

REQUEST FOR BOARD ACTION

HENDERSON COUNTY BOARD OF COMMISSIONERS

MEETING DATE: January 6, 2025

SUBJECT: Farmland Preservation Taskforce

PRESENTER: Rebecca McCall, Commissioner

ATTACHMENTS: Notice of Funding for Agricultural Growth Zone Grant

SUMMARY OF REQUEST:

On April 1, 2024, the Board of Commissioners authorized the creation of the Farmland Preservation Taskforce. The purpose of this Taskforce is to preserve and protect agricultural land throughout Henderson County while supporting local producers and the rural character of the County. Since then, the Taskforce has met eleven times to discuss and collaborate on ways to accomplish their goals. A primary goal established early on by the Taskforce was to consider Agricultural Conservation Easements as a tool to protect and preserve agricultural land permanently. Agricultural Conservation Easements restrict non-farm development within a deeded conservation easement area, and they are a primary preservation method used by counties across the state.

At their June 24th meeting, the Taskforce was presented with the NC Department of Agriculture and Consumer Services Farmland Preservation Trust Fund (NC ADFPTF) grant called the Agricultural Growth Zone grant. This grant will fund voluntary agricultural conservation easements within the County. On September 19, 2024, the Board of Commissioners directed staff to pursue the Agricultural Growth Zone grant based on the recommendations of the Farmland Preservation Taskforce. This grant is due on January 17, 2025.

The County has a greater chance of securing grant funding if it provides a Letter of Commitment for the grant match. The County would not need to identify or budget these funds to provide the Letter of Commitment. If awarded, this would need to happen within one fiscal year from the date of the grant contract. Based on the grant rules, the County would have two fiscal years to budget the required match. The maximum grant request is \$2 million. If the County chooses to apply for the maximum amount, the match requirement is a 1:1 match. If received, this grant would be the start of a County-wide Agricultural Conservation Easement fund to benefit our local farmers and help them protect their agricultural land.

BOARD ACTION:

The Board is requested to consider providing a Letter of Commitment for an agreed-upon grant match.

Suggested Motion:

I move that the Board provide a Letter of Commitment for the Agricultural Growth Zone grant with the agreed-upon grant amount, as discussed.



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Purpose

The purpose of the Local Agricultural Growth Zones (AGZ) program is to allow counties and conservation nonprofit organizations to enhance local investments in the acquisition of agricultural conservation easements by applying for matching funds from the state.

Different regions in North Carolina have varying agricultural landscapes, land use pressures, and community needs. Local AGZs allow for strategic approaches to farmland preservation at the community level.

Description

According to research by the American Farmland Trust and the University of Pennsylvania, large blocks of permanently protected land are one of the most effective sprawl management tools. AGZs are local or regional areas of concentrated agricultural conservation easements.

Large blocks of protected farmland can be a physical barrier to urban and suburban sprawl. AGZs are permanently protected from development, creating a buffer between urban areas and agricultural lands. These protected farms and forests can slow down encroachment and preserve the rural character of an area.

The fragmentation of farmland results in inefficient land use patterns, increased infrastructure costs, and loss of prime agricultural soils. Fragmentation of working lands is a threat to the agricultural economy of communities because it makes it more difficult for farmers to manage their operations and reduce the economic viability of their farms. AGZs reduce the fragmentation of working landscapes by protecting land resources in concentrated areas.

The local agricultural economy can benefit from reduced fragmentation through increased efficiencies in production, distribution, and marketing. When large blocks of farmland are protected, it supports the long-term viability of agribusinesses and contributes to the community's overall economic health.

Large blocks of protected farmland are most effective when they are coordinated with other planning efforts at the local, regional, and state levels. This includes comprehensive land use planning, zoning, and other policy mechanisms that promote smart growth, land preservation, and sustainable agricultural practices. Coordinated planning efforts can help to ensure that large blocks of protected farmland are strategically located in areas that are vulnerable to sprawl and that they are managed in a way that maximizes their impact on mitigating sprawl and preserving agricultural viability.

Application

Qualifying entities (county governments or private conservation nonprofit organizations) may request up to \$2 million per Local AGZ application.

Local AGZ applications must include a cash contribution for agricultural conservation easement purchase equal to or greater than the ADFP Trust Fund grant request for agricultural



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conservation easement purchase. Future projections for cash contributions for agricultural conservation easement purchase may be considered.

Higher consideration will be given to Local AGZ applications with secured cash contributions for agricultural conservation easement purchase and other funds available to complete agricultural conservation easement projects.

Local AGZ applications may request ADFP Trust Fund grant funds for transactional costs to complete the agricultural conservation easements. Grant requests for transactional costs are limited to 10 percent of the total Local AGZ request, and each line item is capped at the maximum cost average for the region.

Local AGZs are restricted within the boundaries of one county. Applications may include priority zones or focus areas within a county.

Example Budget:

Line Item	ADFPTF Grant Request	Secured Cash Match	Secured In-Kind Match
Easement Purchase	\$900,000.00	\$900,000.00	-
Stewardship Endowment	\$27,000.00	\$27,000.00	-
Appraisal	n/a	\$40,000.00	-
Transactional and Due Diligence Costs	\$73,000.00	-	\$20,000.00
TOTAL	\$1,000,000.00	\$967,000.00	\$20,000.00

Property Eligibility

If awarded a Local AGZ grant, agricultural conservation easement projects may be submitted on a rolling basis during the Local AGZ grant contract period.

To be eligible for an agricultural conservation easement through a Local AGZ grant contract, the property must be privately owned and in working lands use (agriculture, horticulture, forestry). Minimum acreage requirements must follow the present-use value guidelines: Five acres for horticulture, 10 acres for agriculture (row crops or pasture), 20 acres for forestry, or a combination of working lands use. If there are existing easements that have removed the development rights from the property, those easement areas will be ineligible for the program and do not count towards the minimum acreage requirements.

All agricultural conservation easements through a Local AGZ grant contract must work with a private nonprofit conservation organization or county government that will be responsible for agricultural conservation easement deliverables and will be the easement-holding entity

The contracted entity will submit each agricultural conservation easement project to the ADFP Trust Fund for review. The ADFP Trust Fund will verify property eligibility. Once property



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eligibility is confirmed, a subcontract for the property will be executed with the private nonprofit conservation organization or county government that will be the easement-holding entity.

To complete an agricultural conservation easement project with Local AGZ funding, all ADFP Trust Fund program requirements must be completed.

Grant Funds

Local AGZ grant contracts must identify the source of cash contributions. These may be sourced from a local government, a private conservation nonprofit organization, or a combination of both. Federal, state, or outside private sources of funding are ineligible.

Future budget projections of cash contributions for agricultural conservation easement purchase may be considered for budget planning purposes, but grant funds will only be expended for secured funding.

If a Local AGZ grant contract does not have secured cash contributions for agricultural conservation easement purchase, no grant funds may be expended until those funds are secured.

Grantees are limited to the start of the next fiscal year after the execution of a grant contract to secure cash contributions for agricultural conservation easement purchase. If cash contributions for agricultural conservation easement purchase from a local government or a private conservation nonprofit organization are not secured during this time period, the grant contract will be canceled.

Example: If a Local AGZ grant contract is awarded on October 1, 2024, the contracted entity has until July 1, 2025, to secure matching funds. The secured funds may be in whole or in part, but the maximum grant expenditures are limited to the secured matching funds.

Federal funding for agricultural conservation easement acquisition may not supplant or replace dedicated funding as identified in the Local AGZ grant contract.

If federal funds are secured for an agricultural conservation easement project approved under a Local AGZ grant, the funding from the local source and the ADFP Trust Fund must be reduced proportionally.



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Application Scoring

Scoring Question	Scoring Metrics	Points Awarded	Explanation
What is the amount of <u>Secured</u> Cash Match as a percentage of the ADFPTF grant request?	0 to 25 percent of the ADFPTF Grant Request	0	This scoring item is to incentivize more local investment in farmland preservation. Calculate this amount by dividing the secured cash match by the total ADFPTF grant request. (Secured cash match/ ADFPTF grant request)
	26 to 50 percent of the ADFPTF Grant Request	5	
	51 to 75 percent of the ADFPTF Grant Request	10	
	76 to 100 percent of the ADFPTF Grant Request	20	
	101 to 125 percent of the ADFPTF Grant Request	30	
	126 to 150 percent of the ADFPTF Grant Request	35	
	151 to 175 percent of the ADFPTF Grant Request	40	
	176 to 200 percent of the ADFPTF Grant Request	45	
	Over 200 percent of the ADFPTF Grant Request	50	
Does the Local AGZ proposal have a scoring rubric to prioritize agricultural conservation easement applications? If yes, upload the scoring rubric.	Yes	5	An established scoring rubric will provide an open and fair system for determining which parcels are selected for agricultural conservation easement funding. Aligning these with funding sources may increase the likelihood of additional funding.
	No	0	



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Does the Local AGZ proposal have a Property Priority Zones Map that identifies focus areas for funding? If yes, upload the map with the priority zones or focus areas.	Yes	5	Large blocks of permanently protected land are one of the most effective sprawl management tools. AGZs are local or regional areas of concentrated agricultural conservation easements.
	No	0	
Is the Local AGZ proposal open to any willing landowner with a qualifying farm or forest?	Yes	5	Although resources may be prioritized for focus areas, this public program should be available to any willing landowner with parcels that meet the land eligibility requirements.
	No	0	
Does the Local AGZ proposal provide additional scoring points or prioritize beginning, limited resource, socially disadvantaged, or veteran farmers or ranchers, as defined by the U.S. Department of Agriculture?	Yes	5	Providing additional scoring points or prioritizing historically underserved producers may help with potential barriers or constraints to enrolling the parcels.
	No	0	
Does the Local AGZ proposal provide additional scoring points or prioritize Got to Be NC members?	Yes	5	Providing additional scoring points or prioritizing Got To Be NC members may help promote and expand markets for North Carolina agricultural products both domestically and internationally.
	No	0	



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Does the Local AGZ proposal provide additional scoring points or prioritize Century Farm program members?	Yes	5	Providing additional scoring points or prioritizing Century Farm members may help preserve the agricultural heritage of communities by preserving farms that have continuous ownership by a family for 100 years or more.
	No	0	
Does the Local AGZ proposal provide additional scoring points or prioritize parcels enrolled in the Voluntary Agricultural Districts (VAD) or Enhanced VAD program?	Yes	5	Voluntary Agricultural Districts are the first step in Farmland Preservation at the parcel level, and enrollment may strengthen the viability of agricultural communities.
	No	0	
Does the Local AGZ proposal provide additional scoring points or prioritize members or parcels with American Tree Farmers, Forest Stewardship Program, or Sustainable Forestry Initiative Certification?	Yes	5	Providing additional scoring points or prioritizing working forests with sustainable management plans may help with the long-term viability of timber operations.
	No	0	
Does the Local AGZ proposal provide additional scoring points or prioritize parcels within five miles of an existing agricultural conservation easement?	Yes	5	Providing additional scoring points or prioritizing areas of established agricultural conservation easements may provide a head start on creating large blocks of permanently protected land.
	No	0	



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Does the Local AGZ proposal provide additional scoring points or prioritize parcels within five miles of local, state, or federally owned lands that are managed for the protection and use of agriculture, plants, forestry, wildlife, historical, or cultural sites?	Yes	5	Providing additional scoring points or prioritizing compatible land uses in a specific geographic area may provide a head start on creating concentrated conserved areas.
	No	0	