.

And that conservation easement, a glorified deed restriction, runs with the property in perpetuity. Once it's gets signed and the payment gets made, that deed gets recorded at the County Register of Deeds. And so, anybody who owns the property from there on out has to abide by that agreement. Whether it's the person that did the original transaction, or somebody in their family that they pass it on to, or an entirely different person. Doesn't matter. That restriction runs with the property in perpetuity. The job of the grantee entity, Scio Township or a land conservancy or the Ann Arbor Green Belt program, is to ensure that that agreement is being upheld in perpetuity.

And so, generally, that means that we contact the landowner once a year and say, "It's time for our annual monitoring visit to the property. Is there a good time to come? Do you wanna come along?" And then follow that up with a phone call.

And then a visit to the property, where we do a walkaround and just say, "Yup. There's no houses here. There's no gravel pits. There's no strip malls. The woods are still standing and so forth. Everything looks fine.

And we sign a report indicating that, that it checks out for that year.

We stick it in the file and say, "See ya next year." Certainly, if something either comes up on that monitoring visit or through some other encounter if I happen to be driving past a property and said, "Hey, wait a minute. There's not supposed to be a house there." Then we have the standing in the conservation easement to pursue the restoration of the property to the condition that it was in at the time that the easement was conveyed.

Sometimes in an easement, we do permit certain other things to happen. Like we will include a building envelope, where, if there's not a house on the property currently, and the owner or the grantor either wants to build a house or have the option for somebody in the future to build a house on the property, then we say, "This is where that would occur."

We actually get a survey and say, "Here's the building envelope. It's 2.07 acres and that's where you can build a house, anywhere within that two acres." And generally speaking, agricultural buildings are also confined to a building envelope, whether it includes a residence or not. We don't want buildings and other structures to be scattered across the property. It's not conducive to agriculture in many instances, but part of the emphasis of these programs is the scenic qualities of the property.

Because these are privately owned properties and not accessible to the public, at least by setting foot on it. The public can still ride a bike past the property or drive a car past the property and be able to see scenic views. And they're putting money through these local millages into the program. And so, it's nice to give that additional benefit.

We're all benefiting from the wildlife habitat and the carbon storage, and sometimes the food that's grown on the property and so forth. That's all

great. But it's also nice to be able to say, "This scenic landscape here in front of you is gonna stay that way." There's never gonna be houses on it. There's not even gonna be other structures, necessarily, in some cases.

So, the easement then specifies all of that. We sign it. We record it. It runs forever. We make a payment. We ensure that that agreement's being upheld forever. And hopefully there's no problems, and everything goes well.

Clifford Scholz: These conservation easements were the product of a lotta work. Concerted community efforts with ballot initiatives in multiple townships and units of government. And it took a long time to put this in place. Can you give us some background on how this happened?

Barry Lonik: Yeah. So, I started doing land conservation work here in Washtenaw, it'll be 30 years this coming June. I like to say when I was a teenager and roll my eyes. Because I'm a little older than that. I got invited to be on the board of this local land conservancy that had a \$1,500 budget for the whole year. And no staff people. But just really fell in love with the work. And saw how it could apply to what had become my adopted community here around Ann Arbor.

I helped build that organization into something that was reasonably effective. Still exists. Is going strong. Did that over the course of ten years. But one of the things that I heard over and over again from especially farmland owners was, "God, I really like this idea of the conservation easement. I don't wanna see my land get developed. I don't wanna leave it to the kids and have them screw it up." But the land trust was, barely affording me part time, and then eventually as a full-time person. We didn't have any money to buy land or easements.

And so, the farmer-owners would say, “If I could get paid for that conservation easement, then maybe we could do something.” And I started researching and finding that there were publicly funded land preservation programs in other parts of the country — nothing really much around here in Michigan, at that point — and that they’d had great success. The state programs in New Jersey and Massachusetts and New York, other places like that, Pennsylvania had been around for a long time.

They’d had statewide bond proposals that won with a high percentage of voter support, as well as local funding. And so, I thought, “Well, that’s what we need to do here. We need to have public funding for these things,” and started an effort to convince initially the Washtenaw County Board of Commissioners to put something on the ballot. To fund it.

And we started making that appeal in 1996. Quite a long time ago. Got our first proposal on the ballot in 1998. And unfortunately lost that one in a very well-funded campaign by the developers who were opposed to it. But we learned our lessons from that.

And came back a couple of years later with the first Washtenaw County Natural Area Preservation Program ballot proposal that won with 67% I think of the vote that year, that created that program for the first ten years. And then followed that up three years later in 2003 with the City of Ann Arbor Green Belt program, which is paid for by residents of the City of Ann Arbor. But two thirds of the funds can be used outside of the city limits.

Again, those folks said, “We don’t want Canton surrounding us. And so, we’re willing to put our money into conserving landscape outside the city

limits of Ann Arbor,” which is extraordinary. And that proposal won with 67% of the vote. So, that was a huge opportunity to work with landowners in that defined geographic area just outside the Ann Arbor city limits.

That same year, in 2003, Ann Arbor Township, which had mostly been annexed by the city over the course of the last couple hundred years, put its own proposal on the ballot for what was remaining of their community in terms of open space lands.

And that proposal passed with 80% support. Four out of five people agreed to tax themselves for a new program, which is extraordinary, also. And then that led the Scio Township Board to put a proposal on the ballot the following year, in 2004. And that passed with flying colors.

And then the following year, 2005, was when Webster Township, which is the most rural township in our area, that has a funded land preservation program they also succeeded with that vote. I think it was a 60% support for that first ballot proposal.

So, suddenly within a couple years’ time, we had five publicly funded programs here in Washtenaw County. And there are eight total in the entire state of Michigan that are funded by local sources: There’s two townships around Traverse City, and there’s Ingham County in the center of the state, which is over by where the state capital of Lansing is located.

So, out of eight funded programs statewide, we have five of them here in this community, and opportunities for a lot of partnerships and cost sharing among projects. So, for example, the entirety of Ann Arbor Township is included in the Ann Arbor Green Belt area. And about a third of Webster Township, and about two thirds of Scio Township. And of course, the Washtenaw County program covers the entire county.

So, there've been a number of projects where a township and the City and the County have collaborated on funding either for an easement or a land purchase. And then we've also been able to attract these other federal funding sources. And so, sometimes there are four different funding sources that go into an individual purchase.

And we've also had great success with landowners willing to say, "I'm going to accept for my payment for this conservation easement less than the appraised value."

So, let's just say that the easement was worth \$100,000. They say, "I'm willing to take \$90,000 instead of \$100,000." And so, they become part of the funding picture, as well. And they're able to use the difference between the appraised value and the sale price as a federal income tax deduction that could be spread out over as many as 16 years.

So, they get some money back on their taxes, or they don't pay quite as much taxes on that. So, they don't get all of the money back. They're still selling for less than what the appraised value said. But a lot of folks that I've worked with have said they've lived in this community a long time, and their family's been here a long time. And they just consider that to be, part of what they do as a member of the community to not only do the sale. Because they don't have to do that. They could hold onto it or sell it to a developer.

But they take it a step further and say, "We're willing to do it for less than what the appraiser says it's worth." So, I consider that to be a fifth funding source. So, sometimes we have five different sources of funding that go into it.

So, at any rate, we put all these together and purchase lands and

purchase conservation easements. And it goes back 25 years from when we first started talking about these things. And the efforts of many people over that time.

And then the great working relationships that we've developed between the land conservancies that operate here in the county, and then all the publicly funded programs that... we talk to each other. We like each other. We work well together. We cost-share. And by virtue of doing that, we're able to spread out all of our individual funds that much further and accomplish that much more.

Clifford Scholz: These publicly funded conservation easement purchases do keep the land perpetually green. They're always going to be used for agriculture and agriculture-related purposes. And that could be conventional agriculture. There are also occasions where we've seen that move toward more sustainable agriculture. Can you give us some examples of those kinds of transitions?

Barry Lonik: Yeah. And I've been involved with a number of those. And I'm gonna highlight one in each of the three townships where I work. So, in Webster Township is the Brines farm. It's on 80 acres of land that has a beautiful state natural river flowing through it called Arms Creek.

It had been in a family ownership for several generations. And they then turned around and sold the conservation easement on the property, retained ownership for it for a while, and then Shannon Brines, who had started his own vegetable operation just a short distance away on his parents' property ended up buying that property. Again, for about \$3,000 an acre plus a house and some buildings on it. But we made it affordable for him. And so, he moved his operation over there and has been

supplying his farmer's market stand and his community-supported agriculture customers and other markets with growing vegetables on that property.

He's also planted a great number of a variety of fruit and nut trees on the property and is still cutting hay off of it, as well. So, in that case the easement was purchased first. And then in a separate transaction sometime later, Shannon was able to buy that property. That's in Webster Township.

Over in Scio Township, different part of Scio Township there's a farm that a young couple who had started an agriculture business called Nature and Nurture had purchased an 80-acre farm and then turned around and applied to the program themselves.

And we bought an easement on about 60 acres of that farm. And they're now having a very successful seed operation business. So, they're growing their own vegetable seeds on that property, as well as mushrooms and fruits and vegetables themselves for market.

So, that's been a very successful operation here in recent years. And made possible, again, by the easement purchase. But in that case, in Scio, they bought the property first and then applied to the program.

And then the third one that I'll hit on is the Green Things Farm which is also a subject for season two here, the Eric Kampe interview. Eric runs the Ann Arbor Seed Company and he's part of the Green Things Collaborative. I think there's five farmers that are involved with that overall. And they're operating on conserved land in Ann Arbor Township.

That was where some investors had bought the property many years ago

and said that they were willing to sell a conservation easement on the property, but only if we were able to find a buyer for it going forward.

And at that time, we'd never done anything like that, either. And so, I scratched my head and thought of every farmer that I could think of and sent them an email and said, "I got 63 acres of land that'll be available for essentially \$3,000 an acre, right on the border of the City of Ann Arbor."

I mean, literally there's a freeway and on the south side of it is the City of Ann Arbor with high-density condominium and single-family housing developments. And on the north side of that freeway is a farm. And it's growing vegetables for sale at the Ann Arbor Farmers' Market and for CSA.

They have a stand on the property, as well. They're actually raising animals and having them prepared so they can sell meats, as well, on that property. So, we were successful in that case of buying the easement from the previous owners, the investors, and then had this new couple of buyers.

Originally, it was Nate and Jill Lada that bought that farm. And then they've since added on the other folks to make up the collective. So, we can get to the same end using several different means. And the Buy-Protect-Sell tool is a new one in our box, if you will, that we will be applying on this Aprill Farm. Now the Andres Trust property. And already in Scio I'm seeing opportunities for new applications for that particular tool.

Clifford Scholz: Looking back at the Aprill Farm transaction, you're still looking for funding for those easements. Can you give us an update on the current status of the federal and other funds that you're seeking to

pay for those easements?

Barry Lonik: Yeah. So, we're just about a year from when the farm was sold from the township into the Andres Trust. And I'm pleased to say that we did obtain federal grant awards from both the ACEP and the RCPP that total about \$700,000. And then the remaining million dollars is being split evenly with the City of Ann Arbor Green Belt program and Scio Township. So that at the end of the day, when we actually close these transactions, and that's coming up soon, my goal is by June 30. We might meet that.

That Scio Township's expenditure to preserve a farm that was purchased originally for \$2.3 million will be \$500,000. So, that's a great deal for the township. A very small percentage of the overall value of the property will be attributed to our millage fund.

But I should also say that Scio Township's millage generates about \$600,000 a year. So, it's pretty much one year's worth of millage. But I think nobody disagrees that it's an appropriate amount of money for that important of a property to be conserved forever.

Clifford Scholz: These millages are amazing in the way that they generate leverage for local units of government with the multiplier effect of their millage dollars bringing in federal and other grant monies to help with these kinds of purchases, correct?

Barry Lonik: Absolutely. Many states also have their own funds available. Here in Michigan, we've had a new source that's popped up just in the last couple of years through the Michigan Department of Agriculture and Rural Development. It's about \$2 million a year. That's available just for local units of government.

So, in that case, not land conservancies. Not tribes. And the City of Ann Arbor Green Belt program doesn't qualify for that one. So, it's just counties and townships around the state.

And I'm pleased to report that for the first two years of the program, the highest scoring property each year has been one that I submitted: One from Webster Township last year, and a different one, actually, in Scio Township this year.

But that's something that any community in Michigan can tap into. And I know that there are other states around the country that have their own state, funding sources for that. So, that's another way that local units of government can tap in.

One of the things that I like to tell people — I was on a Zoom call yesterday with a rural township here in Washtenaw County that was facing a major gravel pit development. A gravel company bought this property years ago, I remember. And they'd just been sitting on it. And they've now made their proposal.

And they're all up in arms about the change that it's gonna make to their community. And this is an area that doesn't have their own millage at this point.

They have the opportunity to apply to the Washtenaw County program. But one of the messages that I said to them yesterday, but I say to everybody all the time, is if you got nothing when you come to the table, then chances are you're not gonna get very much. And you might get nothing.

But if you got something, even a little bit, then you're able to leverage

those other funding sources much more effectively, whether they're state or local or county. Whatever it might be. There's one small rural township here in Washtenaw County, Augusta, that passed its own millage after three or four tries just the last couple of years. It was for a tenth of a mill, which generates all of about \$25,000 a year. And that's enough for them to support the purchase of a farmland easement with Washtenaw County, in that case, taking the lead.

I think it was a five-year millage. So, it's gonna generate all of \$125,000. And they're using two years' worth of millage, \$50,000, for this one particular property. But that's enough for Washtenaw County to say, "That's a significant contribution for this, small, rural community."

And it's also really good land. But the fact that they're coming to the table with a significant amount of money, it's not \$100. It's \$50,000. And that got their attention. And so, the first farmland easement in Augusta Township will be purchased later on this year because of that. So, even a little bit of money makes a big difference.

Clifford Scholz: And my experience has been that with local units of government, they're real conservative. They understand that they're working with taxpayer dollars. And they wanna do the right thing. So, having a precedent, a nearby precedent, in another township that they can point to and say, "Hey, this is working. Let's try this."

And even if they try it at a small scale at the beginning, like what you're suggesting up in Augusta township, that's a start. And then it can grow from there. It's really exciting, the domino effect, where one unit of government says, "Hey, wow, cool. They're doing it. I guess this is a safe thing to do. We're not putting ourselves out on a limb, here. Let's go for

it.”

Barry Lonik: I’ve been hearing that a lot this past year, here, in other townships, whether they’re faced with development issues or not. I should say, individual development issues. But that is oftentimes the catalyst for getting these programs on the ballot.

For example, in Webster Township, the most rural one that I work in and the most rural one around here that has their own dedicated millage, that whole effort was in response to a mobile home park development that occurred ten years ago or something like that. Where the citizens raised money, hired an attorney, supported the township in defeating that proposal, but then went the extra step and said, “We wanna put something on the ballot so we can offer an alternative, to selling off for any kind of development.”

And that was huge. And in Webster Township, over 2,000 acres of land has been conserved through the township’s millage in that 15 years or so that we’ve had access to funds. And that millage, in again a rural township — you know, no commercial or industrial land to speak of. There’s a party store. But that’s about it.

It’s either open space lands, natural or agricultural. Or it’s residential. The people have voted three times now to tax themselves to fund this program that generates over the course of 15 years, just shy of \$200,000 a year.

And yet we’ve been able to leverage that at a five-to-one basis. So, for every \$200,000 that they put in as Webster residents, we’ve been able to attract another \$1 million. And that goes a long way. So, I’m using that example with some of these other townships here in Washtenaw over the

last year, who either are facing development pressures or just see what the successes have been in these other communities. And saying, “How can we do that?”

And I wouldn't at all be surprised to see one or two or possibly even three new proposals show up on the ballot in November 2022 for those townships. And I actually can see a couple of renewals happening. I think Scio's, about due for one. And Webster, as well. So, there could be anywhere from, three to six or seven land preservation ballot proposals before voters, just in our county, next year. **Clifford Scholz:** They're taxing themselves and they love the results.

Barry Lonik: Exactly. It's very satisfying for somebody that's directly involved with it all to see the signs pop up. But I know that people that live in those communities thank me all the time. They're like, “We're so happy that you're doing this work. We love driving down the road and seeing those signs and knowing that farm's never gonna be developed.”

Clifford Scholz: Beautiful. So, do you see the Buy-Protect-Sell strategy being used again in this area? I understand that it's just one of the many different ways or several different ways of getting to the ultimate end goal of land preservation. But Buy-Protect-Sell particularly, now that you've set this precedent?

Barry Lonik: Yeah, absolutely. There was an article in a local quarterly newspaper called the *Community Observer* [Ann Arbor Observer] on this whole process, the purchase of the Aprill Farm and the transfer to the Andres Trust. And then we'll do a follow-up piece here shortly when we close this.

But somebody that I've been chasing for years. Had sent many letters to

and try to get a hold of through a variety of different means. Never got a response out of them. They saw that article in the *Community Observer* and called me up and said, "That's what we wanna do. We don't wanna do a conservation easement on our property. We wanna just sell the property to you. We want it to be conserved, but we don't wanna deal with the easement first. So, if we can just sell it to you, we'll go through that process." And this is a 50-acre piece.

It's got a nice modern house on it. About a 17-acre hay field. A couple of idle fields. Woods. Wetlands. A really beautiful location. Quiet spot, down the road from some conserved farms.

So, I see Scio Township now developing a policy about how we go into these Buy-Protect-Sell arrangements. And how we're gonna fund it. How we're gonna look for the new owner of a property. Do we wanna keep it as an intact entity of 50 acres in this case? Or do we wanna split off that hay field and allow one house to be built on that property?

And do we wanna transfer that into a younger beginning farmer, for example? So, we're having all kinds of interesting discussions about that. And as I step back and thought about it, just in Scio again, there were several other times when we had looked at a similar kind of transaction and actually made offers on properties. And those didn't come through.

And so, we never had to follow through on things as we have with the Aprill Farm. And then I started looking around, thinking, "Eh, I know that guy would probably wanna do the same thing. He doesn't wanna do the easement. And maybe we should approach him about this."

And then there's another fellow who, was concerned about what the future use of the property would be and what the taxes would be on it.

And so, forth. And I thought, “Maybe we should just go over and offer to buy his farm also.” And that’s a big one, 175 acres.

So, I think there’s great application for it not only in Scio Township, but beyond here in Washtenaw County. And I think really for anywhere in the country.

There’s a national group called the American Farmland Trust that’s a great source of information and a terrific organization overall. They just did a couple of Buy-Protect-Sell seminars that I sat in on. Webinars.

And those are online, I believe for folks that want to track that down. And I’ve since heard confirmation of this, that there’s... the programs or efforts along these lines that have been in existence now are either on a larger scale. Like, there was a panelist from the state of New Jersey, which has been operating a farmland preservation program for 40-some years, with lots of good state funding available to them.

They have this kind of an option in what they do, but that’s at a statewide level.

And the other examples that I’ve seen or heard about are for land conservancies that can do the same kind of thing and looking into some creative funding mechanisms to get there and utilizing the federal funds and the state funds and as well.

But I didn’t hear and haven’t heard of any examples of a local unit of government like Scio Township actually jumping into the fray and saying, “We’re actually gonna do some of these projects because this is apparently the only way that this can get done. And this property or that property are too important for us to let be changed over to some sort of a

higher density residential development. And so, if that's what it takes, we'll do it."

One of the things I often tell people, also, is that it all comes back to leadership or the lack thereof. Again, hats off to the trustees in Scio Township for, making the initial purchase of the Aprill Farm, and then the sale to the Andres Trust where they actually hold the mortgages. Those are bold, innovative moves. And it takes leadership to do that.

Clifford Scholz: So, do you see this working elsewhere? These locally funded millages, we've got a handful of townships here who have taken this step of taxing themselves and raising these monies to enable these kinds of transactions.

All of these different kinds of transactions. How about our listeners who are in places where these things aren't happening yet? Do you need to have a publicly funded millage dedicated to this kind of project? Or is there some other way that this can happen without that?

Barry Lonik: Well, it certainly helps. But land conservancies are doing this work and are fully capable of doing that, as well. And land conservancies can apply for these federal grant awards and cover up to 50% of the appraised value.

And the remaining 50% can be covered by the landowners' discount of the sale price. So, if it's a \$100,000 property, \$100,000 easement, and you come up with \$50,000 from the federal ACEP program, and the landowner says, "I'm good with taking \$50,000 and I'll write the other \$50,000 off," you got a deal.

So, the land conservancies can do those kinds of things, and also then

engage in a process of identifying what the new owner of the property will be.

There are many places around the country that have what are commonly called land link programs. So, those could be employed for this kind of thing, too. But we don't have anything like that here in Michigan. So, it's really been more of a word-of-mouth kind of thing. You know, contacting the folks that we know that are engaged in agriculture now. Or from the Michigan State University Extension folks. Or the Washtenaw County Conservation District. These are all folks that have similar kinds of interests. And working in collaboration with them to find that new buyer for a property, as well.

But conservancies can do the work, as well as local units of government. And local units can do it, but it really comes down to leadership, for sure. And funding really helps.

Clifford Scholz: Going back to the Aprill Farm, which has been the centerpiece of today's discussion, and its new owners, looking forward to the summer of 2021, what would visitors see during the 2021 growing season? Right now, as we're talking, it's the end of March. But we've got a lotta growing season ahead of us. There's exciting stuff planned. Can you tell us about that?

Barry Lonik: Yeah. They actually got a head start on this year last year. So, for example, Richard informed me that they have planted five acres in strawberries. They have two acres of raspberries and blackberries. They've also planted 200 hazelnut bushes and 100 hickory trees and 50 chestnuts.

They've also planted three acres of asparagus and 12 acres of

buckwheat cover crop. And the rest of the property, remember this is 160 acres now, has enough clover in the soil that they're just letting that come in with the intention of again, regenerating soil, building soil health, storing carbon. Creating a higher degree of biodiversity on the property.

So, if you were to visit there, actually since we're here in March, within I'd say three months or so you will see a brand-new timber frame barn that's being constructed on the property.

It's gorgeous. And that will be a distribution center for folks that come to pick their own strawberries and raspberries and blackberries on the property. I'm not sure they're gonna do asparagus this year, because it takes a little while to establish them.

I was out there just recently and saw that beautiful bed of strawberries all covered up in straw. And ready for folks to come out and pick here when the berries become available.

We also arranged as part of the whole deal that they will take ownership of the barn, and the house, as well. So, their intention is to house farm workers in the house there on the property. And I think they've utilized the barn a little bit so far for some storage of equipment and so forth. But they'll be moving into that barn here when they take ownership of the property later on this summer, as well.

So, you will continue to see an extraordinary scenic landscape there in that part of Washtenaw County, Scio Township. But you'll also be able to see an historic barn that's 150 years old, as well as a brand-new barn and see kids out picking strawberries.

Clifford Scholz: Wow. Barry, that's just beautiful. Thank you so much for

FarmsForTomorrow

Barry Lonik, Aprill Farm
Buy-Protect-Sell + Leadership =

coming and sharing all this with us today.

Barry Lonik: My pleasure, Cliff. Thank you.