WASHINGTON COUNTY
PLANNING, CONSERVATION AND PARKS COMMITTEE
MONDAY, OCTOBER 24, 2011

PUBLIC HEARING: An opportunity for public comment on the final draft Appendix T - A Farmland Preservation Plan for Washington County as Amendment No. 2 to A Multi-jurisdictional Comprehensive Plan for Washington County: 2035.

1. Present: Vern Eliason
Address: Camp Awana Road – (on Washington/Ozaukee County Line)
N6420 Camp Awana Rd.
Fredonia, WI 53021
Comment: A little over a year ago, we had this initiative of PDR's on the ballot. It was soundly defeated. I want to know what is the engine that keeps driving this thing. Most of the people made their opinion known when they voted on this. Next concern is regarding these tax credits that you are giving to some farmers. Who is making up for the difference in the tax credit you are giving one person – who is paying the difference? Obviously you need so much dollars to run the County, but if you are going to give tax credits to one person, that has to be made up some place, and who is making that up? Those are the two things I had.

Staff Response:

- On April 3, 2007, a binding referendum to establish a countywide farmland purchase of development rights (PDR) program was defeated by 63% of voters. No further effort has been made to establish a countywide PDR program since that referendum.
- The Farmland Preservation Plan does not recommend the establishment of nor provides the funding for a new County PDR program funded by Washington County. On page 177 of the Final Draft FPP, an updated policy states: "Support implementation of the Working Lands Initiative programs including the purchase of agricultural conservation easement (PACE) program, establishing of agricultural enterprise areas (AEAs) and farmland preservation zoning." This policy acknowledges that the County Board would be in support of a local government's use of the three Working Lands Initiative programs. If a local government applies for PACE funding or landowners petition the state for the establishment of an AEA, a resolution of support from the County Board would enhance those efforts.
- Regarding the State tax credit funding for AEA and FP zoning, There is $27 million available statewide annually to provide farmland preservation tax credits to landowners beginning in tax year 2010. Eligible landowners may collect one of the following per acre amounts:
    - $5.00 for farmers with a farmland preservation agreement within an agricultural enterprise area
    - $7.50 for farmers in an area zoned for farmland preservation
    - $10.00 for farmers in an area zoned for farmland preservation and in an agricultural enterprise area, with a farmland preservation agreement

- There is no cap on the amount of credit that an individual can claim or on the amount of acreage eligible for a credit. However, if the total amount of claims exceeds $27 million in a given year, the state is obligated to prorate the value of the credits available to individuals.
- The funding source is the same that has been in place since 1978. The tax credits are general purpose revenue funds (general tax $$) that combine the old FPP credit with the Farmland Tax Relief Credit (that was previously a lottery credit but the funds switched to GPR). The funding source will not disappear, but the legislature and governor could choose to use the GPR for something else.

Staff Recommendation: No Changes to Farmland Preservation Plan

2. Present: Thomas Lepien
Address: 7273 W.Waterford Road, Hartford
Comment: In 1981, the old plan was adopted. Now we are moving into a new plan. Will people who don't want to move into the new plan going to have to pay a penalty? And how much? Judging from the numbers that I see in the back of the room here, you've got $5.00 an acre which is the minimum 80 acres - $400.00. Thirty years - $12,000.00 plus interest. My next question is: with the new plan, have you got any penalties in that? Or are we just doling out money? I've got a real problem with that. So, I don't know where you plan on going, but if I were a farmer and had paid full load for 30 years, I might be going walking down Main Street to see somebody that's got a license. Thank you for your time.

Staff Response:

- Landowners with land identified as a farmland preservation area (FPA) under the old farmland preservation program but not under the new program will not be subject to any type of penalty. However, these lands will no longer be eligible to claim tax credits once transition to the new program is completed. As stated on page 5 in the FPP, Washington County's existing farmland preservation plan expires on December 31, 2011. According to Chapter 91 and as stated on page 128 in the Final Draft FPP, farmland preservation (or exclusive agricultural) zoning ordinances established under the old farmland preservation program will expire one year after that date (December 31, 2012). Therefore, landowners will no longer be able to claim tax credits through farmland preservation (or exclusive agricultural) zoning after December 31, 2012. If a landowner had an independent farmland preservation agreement with DATCP, a landowner may continue to collect a tax credit until expiration of their existing agreement, but no agreements utilizing the old farmland preservation program will be established or renewed (See pages 75 and 76 of the Final Draft FPP)

- As stated on page 128 in the FPP, the rezoning of land out of a farmland preservation zoning district may be done without penalty. The only penalties, in the form of a conversion fee, that exist under the new program are associated with the termination of farmland preservation agreements. As explained on pages 130 and 131 of the Final Draft FPP, landowners within a designated Agricultural Enterprise Area (AEA) may voluntarily sign a farmland preservation agreement with the State to collect tax credits. These agreements are established for a minimum of 15 years. A landowner may terminate the agreement on any or all acres of land outlined in the agreement prior to the expiration date by paying a per acre "conversion fee" equal to three times the Grade 1 Agricultural Land Assessment Value. Examples of 2011 conversion fee amounts and calculations are provided in Table T-35 and Figure T-11 on page 131 of the Final Draft FPP. (Note: that the Use Value Assessment Conversion Penalty is a separate issue and does apply when land is classified as agriculture and the use of that land changes to a non-agricultural use.)

Staff Recommendation: No Changes to Farmland Preservation Plan

3. Present: Jeff Gonyo
Address: 2668 Highway 164, Slinger, WI 53086
Comment: I am speaking here both on my behalf and on our Citizens Organization's behalf - Highway J Citizens Group, UA. I think we need to put a top priority on preserving our open spaces and our farm land because once it's gone, you won't get it back. The way I think it should be done is through a voluntary process similar to the voluntary check-off that you have on your State and Federal income taxes for election campaigning, where you check the box and it does not increase or decrease or effect the tax that you pay. It's just an allocation of funds to something that you want designated. I could see something like that on our County property tax bills, where when you pay your property tax you could check the box and allocate $25.00 or $50.00 of your property taxes into a special fund that could be used to purchase development rights on at-risk farmland that's in especially the southern half of the county, which is at risk to development of prime farmland. This would be purely voluntary, as citizens could decide whether it's good or bad and whether it should be allocated or not allocated. It would create a fund to purchase this property and it wouldn't affect the individual's taxes at the time they pay their taxes, it's just an allocation. I think the County should really look into that and have a County check-off on the property taxes much like the State and Federal tax forms have for elections. Thank you.

Staff - No Response

Staff Recommendation: No Changes to Farmland Preservation Plan. PCPC could consider and forward idea in future.

4. Present: Vern Eliason (*speaking second time*)
Address: Camp Awana Road – (on Washington/Ozaukee County Line)
N6420 Camp Awana Rd.
Fredonia, WI 53021
Comment: Obviously, you can see that I am not for this. With property right now, most people's homes are currently underwater. A lot of people owe more than their places are worth. Now, you are asking us basically to reduce our farm values which are a double hit. You can't do a thing with these. If you go into this farmland preservation, your property is worthless at that point unless another farmer buys it. But, now you've got properties that are worth less than what people owe on them and you're asking us to actually reduce our

property values even more.   That's the problem with the Government. You guys just keep growing and you live off the backs of working people. I'm really sick of it.

Staff Response:

- As stated on pages 130 and 131 of the Final Draft FPP, participation in the Agricultural Enterprise Area (AEA) and Purchase of Agricultural Conservation Easement (PACE) programs within the Working Lands Initiative is voluntary on the landowner's behalf. These programs involve financial compensation to landowners willing to dedicate their lands to agricultural purposes for either a minimum of 15 years through the AEA program (through tax credits) or in perpetuity through the PACE program (through the sale of an easement).
- These programs do not impact property values:
    - The impact of zoning on the property values would be unchanged under the new WLI from zoning in the previous law. In fact, under the new law, a local government could allow conditional uses for non-farm residences – increasing the value of the property from the previous exclusive agricultural zoning that only had the option of rezoning the property to allow for this.
    - There is an option in the 15 year AEA agreements to remove land before the agreement expires based on paying a conversion fee.
    - For PACE, the resale value of the land would not be as much since the landowner would have already sold off a portion of their development rights.

Staff Recommendation: No Changes to Farmland Preservation Plan

5. Present: Al Wilhem
Address: 2718 Slinger Road, Richfield WI 53071
Comment: The County extended the sales tax with the stipulation that part of it was to buy farmland property rights. But then, when the new board members got in, that got voted down. Only the part that was supposed to buy farmland development rights, but not the sales tax. That kept on going. So, they should rescind the whole thing or give the money to help the farmers keep it as a farm.

Staff Response:

- 2005 Resolution 65 – *Creation of Purchase of Development Rights Program* allocated at least $800,000 yearly from the Washington County Capital Plan for 2007 and beyond. 2006 Resolution 14 – *Opposition to the Creation of a County Purchase of Development Rights Program* rescinded 2005 Resolution 65. 2005 Ordinance 30 – *County Sales and Use Tax* (4.28) that extended the sales tax allowed applying sales tax revenue for the approved Capital Improvement Program, but did not specify funding a PDR program.

Staff Recommendation: No Changes to Farmland Preservation Plan