



DRAFT Land Legacy Committee (LLC) Meeting Agenda
East Multnomah Soil & Water Conservation District
 Monday, July 31, 2017, 4:00 – 6:00 PM
 5211 North Williams Ave, Portland OR

(July 25, 2017)

Item #	Time	Agenda Item	Purpose	Presenter	Packet <i>* please read; ~ please review</i>
1	4:00	<ul style="list-style-type: none"> • Welcome and Call to Order • Review/revise agenda • Previous action items • Approval of May 22, 2017 minutes 	Information Decision	Masterson	a. 05/22 Minutes
2	4:10	Time reserved for public comment ¹	Information	Public	n/a
3	4:15	Land Legacy Program 5 Year Program Plan Presentation & Discussion	Information	Shipkey/ Brown	a. ~ LLP Program Planning Components
<p><u>Overview:</u> To inform the Land Legacy Program and as an input to the EMSWCD strategic planning for 2018-2022, staff will present elements of the farmland component of the program plan, including program resources, techniques, goals and objectives.</p>					
4	5:35	Executive Session under ORS 192.660(2)(e) held for discussion of real estate negotiations	Information	Shipkey/ Brown	n/a
<p><u>Overview:</u> Staff will give an update on current land acquisition and conservation easement opportunities.</p>					
5	5:50	Decisions related to matters discussed in Executive Session (if needed).	Decision	Masterson	n/a
7	5:55	<ul style="list-style-type: none"> • Announcements and Reminders • Action Items • Adjourn 	Information	Masterson	n/a

¹ Each member of the public who wishes to speak shall be given approximately 3 minutes.



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EMSWCD Board Members, Officers and Meeting Dates:

EMSWCD Board			LLC	Year	FY17-18 Schedule	Board	LLC Co-Chairs	LLC
Members	Positions	Officers						
Nellie McAdams	Zone 1 Director		X	2017	July	10 th	21 st	31 st
Laura Masterson	Zone 2 Director		Chair		August	7 th	18 th	
Mike Guebert	Zone 3 Director		X		September	11 th	25 th	25 th
Rick Till	At-Large 1 Director	Chair	X		October	2 nd	20 th	
Allison Hensey	At-Large 2 Director	Secretary	X		November	6 th	17 th	27 th
Dianna Pope	Director Emeritus				December	4 th	15 th	
				2018	January	8 th	19 th	29 th
					February	5 th	16 th	
					March	5 th	16 th	26 th
					April	2 nd	20 th	
					May	7 th	18 th	21 st
					June	4 th	15 th	



DRAFT Land Legacy Committee (LLC) Meeting Minutes
East Multnomah Soil & Water Conservation District

(May 15, 2017)

Monday, May 22, 2017, 4:00 – 6:00 PM

Held at: 5211 North Williams Ave, Portland OR

Attendees	
Committee Members	Laura Masterson, Committee Co-Chair (arrived late) Mike Guebert Rick Till Nellie McAdams
Committee Members Not attending	Allison Hensey
Staff	Jay Udelhoven, Executive Director Andrew Brown, Conservation Legacy Program Supervisor Matt Shipkey, Land Legacy Program Manager Jed Arnold, Office Manager
Guests	

Item #	Time	Agenda Item	Purpose	Presenter	Packet
1	4:00	<ul style="list-style-type: none"> • Welcome and Call to Order • Review/revise agenda • Previous action items • Approval of February 6, 2017 minutes • Approval of March 27, 2017 minutes 	Information Decision	Masterson	a. 02/6 Minutes b. 03/27 Minutes
<p>Called to order at 4:07pm</p> <ul style="list-style-type: none"> • Brown reviewed previous action items. <p>MOTION: Till moved to approve the March and February 2017 minutes. McAdams 2nd All in favor, motion passes unanimously</p>					
2	4:10	Time reserved for public comment ¹	Information	Public	n/a
<ul style="list-style-type: none"> • No members of the public were in attendance. 					
3	4:15	Land Legacy Program planning and priorities	Information	Brown/ Shipkey	Meeting handout

¹ Each member of the public who wishes to speak shall be given approximately 3 minutes.



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<ul style="list-style-type: none"> • Brown reviewed current planning and priorities for the Land Legacy Program, including planning for the new Land Legacy Program Managers time leading up to strategic planning. • Shipkey presented his current work plan. <ul style="list-style-type: none"> ○ McAdams requested that any easement enforcement strategies and risk analysis methods that EMSWCD developed be generalized so that they might be useful to other districts. 					
4	5:00	Executive Session under ORS 192.660(2)(e) held for discussion of real estate negotiations	Information	Brown/ Shipkey	n/a
<p>Executive Session entered at 4:33pm</p> <p>Masterson arrived at 4:52pm</p> <p>Executive Session ended at 5:37pm</p>					
5	5:45	Decisions related to matters discussed in Executive Session.	Decision	Masterson	n/a
<p>MOTION: Till moved to make a recommendation to the board to authorize staff to pursue option 2b presented during executive session, subject to the conditions discussed.</p> <p>Masterson 2nd</p> <p>All in favor, motion passes unanimously</p>					
6	5:50	FY 2017-18 LLC meetings schedule	Information	Brown	n/a
<ul style="list-style-type: none"> • A discussion was held on what the most convenient time for committee members to meet might be going forward. 					
7	5:55	<ul style="list-style-type: none"> • Announcements and Reminders • Action Items • Adjourn 	Information	Masterson	n/a
<p>Meeting adjourned at 5:40pm</p>					



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Rick Till	At-Large 1 Director	Chair	X		October	3 rd	21 st	
Allison Hensey	At-Large 2 Director	Secretary	X		November	7 th	18 th	28 th
Dianna Pope	Director Emeritus				December	5 th	16 th	
				2017	January	9 th	20 th	
					February	6 th	17 th	6 th
					March	6 th	17 th	27 th
					April	3 rd	21 st	
					May	1 st	12 th	22 nd
					June	5 th	16 th	



EMSWCD Land Legacy Program Planning Components (2018 – 2022)

Executive Summary

This document contains components of the Land Legacy Program (LLP) plan specific to farmland which will be discussed at the July 31, 2017 Land Legacy Committee meeting. This is given as an input to the strategic planning for the LLP and EMSWCD, and will inform the 5-year program plan for the LLP as well. Additional components of the LLP planning will be discussed at the September LLC meeting. The components of the LLP planning work included in this document, with a summary of each, are outlined below.

Section 1. Human and Financial Resource Capacity.

Section 1 identifies the existing and projected human resource and financial capacity of the program, concluding that the principal programmatic capacity limitation is human resources. Relying upon the existing human resource capacity of the program likely limits the maximum annual number of farmland transactions to 3; maintaining this level of activity with the current staffing would preclude any expansion of the natural resources / access to nature program, program leadership on any non-farmland preservation activities and make it increasingly difficult to steward an increasing portfolio of property interests. This section also explores the implications of funding the farmland program at different levels, and retaining versus spending down the existing significant fund balance; it would appear there are resources sufficient to continue moving forward farmland, natural resources and access to nature projects.

Section 2. Techniques.

Section 2 explores the most common techniques utilized to secure a sustainable agricultural economy and to protect and improve the health and functioning of natural systems. It is recommended that the LLP continue to focus its efforts on the preservation of the agricultural land base through fee and conservation easement transactions. Some preliminary recommendations about the “baseline” requirements associated with these techniques are included, with a preference for such strategies that are simple and add quantifiable value (with the two not always being complementary). Other techniques which the LLP could utilize as “add-ons” and as capacity allows are also discussed.

Section 3 and 4. Goals and Objectives.

The multiple prior goals of the farmland component of the LLP are identified in Section 3. A two-sentence goal statement is presented for consideration in this section. Prior objectives of the farmland component of the LLP are explored in Section 4 – the final section of the document. The main challenges to meeting these goals – the youth of the program, EMSWCD’s objectives and the unique Oregon context are discussed at length. This section concludes by positing 7 specific objectives for the term of the program plan – with 5 of these relating directly to a sustainable agricultural economy, and two relating to protecting and improving soil and water quality.



Table of Contents

1 Program Capacity.....	3
1.1 Program Human Resource Capacity	3
1.2 Program Financial Resource Capacity	7
2 Land Legacy Program Techniques	10
2.1 Menu of Possible Farmland Program Techniques.....	10
CONSERVATION EASEMENT TECHNIQUES	11
FEE SIMPLE PURCHASE TECHNIQUES	15
SECURING ACCESS TO FARMLAND TECHNIQUES	17
NATURAL RESOURCE PROTECTION TECHNIQUES	19
2.2 Farmland Program Techniques to be Utilized.....	21
2.2.1 Conservation Easement Techniques.....	22
2.2.2 Fee Acquisition Techniques	24
2.2.3 Other Techniques	25
3 Goals	27
3.1 Previously Stated Goals.....	27
3.2 New Goal Statement.....	28
4 Land Legacy Program Objectives	29
4.1 Analysis of Progress Towards Meeting Prior Farmland Program Objectives	29
4.2 Farmland Program Objectives for this Strategic Plan.....	31
4.2.1 Farmland Program Objectives for Securing a Sustainable Agricultural Economy.....	31
4.2.2 Farmland Program Objectives for Improving Soil & Water Quality.....	32
Appendix A CE & Fee Acquisition, Fee Disposition Time Estimates.....	34
Appendix B CE Management, Farm Conservation Plan & Fee Management.....	36
Appendix C Expected Program Funding, & Projected Transactional Costs.....	37



1 Program Capacity

In order to formulate achievable goals and select techniques that effectively and efficiently establish a mechanism for achieving those goals, careful consideration must be given to the human and financial resources that make the program possible.

1.1 Program Human Resource Capacity

The Land Legacy Program has one dedicated FTE. The Land Legacy Program Manager’s work can be generally divided into the following categories: **program fundamentals** (e.g. document and policy development, program planning, record keeping, budgeting, reporting, training, Land Legacy Committee preparation); **deal development** (inclusive of outreach, partnership building and analysis); **farmland transactional work** (acquisition and disposition); **natural lands/access to nature projects**; **other program activities** (e.g. farm succession planning workshops) and; **property interest management**. Estimates of the hours required for each category – based upon the author’s 15 years of experience in land conservation and the projections found in Appendices A & B – on an annual basis are noted. These are expressed as a range given the lack of predictability associated with these tasks (and in particular real estate transactions).

Program Fundamentals					
	2018	2019	2020	2021	2022
Weekly Hours Spent ¹	3 – 5	2 – 3	2 – 3	2 – 3	2 – 3
Monthly Hours Spent	12 – 20	8 – 12	8 – 12	8 – 12	8 – 12
Annual Hours Spent	144 – 240	96 – 144	96 – 144	96 – 144	96 -144
<i>Cumulative Time Remaining²</i>	<i>1,535 to 1,641</i>	<i>1,641 to 1,694</i>	<i>1,641 to 1,694</i>	<i>1,641 to 1,694</i>	<i>1,641 to 1,694</i>

¹ Total weekly hours if working at the top end of each range would equate to between 42 to 45 hours/week. These are ranges, so it is unlikely that the maximum end of each range would be consistently realized. There are likely to be periods of more intense work activity, balanced by periods of less intensity. And, as discussed elsewhere in this plan, work tasks will be dynamically reprioritized based upon need and capacity.

² Assumes a 225-day work year comprising 1,800 hours.

http://www.workingdays.us/workingdays_holidays_2016_Oregon.htm (253 working days – 10 federal holidays – 15 paid vacation days – 3 miscellaneous days for training, sick time, etc.)



Deal Development					
	2018	2019	2020	2021	2022
Weekly Hours Spent	7 - 12	6 – 10	4 – 8	3 – 5	2 – 4
Monthly Hours Spent	28 - 48	24 – 40	16 – 32	12 – 20	8 - 16
Annual Hours Spent	336 - 576	288 - 480	192 – 384	144 – 240	96 - 192
<i>Cumulative Time Remaining</i>	<i>899 to 1,270</i>	<i>1,111 to 1,376</i>	<i>1,217 to 1,482</i>	<i>1,376 to 1,535</i>	<i>1,429 to 1,588</i>

Transactional Work³					
	2018	2019	2020	2021	2022
Weekly Hours Spent	13 – 22	13 – 22	13 – 22	13 – 22	13 – 22
Monthly Hours Spent	52 - 88	52 - 88	52 - 88	52 - 88	52 - 88
Annual Hours Spent	624 – 1,056	624 – 1,056	624 – 1,056	624 – 1,056	624 – 1,056
<i>Cumulative Time Remaining</i>	<i>(-267) to 581</i>	<i>(-55) to 687</i>	<i>51 to 793</i>	<i>210 to 846</i>	<i>263 to 899</i>

Natural Lands/Access to Nature Projects					
	2018	2019	2020	2021	2022
Weekly Hours Spent	2 – 3	2 – 3	2 – 3	2 – 3	2 – 3
Monthly Hours Spent	8 – 12	8 – 12	8 – 12	8 – 12	8 – 12
Annual Hours Spent	96 – 144	96 – 144	96 – 144	96 – 144	96 – 144
<i>Cumulative Time Remaining</i>	<i>(-426) to 475</i>	<i>- (214) to 581</i>	<i>- (108) to 687</i>	<i>51 to 740</i>	<i>104 to 793</i>

³ Based upon the estimates for transactions found in Appendix A. Assumes 1 CE and 1 Fee acquisition, and 1 Fee disposition annually



Other Program Activities⁴					
	2018	2019	2020	2021	2022
Weekly Hours Spent	1	1	1	1	1
Monthly Hours Spent	4	4	4	4	4
Annual Hours Spent	48	48	48	48	48
<i>Cumulative TOTAL Time Remaining</i>	<i>(-479) to 422</i>	<i>(-267) to 528</i>	<i>(-161) to 634</i>	<i>(-2) to 687</i>	<i>51 to 740</i>

Property Interest Management⁵					
	2018	2019	2020	2021	2022
Weekly Hours Spent	2	4	6	8	10
Monthly Hours Spent	8	16	24	32	40
Annual Hours Spent	96	192	288	384	480
FINAL CUMULATIVE TOTAL Time Remaining	<i>(-585) to 316</i>	<i>(-479) to 316</i>	<i>(-479) to 316</i>	<i>(-426) to 263</i>	<i>(-479) to 210</i>

While the above figures are best guess estimates and subject to change due to unknown opportunities and challenges, they do suggest some generalized conclusions:

- The first year of the 2018-2022 Strategic Plan period will have some unique demands – foundational program development and deal development; these will limit capacity to engage in transactional work, natural lands/access to nature projects and/or other program activities.
- If the EMSWCD is unable to find a partner to share in the management of property interests, that component of the program work will increasingly demand more time and a reduced availability for new project development as EMSWCD 's property interest portfolio grows.
- Based upon current human resources, it is unlikely the program would be able to manage more than 3 transactions annually (2 acquisitions and 1 disposition), and in some years, it is possible this transaction objective may not be achievable.

⁴ The principal activity projected here is a revamped annual (and perhaps more frequent) farm succession planning workshop

⁵ Based upon the estimates for property interest management found in Appendix B. Assumes 1 conservation easement and 1 fee Interest in Year 1, increasing by 1 each in each of the following years.



- There is likely no capacity to grow the role of the Natural Lands / Access to Nature program without additional staffing, a re-ordering of priorities and/or relinquishing some current activities.
- Based upon the preceding analysis, there is a distinct possibility that once the farmland component of the LLP is actively moving forward multiple conservation projects, there will be insufficient staffing to robustly and effectively deliver on the multiple program objectives of farmland conservation, natural resource protection, access to nature and property interest management.

There are potential alternatives that could address the lack of capacity. These broadly fall into the category of re-aligning work outcomes and adding capacity.

Work Outcome Re-Alignment:

- o While disposition of fee properties helps achieve program outcomes and makes new monies available for land conservation activities, disposition could be deferred as needed. This would potentially free up between approximately 171 – 231 hours annually
- o Farm Succession Planning (Other Program Activities) is potentially an excellent vehicle for landowner outreach, in addition to achieving the critical objective of succession planning. However, if other outreach activities are effectively engaging with the agricultural community, this activity could be deferred, for a potential time savings of approximately 48 hours a year
- o If the focus of the LLP is principally farmland, it may be possible to scale back those activities associated with natural resource protection and access to nature.

Additional Capacity:

- o Adding additional staff capacity within the LLP to take on discrete tasks that lend themselves well to management by another individual. The most obvious opportunity lies within property interest management, but there are also some opportunities within Other Program Activities (e.g. succession planning) and access to nature/natural resource lands.
- o Adding outside staff capacity, perhaps through contractors. The capacity for a contractor to take on work program activities is more limited, as there are some clear downsides to doing so. For example, contracting out property management activities could mean EMSWCD loses the ability to proactively address certain issues. However, it is a possible that a contractor might be able to manage implementation of farm succession workshops. And, with careful structuring of a framework, perhaps a consultant could manage the intake and assessment of a natural resource / access to nature projects.



1.2 Program Financial Resource Capacity

The Land Conservation Fund has an existing fund balance of \$6,935,426⁶ as of July 1, 2017. For the purposes of estimating program resources, it has been assumed that the annual transfer from the general fund would continue at the level it has been at in recent years. New recurring revenue sources include an approximate \$1,000,000 annual transfer from the general fund, interest earned on the fund balance and the resale of EMSWCD property interests. A total of \$13,245,147 is expected to be available to the program over the five-year term of this program plan.

Predicting what level of annual farmland conservation activity this might enable is impossible to do with any level of precision given the inability to forecast with any certainty the variables which have a significant impact upon purchase price, such as parcel size, residential rights, proportion of irrigated/dry/ancillary land, the ratio of fee to conservation easement transactions, etc. However, certain assumptions can be made about parcel size and expense which can quantify financial capacity in a very general sense. Based upon certain assumptions, consideration is given to what number of transactions per year might be possible if 50% and 75% of the expected annual fund balance (and either spending down the entire fund balance over the term of the strategic plan or 50% of it) was applied towards farmland property interest purchase expenses (exclusive of due diligence and property interest management). The assumed conserved farm size is the average of the current top 75 prioritized focal area farm operation size (34 acres). The purchase price is calculated based upon the average size, with assumptions made about the proportion of land unit types; a price per acre of land unit type is estimated based upon existing appraisal data and author intuition. An annual appreciation factor is also applied. More detail on the assumptions underlying these calculations can be found in the attached Appendix C.

Potential Annual Farmland Transaction Activity with 50% Allocation (\$1.32M) to Farmland:

*All fee transactions: **Approximately 2***

*All conservation easement transactions: **Approximately 4**⁷*

*Combination of fee and conservation easement transactions: **Approximately 2 conservation easements and 1 fee transaction***

Potential Annual Farmland Transaction Activity with 75% Allocation (\$1.98M) to Farmland:

*All fee transactions: **Approximately 3***

*All conservation easement transactions: **Approximately 7***

*Combination of fee and conservation easement transactions: **Approximately 4 conservation easements and 1 fee transaction***

⁶ Beginning fund balance + new general fund transfer. Excludes interest to be earned over the coming year and anticipated Oxbow sale revenue.

⁷ Given the low estimated conservation easement values, an assumed \$100,000 additional EMSWCD contribution to farm infrastructure improvements / incentive payments for agricultural management practice improvements is also included (in this instance and the following conservation easement calculation instances)



Another way of looking at program capacity is what number of acres of property interest might be secured based upon the same 50% and 75% allocation of total LLP funds to farmland conservation efforts. Again, many assumptions must be made here. This analysis divides the total amount of funds by the projected property interest cost (for the years 2018 and 2022) and then multiplies the total number of transactions by the average of the current top 75 prioritized focal area farm operation size.

Potential 5 Year Farmland Transaction Activity with 50% Allocation (\$6,622,573) to Farmland:

*All fee transactions: **Approximately 353 – 397 acres***

*All conservation easement transactions: **Approximately 765 - 826 acres***

Potential 5 Year Farmland Transaction Activity with 75% Allocation (\$9,933,860) to Farmland:

*All fee transactions: **Approximately 529 – 596 acres***

*All conservation easement transactions: **Approximately 1,148 – 1,239 acres***

The above assumes that EMSWCD is spending down the existing accumulated fund balance (\$5.935M) over the strategic plan period. An alternative would be to maintain a balance in reserve in order to have the ability to pursue particularly compelling and costly projects as they arise. Reserving half of the existing fund balance (\$3M) for availability in the period beyond this strategic plan would result in the following adjusted outcomes:

Potential Annual Farmland Transaction Activity with 50% Allocation (\$1M) to Farmland:

*All fee transactions: **Approximately 2 smaller projects or 1 large project***

*All conservation easement transactions: **Approximately 3⁸***

*Combination of fee and conservation easement transactions: **1 to 2 conservation easements and 1 fee transaction***

Potential Annual Farmland Transaction Activity with 75% Allocation (\$1.53M) to Farmland:

*All fee transactions: **Approximately 2***

*All conservation easement transactions: **Approximately 5***

*Combination of fee and conservation easement transactions: **Approximately 3 conservation easements and 1 fee transaction***

Potential 5 Year Farmland Transaction Activity with 50% Allocation (\$5,122,573) to Farmland:

*All fee transactions: **Approximately 273 – 307 acres***

*All conservation easement transactions: **Approximately 592 - 639 acres***

Potential 5 Year Farmland Transaction Activity with 75% Allocation (\$7,683,860) to Farmland:

*All fee transactions: **Approximately 409 - 461 acres***

*All conservation easement transactions: **Approximately 888 – 958 acres***

⁸ Given the low estimated conservation easement values, an assumed \$100,000 additional EMSWCD contribution to farm infrastructure improvements is also included (in this instance and the following conservation easement calculation instances)



Consideration could also be given to maintaining a portion of the fund balance for property interest monitoring and enforcement efforts. Setting aside a lump sum at the beginning does tie up funds based upon projected estimates of land conservation activity that may or may not come to pass. Alternatively, funds for these efforts can be set aside on a project basis; this does run the risk that future Boards might not allocate sufficient funds, but the same could also be said of a dedicated fund balance.

While the above figures are best guess estimates and subject to change due to unknown opportunities and challenges, they do suggest some generalized conclusions:

- Assuming the focus of the LLP remains the farmland preservation component, and that EMSWCD continues to assume the majority of the responsibility for implementation, the financial capacity of the LLP outstrips the human resource capacity of the LLP.
- Assuming the human resource capacity does not increase and that EMSWCD disposes of one fee interest annually, then a 50% allocation of funds to farmland conservation interest acquisition with a drawdown of 50% of the existing fund balance might be sufficient. Should disposition be deferred in a particular year, then a 50% allocation of funds to farmland conservation interest acquisition with a drawdown of the full existing fund balance (pro-rated for the specific year) might be sufficient.
- Additional human resource capacity for farmland preservation efforts – either at EMSWCD and/or through partners – would increase the pace of farmland preservation efforts (provided there are willing sellers).
- As each transaction has a “baseline” human resource input regardless of parcel size, the preceding analysis suggests the EMSWCD would accomplish significantly more – if acreage is the metric – by prioritizing larger parcels and simple transactions.
- While the conservation easement option would result in more acres protected at a lower cost, that is only possible if the significantly lower values were in fact desirable to the farming community and the human resource capacity exists to manage the increased number of transactions.



2 Land Legacy Program Techniques

This section discusses the strategies that will be utilized to achieve the Land Legacy Program goal areas – which are discussed in greater detail in Section 3 of this document – but which generally fall into the following 2 categories:

- Securing a Sustainable Agricultural Economy
- Protecting and Improving the Health and Functioning of Natural Systems

2.1 Menu of Possible Farmland Program Techniques

There are multiple methods of achieving the above stated goals. Clearly, it is outside the capacity of EMSWCD to employ all these techniques, so decisions must be made as to which will have the greatest positive impact on the stated goals. The table that follows outlines the techniques, what outcomes they help achieve and some of the well-known pros/cons of each technique. These techniques are grouped into generalized sub-categories: **conservation easement techniques**; **fee simple purchase techniques**; securing access to farmland; and **natural resource protection techniques (bolded techniques** are those which EMSWCD would most likely be best positioned to play a lead/supporting role in).

(see tables on following pages)



GOAL: SECURING A SUSTAINABLE AGRICULTURAL ECONOMY⁹

CONSERVATION EASEMENT TECHNIQUES ¹⁰				
Technique	Description	Outcome Achieved	Pros	Cons
No Build Working Lands Conservation Easement	<i>This is the ‘typical’ working lands easements that at a minimum limits the amount and location of impervious surfaces. May also identify areas where no farming practices could occur - resource protection areas</i>	Keeps important agricultural soils available for farming in perpetuity, allows for capital extraction	<ul style="list-style-type: none"> • “Tried and true” technique that has broad acceptance within the non-OR Ag community • Readily understood • Generally not perceived as “onerous” and “micromanaging” by the Ag community 	<ul style="list-style-type: none"> • Does not ensure property will continue to be farmed • Does not ensure that best management practices will be utilized • Does not ensure that eased property will be available to “true farmers”
Affirmative Obligation to Farm Covenant	<i>Requires either a minimum level of ag activity or that the land be available for ag (e.g. mowed to prevent tree growth). On the former, the CE holder may have the ability to lease out the eased property to an ag operator.</i>	Ensures lands are worked, which contributes to the ongoing agricultural viability of the surrounding area	<ul style="list-style-type: none"> • More likely to achieve the outcome of a sustainable Ag economy than a simple no-build CE • Likely to increase the CE sale proceeds • May reduce future resale price to a limited extent 	<ul style="list-style-type: none"> • Not a commonly used technique, so there is likely to be resistance from Ag community. Limited data on the efficacy and challenges of this technique • Significantly increases CE management burden • Does not ensure that eased property will be available to “true farmers” • Increased acquisition cost

⁹ Includes only non-regulatory techniques

¹⁰ Note that except in the instance of term conservation easements all the stated conservation easement techniques would otherwise be perpetual in duration.



CONSERVATION EASEMENT TECHNIQUES				
Technique	Description	Outcome Achieved	Pros	Cons
<p>Option to Purchase at Agricultural Value</p>	<p><i>In the event of desired sale to a non-family member (does not have to be a farmer) or a non-Qualified Farmer (someone who earns at least ½ of their gross income from farming or whom have other “genuine” farming bona fides), CE holder <u>may</u> exercise option to purchase land and improvements at its commercial ag value (determined by appraiser or adjustment formula applied to initial appraised ag value determination)</i></p>	<p>Helps secure one of the key ingredients of Ag viability – keeping farmland affordable for “real” farmers</p>	<ul style="list-style-type: none"> • Without an affordable land base, a viable agricultural economy is unlikely • Helps provide an “on-ramp” to ownership for farmers • May provide significant increase in CE sale proceeds 	<ul style="list-style-type: none"> • One of the key selling points of a “bare bones” no build working lands easement is that it does not restrict future resale proceeds; this precludes the opportunity for the farmer to realize all of that gain • Rarely used technique, so that in and of itself is likely to cause skepticism from the Ag community • Limited data on the efficacy and challenges of this technique • Cost to acquire & manage • Cannot reduce costs associated with improvements • Likely benefits established farmers more than new farmers • Easement holder purchases an interest they may not exercise



CONSERVATION EASEMENT TECHNIQUES				
Technique	Description	Outcome Achieved	Pros	Cons
Reserved Right of First Purchase / Refusal	<i>Gives easement holder the right to make the initial purchase offer, or allows them to match another offer the owner otherwise intends to accept</i>	May help secure one of the key ingredients of Ag viability – keeping farmland affordable for “real” farmers	<ul style="list-style-type: none"> Without an affordable land base, a viable agricultural economy is unlikely May help provide an “on-ramp” to ownership for the next generation of farmers (if EMSWCD exercises) May provide some increase in CE sale proceeds 	<ul style="list-style-type: none"> Landowners can sometimes perceive this as dampening sales price / interest (however this is a provision that is more and more common in working lands easements, which implies a significant level of acceptance) For this to work as affordability tool requires EMSWCD to potentially outlay significant capital on fee purchase and management, and possibly take a loss on resale
Limitations on Reserved Residential Opportunities	<i>Places limits on the quantity of residential improvements, as well as the size of same</i>	May improve prospects of future farm transfers being to “real” farmers	<ul style="list-style-type: none"> Can limit interest of preserved farmland to bona fide farmers by excluding estate farmers who desire multiple home sites/large sq ft allowances Likely increases CE proceeds 	<ul style="list-style-type: none"> Not a surefire way of ensuring farmland passes to bona-fide farmers Potential preservation program participants may not want to limit future resale value



CONSERVATION EASEMENT TECHNIQUES				
Technique	Description	Outcome Achieved	Pros	Cons
Agricultural Management Practice Requirements	<i>Requires the owner apply some level of agricultural management practice standards (active and/or passive). Wide range of options including establishing areas of non-disturbance, development of a conservation plan, strict implementation of the cons. plan</i>	Helps achieve what is arguably the most fundamental objective of EMSWCD	<ul style="list-style-type: none"> • Direct and explicit means of ensuring improvement and maintenance of natural functions • Potential to increase the CE sale proceeds 	<ul style="list-style-type: none"> • Depending on the level of AMP required, may face resistance from the Ag community • CE management burden will increase commensurate with the scope of AMP required
Term Conservation Easements	<i>The conservation easement is not perpetual, but is time limited. Could layer with an option to convert term to perpetual</i>	May allow EMSWCD to get past the initial hurdle of CE acceptance within the farming community	<ul style="list-style-type: none"> • Possible this could be an entrée to building acceptance with the Ag community • Reduced upfront cost 	<ul style="list-style-type: none"> • Significant investment for something less than perpetuity • Likely difficult to value • May not provide compelling enough easement value consideration
Transfer of Development Credits/Rights	<i>Development rights transferred from between parcels (for \$). OR permits transfer of Measure 49 rights, but Mult. Co has not adopted the necessary legislation.</i>	The “sending” property is typically permanently protected with a conservation easement	<ul style="list-style-type: none"> • Often utilizes private market to fund the transfer, thus reducing demand on public / non-profit funds 	<ul style="list-style-type: none"> • Very complex to establish and administer • Requires area willing to accept additional development



FEE SIMPLE PURCHASE TECHNIQUES				
Technique	Description	Outcome Achieved	Pros	Cons
<p>Ground Lease (assumes EMSWCD owns the property)</p>	<p><i>Owner leases the property to a farmer for a very long period of time, which gives lessee the certainty needed to invest in ag improvements. Typically a triple net lease (lessee pay taxes, insurance and maintenance), with land and improvements returned to lessor at end of lease term</i></p>	<p>“On-ramps” the next generation of farmers who would otherwise not have access to land to farm</p>	<ul style="list-style-type: none"> • Provides access to farmland for capital poor farmers • Affords the fee owner a great deal of say in deciding who farms the land and the practices utilized Longer-term leases provide the certainty needed to invest in farm infrastructure 	<ul style="list-style-type: none"> • While less resource and capital intensive than an incubator farm, this still requires staff resource investment (as well as having the requisite skill/knowledge set available to draw on) • Ties up EMSWCD capital investment for a significant period of time
<p>Lease to Own (assumes EMSWCD owns the property)</p>	<p><i>Lease includes an option for purchase by the lessee at a future date</i></p>	<p>“On-ramps” the next generation of farmers who would otherwise not have access to land to farm</p>	<ul style="list-style-type: none"> • Provides access to farmland for capital poor farmers • Affords the fee owner a great deal of say in deciding who farms the land and the practices utilized, as well as the terms of the CE the property is sold subject to 	<ul style="list-style-type: none"> • While less resource and capital intensive than an incubator farm, this still requires staff resource investment (as well as having the requisite skill/knowledge set available to draw on) • If lessee does not purchase, finding an alternate buyer • Ties up EMSWCD capital investment for a significant period of time



FEE SIMPLE PURCHASE TECHNIQUES				
Technique	Description	Outcome Achieved	Pros	Cons
EMSWCD Resale of Farmland	<i>Resale of fee interest in farmland with a conservation easement restriction (select from the menu of options above under Conservation Easement techniques)</i>	Opportunity to achieve full suite of conservation outcomes	<ul style="list-style-type: none"> • Fee purchase / resale as restricted may be most feasible means of securing CE's at the outset of the program given low CE values and lack of familiarity / comfort with the program • Allows fee owner more latitude in deciding what restrictions to encumber the property with • Recycles funds for new conservation work 	<ul style="list-style-type: none"> • This approach is less resource and capital intensive than ongoing fee ownership, but it still requires significant capital and resource investment • An increase in the level of restrictions will likely have an inverse effect on the sale proceeds, and extend the marketing time
Incubator Farms	<i>Headwaters</i>	Nurtures the next generation of farmers who would otherwise not have access to land to farm to develop their skills	<ul style="list-style-type: none"> • Sustains a pipeline of new farmers to succeed the current aged farming cohort 	<ul style="list-style-type: none"> • Operating and managing an incubator farm is very resource intensive – requiring at least 1 FTE per farm, as well as the initial and ongoing capital and operational investments



SECURING ACCESS TO FARMLAND TECHNIQUES¹¹				
Technique	Description	Outcome Achieved	Pros	Cons
Access to Capital	<i>FSA loans, other public sector funding streams</i>	Provides capital necessary for land acquisition and Ag infrastructure development	<ul style="list-style-type: none"> Recognizes and accounts for unique challenges associated with Ag economics 	<ul style="list-style-type: none"> Often more readily available to well established farmers
Private Capital Financing	<i>Mission driven investors (such as Dirt Capital) purchase unrestricted farmland, lease to farmer, sell easement and then sell restricted farm to lessee (for an appreciated amount). Often partner with conservation orgs.</i>	Provides on-ramp to ownership for young and other capital constrained farmers	<ul style="list-style-type: none"> Can help nurture the next generation of farmers Brings in additional capital Burden of management borne by investors 	<ul style="list-style-type: none"> Relatively new technique Capital mostly on east coast Investors require a return – high land prices and low CE values could present a real challenge Investors prefer “simpler” CE’s with limited restrictions
Land Link Programs	<i>Database of farmland owners looking to sell and farmers looking to purchase (e.g. OR Farm Link program)</i>	Connects farmland sellers with farmland buyers	<ul style="list-style-type: none"> Potentially makes better and more efficient connections 	<ul style="list-style-type: none"> Limited data on efficacy

¹¹ Several of the techniques described above under Conservation Easement and Fee Simple Purchase techniques also work towards this end



SECURING ACCESS TO FARMLAND TECHNIQUES				
Technique	Description	Outcome Achieved	Pros	Cons
Farm Internship /Apprenticeship	<i>Develops skills</i>	Helps secure interest and develop skills necessary for next generation of farmers	<ul style="list-style-type: none"> Fairly low capital and resource costs 	<ul style="list-style-type: none"> Host farms must be passionate and/or financially incentivized to play this role
Effective Farm Succession Planning	<i>Provide examples and resources that enable farmers to effectively plan for transfer of farm assets</i>	Helps ensure the current aging cohort of farmers is succeeded by the next generation	<ul style="list-style-type: none"> Simply put, without farmers, there is no Ag economy Provides entrée to discussing CE's 	<ul style="list-style-type: none"> There is no assurance that education will result in broad-based and effective succession planning. An additional investment in concrete resources, assistance and mentorship is required for it to succeed
OTHER				
Technique		Outcome Achieved	Pros	Cons
Developing an Effective Professional Support Network		Successful implementation of all of the above stated techniques requires capable professionals	<ul style="list-style-type: none"> Ensures effective and sustainable outcomes 	<ul style="list-style-type: none"> Will take effort to develop in OR given the long-time reliance on regulatory methods alone



GOAL: PROTECTING AND IMPROVING THE HEALTH AND FUNCTIONING OF NATURAL SYSTEMS

NATURAL RESOURCE PROTECTION TECHNIQUES				
Technique	Description	Outcome Achieved	Pros	Cons
Resource Protection Areas	<i>Typically embedded within a working lands conservation easement, places limits on activities and impervious surface coverage within sensitive natural resource areas</i>	Safeguards important natural resources	<ul style="list-style-type: none"> Limits disturbance of most ecologically sensitive lands Some potential to increase the CE sale proceeds Fairly commonly utilized within working lands CE's, with a broad level of acceptance within the farming community Possibility of funding through CREP 	<ul style="list-style-type: none"> The typical RPA does not require the owner to implement steps that would improve the health of these areas (e.g. invasive plant removal) There can sometimes be a conflict between the objectives of Ag viability and natural resource protection
Agricultural Management Practice Requirement	<i>Requires the owner apply some level of best management practice standards. Wide range of options including establishing areas of non-disturbance, development of a conservation plan, strict implementation of the cons. plan.</i>	Helps achieve what is arguably the most fundamental objective of EMSWCD	<ul style="list-style-type: none"> Direct and explicit means of ensuring improvement and maintenance of natural functions Potential to increase the CE sale proceeds May be able to leverage funds from other sources (e.g. carbon credits for forest management) 	<ul style="list-style-type: none"> Depending on the level of AMP required, may face resistance from the Ag community CE management burden will increase commensurate with the scope of AMP required



NATURAL RESOURCE PROTECTION TECHNIQUES				
Technique	Description	Outcome Achieved	Pros	Cons
<p>Affirmative Actions Taken to Increase Health and Functioning of Natural System</p>	<p><i>Could include such conservation practices as manure management structures, riparian buffer plantings and invasive species removal</i></p>	<p>Ensures that natural systems functioning improved</p>	<ul style="list-style-type: none"> • Almost certain to result in better outcomes than a simple RPA with no specific improvement actions taken • Potential to increase the CE sale proceeds • Possibility of funding through CREP 	<ul style="list-style-type: none"> • Increased cost to Grantee in terms of “protection” payment, infrastructure payment and ongoing management/maintenance • Who is responsible for ensuring that the capital investments are maintained and supplemented as needed going forward? • There can sometimes be a conflict between the objectives of Ag viability and natural resource protection



2.2 Farmland Program Techniques to be Utilized

Careful consideration was given to whether a technique was appropriate to the age of the LLP (e.g. a new program trying to establish itself), was scaled to the skills and capacity of the LLP and the extent to which it has “proven” itself in practical application. The LLP faces a unique challenge stemming from its age, capacity and operation within the context of Oregon land use restrictions. The relative youth and lack of any substantive track record would suggest that a limited and simple suite of techniques would be most effective at securing initial robust participation. The modest human resource capacity of the LLP would also argue for a simpler approach, as it would likely allow for a greater volume of transactions. A counterargument for more complex techniques can be made in consideration of the restrictive Oregon land use regulations. These land use regulations might result in very limited appraisable conservation easement value as many focal area parcels have limited additional development potential. More complex techniques which incorporate additional restrictions and/or obligations might result in a more robust valuation that is more compelling to landowners. A valuation analysis – to be completed in the coming months – that teases out the values of different possible conservation easement components may provide some insight into what approach might be most effective. But, what is likely to be most effective is for the LLP to be responsive to property and landowner circumstances. While certain baseline minimums are appropriate, adaptability and flexibility as it relates to other techniques will otherwise best serve the LLP.

It should be noted that conservation transactions that involve EMSWCDs’ purchase of a fee interest in farmland and resale subject to a conservation easement likely increase the range and extent of conservation outcomes EMSWCD can achieve, as this scenario allows EMSWCD to largely decide on its own the conservation parameters; a conservation easement purchase results from a negotiation with an existing landowner.

All of the techniques identified below are intended to be “vested” within a perpetual conservation easement instrument. An alternative which EMSWCD could explore is a term conservation easement – an easement that would last for only a certain period of years. This approach is consistent with the suggestion that adaptability and flexibility will help the LLP to succeed. While a term conservation easement will certainly not offer anything but a fraction of the financial remuneration of a permanent conservation easement, term easements may be a useful strategy to secure participation and build comfort at the outset of the program.

In identifying the land conservation techniques to be employed by the LLP, it is helpful to break these out into the categories of conservation easement transaction and fee transactions. These can be further sub-categorized by the specific goals they help achieve: **retention of productive soils for agricultural use; maintenance of productivity; farmland affordability; and natural resources protection**. Techniques that are underlined are baseline minimums which would only be waived in extraordinary circumstances and with Board approval, all other techniques are optional. The final subsection – Other Techniques – describes where EMSWCD might be



able to contribute towards implementation of some of the other techniques described in Section 2.

2.2.1 Conservation Easement Techniques

Goal: Retention of Productive Soils for Agricultural Use

While agriculture takes many forms, the form of agriculture most directly aligned with the mission of EMSWCD is traditional, soils-based cultivation. Once these soils are paved over, there is little prospect of the land returning to agriculture. While there are forms of agriculture which utilize significant impervious coverage that are highly productive (e.g. greenhouses), these can be operated anywhere and do not depend on the productivity of the underlying soils to be successful.

Techniques: No Build Limitations. Allowances for the most significant impervious surface improvements (e.g. barns) will be limited to a farmstead zone established within the conservation easement. Other impervious surfaces which are agricultural in nature or supportive of agriculture will only be permitted outside the farmstead complex with the prior approval of EMSWCD and subject to a maximum aggregate limit (property specific based on individual characteristics, but unlikely to be greater than 5%). Agricultural uses which result in soil removal – sod farms, ball and burlap nursery operations – will be prohibited.

Goal: Maintenance of Productivity

Farmland preservation programs – especially those with robust second home markets – have experienced the reality of “shadow conversion”. This is the phenomenon wherein the level of agricultural productivity drops due to the principal owner not being a farmer, but someone who purchases and utilizes the property for its amenity value (e.g. a rustic farmhouse, rural views). This phenomenon not only results in a loss of productivity, but also can cause neighbor/farmer conflicts and increase the cost of farmland beyond a level that is related to its actual agricultural economic productivity.

Technique: TBD Uses which might be permitted by the zoning but which could conflict with operation of the farm due to resource needs and user interface conflicts (e.g. home occupations, large scale agri-tourism operations) will be prohibited.

Goal: Farmland Affordability

The price of farmland has risen significantly across the US in the last decade. While there are many factors, including a run-up in commodity prices, volatile equity markets and persistently low interest rates, one of the principal threats to affordability in EMSWCD’s service area has been the attractiveness of farmland property for rural residences and second home buyers. A suite of potential techniques is available to address this issue – with some of these in longstanding use, and some being much newer. Addressing affordability has the dual benefit of tackling an issue pivotal to the sustainability of the agricultural economy, while also potentially adding a meaningful quantifiable value to a conservation easement purchase. Affordability can



also be addressed though fee simple techniques; see the discussion below under the Fee Simple Techniques category.

Techniques: Limitations on Reserved Residential Opportunities. All conservation easements will limit the size of any replacement residential structure. The limitation will be developed on a parcel specific basis, but is likely to be 1,500 sq. ft. or less footprint. The easement will also restrict the construction of ancillary residential improvements (e.g. pool, guest house). Depending on the receptivity of the landowner and the amount of additive value they create, the following techniques may also be employed:

- A Reserved Right of First Purchase / Refusal. Permits EMSWCD to make an offer upon an eased lands owner expressed desire to sell (which the owner can accept or reject) and/or permits EMSWCD to match an offer the eased lands owner receives. EMSWCD might choose to exercise this right if it felt resale might reduce productivity, limit access to commercial farmers (those individuals making more than 50% of their income from agriculture) or otherwise negatively impact the conservation values of the property. EMSWCD would subsequently resell the property to a commercial farmer for an amount consistent with fair market agricultural land values.
- An Option to Purchase at Agricultural Value. In exchange for an additional payment at the time of the conservation easement conveyance, EMSWCD would have the right to acquire the property for its fair market agricultural value (i.e. not its amenity value) in certain instances (conveyance not to a family member or to an individual that is not a commercial farmer). This could provide some meaningful additional consideration.

Goal: Natural Resource Protection

Securing soil and water quality improvements in conjunction with the acquisition of a conservation easement that also safeguards the farm against future development would be desirable and entirely consistent with the mission of EMSWCD. As noted in Section 2.1, many farmland conservation programs do not integrate affirmative soil and water improvements into their conservation easements; this is most commonly due to inadequate skills/resources, enforcement concerns and/or farmer resistance. Efforts that are tied to a property specific analysis and “plain language” recommendations are likely to be more successful and attractive than the use of third party standards which can be opaque and ephemeral. Paying for improvements to soil and water quality may provide a significant opportunity to meaningfully increase the total compensation realized through a conservation easement transaction.

Techniques: All conservation easements will secure appropriate riparian buffers. An agricultural management plan will be developed (and updated at appropriate intervals) to document existing baseline conditions and recommendations; any substantive negative deviation from the baseline would constitute an easement violation if not resolved after cooperative attempts. Depending on the receptivity of the landowner



and the amount of additive value they create, the following techniques may also be employed:

- **Affirmative Actions to Improve Soil & Water Quality.** EMSWCD investment in farm infrastructure can benefit soil and water quality and the farm bottom line. In the case of such investment, the eased property owner would be required to maintain the investment for a reasonable period of time; failure to do so would constitute an easement violation if not resolved after cooperative attempts.
- **Improvements to the baseline soil and water conditions documented in the agricultural management plan through the use of certain agricultural practice management techniques (e.g. filter strips, rotational grazing).** These would be incentivized through a payment made by EMSWCD. The agricultural management plan would specify the techniques to be utilized. Operator failure to employ the agreed-upon techniques would constitute an easement violation if not resolved after cooperative attempts.

2.2.2 Fee Acquisition Techniques

Goal: Retention of Productive Soils for Agricultural Use

Technique: The same restrictions identified above under Conservation Easement Components would apply in the event of a lease and also be incorporated into the terms of any conservation easement which the property would be sold subject to.

Goal: Maintenance of Productivity

TBD

Technique: TBD The use restrictions identified above under Conservation Easement Techniques would be included in the conservation easement which the property would be sold subject to, as well as being incorporated as a lease term.

Goal: Farmland Affordability

The outright acquisition of a property by EMSWCD widens the range of options available to address the issue of farmland affordability.

Techniques: Upon the resale of EMSWCD owned lands the conservation easement which the property will be sold subject to will limit the size of any replacement residential structure. The limitation will be developed on a parcel specific basis, but is likely to be a footprint of 1,500 sq. ft. or less. The easement will also restrict the construction of ancillary residential improvements (e.g. pool, guest house). The conservation easement will also include an option for EMSWCD to repurchase at the lower of the agricultural value or another offer. Rather than quickly resell fee lands (or sell after a lease term of a few years), EMSWCD could also consider the use of the following techniques:



- Ground Lease. Provides access to farmer/farmers for a substantial term, which access can be vital and foundational for new farmers who are cash poor and have limited access to loans. Lease terms would incorporate restrictions/obligations that would be found within a conservation easement.
- Lease to Own. Provides an even greater incentive than a ground lease to make investments in the farm property. Lease terms would incorporate restrictions/obligations that would be found within a conservation easement, and the property would be conveyed subject to a conservation easement.
- Incubator and/or Graduate Farm. If a property has the appropriate characteristics for use by aspiring and new farmers, consider whether to expand the scope of the existing Headwaters Incubator Program by bringing on additional acreage. The potential also exists to consider extending the access to land for graduates of the HIP.

Goal: Natural Resource Protection

The outright acquisition of a property likely makes it possible to secure greater management practice changes that benefit soil and water quality. In the instance of required improvements, this could be effected through EMSWCD investments and/or lease / sale term stipulations.

Techniques: All leases and conservation easements will secure appropriate riparian buffers. An agricultural management plan will be developed (and updated at appropriate intervals) to document existing baseline conditions and recommendations; any substantive negative deviation from the baseline AND certain desired recommendations would constitute an easement/lease violation if not resolved after cooperative attempts. In the case of EMSWCD investment in farm infrastructure that benefits soil and water quality and the farm bottom line, the lessee or eased property owner would be required to maintain the investment for a reasonable period of time; failure to do so would constitute an easement / lease violation if not resolved after cooperative attempts.

2.2.3 Other Techniques

Access to Capital

While EMSWCD is not the appropriate entity to lend funds for farmland or farmland infrastructure investments, the capital provided through conservation property interest transactions can play a powerful role. For example, EMSWCD may be able to help a farmer afford a property listed for sale through purchasing a conservation easement contemporaneously with the farmer's acquisition of the fee interest. Mission driven private capital could play a role in bankrolling farmer acquisitions and in managing farmland properties; EMSWCD could play a role in "matchmaking" and funding a portion of the investor return through the purchase of a conservation easement. While EMSWCD will not have a distinct and specific initiative focused around this, it will continually consider opportunities to bring this



technique to bear.

Linking Farmers to Land

The Headwaters Incubator Program will be continually graduating new farmers whom are looking for farmland to work. And, there are farmers outside the program – both established and new – who are continually looking for farmland to lease / buy. While it is beyond the current capacity of EMSWCD to develop a specific initiative around this, the LLP and Rural Lands Program should remain cognizant of opportunities to “match-make”.

Farm Succession Planning

As described elsewhere in this document, succession planning is an issue of significant importance – and an excellent vehicle to discuss conservation easements (which can play a key role in these planning efforts). EMSWCD has sponsored succession planning workshops in the past. These should be continued on a regular basis, with more practical examples and concrete resources made available. Partnerships with practicing support professionals and sponsorships by farmer interest groups (such as a grange or the Oregon Association of Nurseries) will make the content more meaningful and increase attendance. Outside of formal presentations there will be other opportunities to connect farmers with resources. Staff capacity to program formal workshops in the early years of this strategic plan period may be limited.

Cultivating a Successful Resource Network

This is a somewhat intangible activity, yet an absolutely vital one. A successful land conservation program results from a pool of competent support professionals (e.g. appraiser, attorneys, accountants), skilled and willing peers, technical and data resources (e.g. template documents, land values) and broad financial capacity. It is in EMSWCD’s interest to cultivate this growth – through fostering positive working relationships with support professionals, developing awareness and resource sharing networks with other SWCDs, land trusts, other land conservation entities, funders and the nascent Oregon Agricultural Heritage Program.



3 Goals

3.1 Previously Stated Goals

Multiple prior EMSWCD documents identify goals for the Land Legacy Program Agricultural Lands strategy. These include:

EMSWCD's 2012 – 2017 Strategic Plan Version 2.3:

- “Our lands and waters are healthy and sustain farms, forest, wildlife and communities”;
- “Protect agricultural lands”;
- “Increase the sustainability of agriculture”;
- “Protect and improve water quality and quantity”;
- “Protect and improve soil quality and quantity”;
- “Protect and improve natural habitats”;
- The EMSWCD works to maintain healthy agricultural lands by promoting a sustainable agricultural economy and fostering a stewardship ethic;
- “The primary focus of the land conservation fund will be to strategically and permanently protect the following in East Multnomah County: 1) high value agricultural lands in order to maintain a viable agricultural economy and improve watershed health and function...”; and
- “From 2015 – 2020, the District’s Land Legacy program will protect agricultural land and improve agricultural practices on approximately 20 parcels covering approximately 400 acres lying between the Sandy River and the Urban Growth Boundary (excluding the Urban Reserve).”

Resolution # 2013-06-02 (Approval of the Recommendations of the Land Conservation Committee to Establish and Implement a Land Conservation Legacy Program:

- “Preserve and enhance a critical mass of important agricultural lands to sustain the farm-related businesses and activities that are necessary to support the agricultural economy in East Multnomah County”.

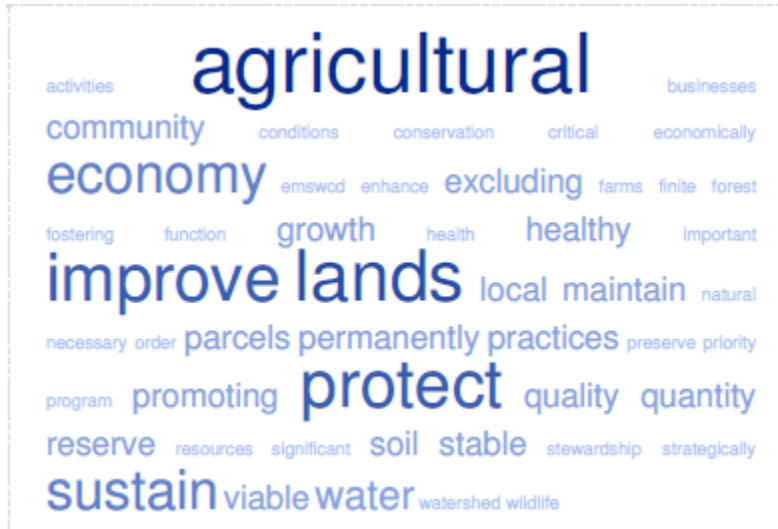
Draft Land Legacy Program 5-Year Program Plan 2015 - 2020:

- “...promoting a stable, viable and sustainable local agricultural economy through agricultural land protection...”;
- “A significant cluster of priority agricultural lands in the District will be permanently protected, the local agricultural community will be economically stable and the status of finite soil and water resources will be substantially improved over current conditions”; and
- “the District will protect agricultural land and improve agricultural practices on approximately 20 parcels covering approximately 400 acres lying between



the Sandy River and the Urban Growth Boundary (excluding the Urban Reserve)...”

Word clouds are a technique that can help reveal emphasis and direction through depicting the repetition of a word by font size. A word cloud of the preceding goal statements:



3.2 New Goal Statement

Distilling the multiple stated goal statements into a suite of shorter goals statements enables a more rational assessment of how to achieve those goals, and in the future, a compelling “elevator pitch” for the program. The following goal statement is meant to incorporate the “big picture” goal of the program:

EMSWCD will assist in securing a sustainable agricultural economy for East Multnomah County in partnership with the farming community and other interested stakeholders, principally through agricultural working lands conservation efforts. The health and function of natural systems – an essential component of agricultural viability – will be protected and, where feasible, improved through site-specific, cooperative, incentive-based efforts¹².

¹² While sustainability does by its very definition incorporate environmental sustainability, it’s not certain that members of the agricultural community would understand that to be an objective of the program, particularly as such is not always the case with other farmland preservation program across the country. Calling it out ensures that emphasis is well understood, while the reference to feasibility and that such initiatives will be site-specific, cooperative and incentive based is intended to address any concern that such efforts would be limiting and “heavy-handed”.



4 Land Legacy Program Objectives

This section of the strategic plan identifies the metrics that will be utilized by the LLP to assess progress towards the stated goals. These metrics were developed after careful consideration of capacity and the expected likelihood of success based upon such factors as target demographics and attitudes, and program “maturity”.

4.1 Analysis of Progress Towards Meeting Prior Farmland Program Objectives

Specific objectives identified in prior documents include the following:

- A critical mass / significant cluster of important / priority agricultural lands will be permanently protected;
- Agricultural lands and watershed health and function will be enhanced through improved agricultural practices;
- The local agricultural community will be economically viable; and
- For the period 2015 – 2020, 20 parcels comprising approximately 400 acres (between the Sandy River and the UGB exclusive of the Urban Reserve) will be permanently protected.

Of the preceding objectives, progress has been made towards achieving the second and third objectives. Improved agricultural practices have been implemented throughout the district through the work of other EMSWCD programs. The farm practices at Headwater’s Farm serve as a model for many agricultural management practices. And, the Rural Lands team has successfully implemented multiple agricultural management improvement projects throughout the district (refer to the Rural Lands Strategic Plan for a complete list of activities). The third objective of economic viability is less readily quantifiable, but the following EMSWCD activities have almost certainly played a positive role in the economic viability of the agricultural community:

- Creating a “launching-board” for the next generation of farmers through the Headwaters incubator program;
- Providing access to agricultural land and infrastructure through the leasing of EMSWCD’s Oxbow Farm property;
- Offering farm succession planning workshops; and
- Making targeted investments in improving agricultural management practices which also benefit the “bottom-line” of agricultural operations.

The LLP has struggled to build on its initial successful farm conservation projects at Oxbow and Headwaters. The following factors are likely to have played a limiting role:



- A key component of successful farmland conservation programs is peer-to-peer and support professional references / recommendations. The limited number of farmland conservation transactions in the district and the state at large means this sort of “organic” program cultivation is not occurring.
- The lack of conservation activity also results in a generalized lack of knowledge about farmland conservation within the agricultural community; this knowledge gap can breed distrust and foster misconceptions which discourage program participation.
- This same knowledge gap can also limit the efficacy of conservation practitioners. Without good data points on property interest values, it is difficult to explain the tangible financial benefits of land conservation. And without specific transaction and conservation implementation experience, it is challenging to describe a somewhat complex suite of concepts.
- Consistent with its mission, EMSWCD also desires to achieve enhancements to soil and water quality on conserved farm properties through the implementation of improved agricultural management practices. The expertise and resources of EMSWCD do position it well for such an initiative; the lack of similar expertise and resources is a key deciding factor for many other conservation organizations that have chosen not to integrate such efforts into their farmland conservation efforts. Management practice changes “get under the hood” and interface with the day-to-day farm operations in a much more significant way than the more typical “no-build” conservation easement. Much of the agricultural community is resistant to and skeptical of outside oversight. This resistance can lead to specific projects foundering, and a more general disinclination to pursue the program as the farming community conflates – rightly or wrongly – farmland conservation with agricultural land management “oversight”.
- Commercial farmers considering farmland conservation are most typically motivated by the financial benefits. This is not because they don’t care about their land and don’t want to see it preserved, but because they simply do not have the financial wherewithal to give away what for many is their most valuable financial asset – their land. There may be a perception – that could have some basis in reality – that the appraised value associated with the sale of conservation easement in the district is not sufficient to meet the financial needs of a farmer. Oregon and the district pose a unique challenge to the traditional model of conservation easement valuation, which assigns a value to the easement based almost entirely upon quantifying the value of the existing development potential to be extinguished by the easement.



4.2 Farmland Program Objectives for the 2018-2022 Strategic Plan

First, a restatement of the LLP farmland protection goal statement:

EMSWCD will assist in securing a sustainable agricultural economy for East Multnomah County in partnership with the farming community and other interested stakeholders, principally through agricultural working lands conservation efforts. The health and function of natural systems – an essential component of agricultural viability – will be protected and, where feasible, improved through site-specific, cooperative, incentive-based efforts.

The program has 2 goals. While these goals are often complementary in a general sense, the metrics used to measure progress against these goals are different.

4.2.1 Farmland Program Objectives for Securing a Sustainable Agricultural Economy

No other entity operating within the district has the desire and/or resources to focus on the permanent legal protection of the agricultural land base from conversion to other uses. Without productive agricultural land, there is no possibility of sustaining an agricultural economy. EMSWCD's focus on securing the perpetual availability of productive and suitable soils for agricultural activity provides an essential foundation for the agricultural economy.

Quantitative metrics have long been used to measure goals as such data can both be readily collected and understood. Farmland preservation efforts are no exception, with the number of acres preserved and/or the number of transactions completed serving as typical measures of progress.

Based on the analysis of capacity discussed earlier in this plan, human resource capacity will likely allow – at most – a maximum of 3 transactions per fiscal year. The transaction type will vary based upon available opportunities, capacity and other factors. It may be challenging in certain fiscal years to achieve 3 transactions, while in other years this target might be achieved or exceeded. This metric measures the general productivity of the program. **Metric: Complete approximately 15 transactions during the term of the strategic plan.**

It is impossible to project with any level of precision the acreage that would be associated with 15 transactions. And, if the amount of acreage being conserved is not keeping pace with the amount of acreage being converted, then the number of acres conserved is a misleading metric. A better measure is the ratio of preserved farmland to farmland converted to other uses.

Metric: The ratio of preserved farmland to farmland converted during the term of the strategic plan will remain stable or improve.

Land conservation is a “long game”. It is not uncommon for outreach efforts to not result in a completed transaction for many years, if not decades. Repeated awareness and engagement educate and grow acceptance and interest over time. These efforts can include such initiatives



as mailers, workshops, brochures, sponsorships, websites and tabling. **Metric: The 75 highest prioritized landowners within the LLP agricultural focal area will have at least 10 unique opportunities to learn about the program during the term of the strategic plan.**

While conserving farmland is the principal technique and approach EMSWCD will utilize, that technique can be “tweaked” and supplemented to achieve other elements of a sustainable agricultural economy.

Preserved farmland is of little value without farmers to operate it. With over 60% of the farmland in Oregon projected to change ownership over the next 20 years, there is a significant opportunity and challenge in securing access to this farmland for farmers against a bevy of competing buyers. EMSWCD’s land conservation efforts can play an important role, through the resale of purchased farmland to farmers and the acquisition of conservation easements that can reduce the likelihood of resale of farmland to non-farmers. Securing access to the land for established farming operations ensures the ongoing success of skilled and often larger scale operations, while providing access for new farmers helps nurture a successional generation of farmers. **Metric: Approximately ¼ of the EMSWCD’s land conservation transactions help secure tenure for established farming operations, while another ¼ assist in providing access to farmland for new farmers.**

Preserved farmland that is not actively worked will have a limited effect on sustaining an agricultural economy. A critical mass of highly productive farmland nurtures the support businesses – the feed stores, the equipment dealers, etc. – that are essential to the viability of an agricultural economy. EMSWCD can help ensure continued productivity through such techniques as the establishment of agricultural production standards within its conservation easements, the injection of capital through a purchase of a conservation easement or an investment in an agricultural management practice, and the leasing of its fee interests. **Metric: Within 3 years of the acquisition of a property interest, farm sales are stable or increasing (excepting for the impact of any acreage withdrawals for conservation purposes). NOTE THIS IS TBD DEPENDING ON WHAT SORT OF PRODUCTIVITY TECHNIQUES UTILIZED**

4.2.2 Farmland Program Objectives for Protecting and Improving Soil & Water Quality

Metrics for the improvement of soil and water quality on conservation property interests acquired by EMSWCD should account for the impact which the pursuit of such strategies can have upon achieving the goal of farmland conservation. For example, a farmer interested in protecting their farm from conversion to other uses may not be interested in implementing an agricultural management practice plan.

EMSWCD has had success in securing improved management practices through a voluntary, cooperative cost-share program. This investment could be better safeguarded by making these investments through the framework of a conservation easement. The easement can require



that the landowner maintain any management practice improvement infrastructure / investments funded by EMSWCD. **Metric: EMSWCD has secured long-term commitments to maintain its investments in agricultural management practice improvements on its conserved property interests.**

It has been a long-standing practice of many national farmland conservation programs to establish riparian buffers. These are generally well accepted by members of the agricultural community. **Metric: EMSWCD has secured appropriate riparian buffers on all of its conserved property interests.**



Appendix A

CE Acquisition Time Estimate

CE Transaction Component	Hours Spent
<i>Parcel Analysis</i>	10 - 15
<i>Viability Assessment</i>	10 – 20
<i>Site Assessment</i>	10 – 15
<i>CE Term Sheet Development</i>	10 – 20
<i>LLC Assessment</i>	10 - 15
<i>Valuation / Initial Due Diligence</i>	20 - 30
<i>Purchase Offer</i>	5 – 20
<i>Prelim LLC Approval</i>	10 – 20
<i>PSA Execution, CE Drafting</i>	60 – 100
<i>Due Diligence</i>	70 - 125
<i>Final Approval</i>	15 - 25
<i>Closing</i>	30 – 60
<i>Immediate Post – Closing</i>	35 - 60
TOTAL	295 - 525

Fee Acquisition Time Estimate

Fee Transaction Component	Hours Spent
<i>Parcel Analysis</i>	10 - 15
<i>Viability Assessment</i>	20 – 40
<i>Site Assessment</i>	20 – 40
<i>LLC Assessment</i>	15 - 20
<i>Valuation / Initial Due Diligence</i>	20 - 30
<i>Purchase Offer</i>	5 – 20
<i>Prelim LLC Approval</i>	10 – 20
<i>PSA Execution</i>	20 – 40
<i>Due Diligence</i>	40 - 60
<i>Final Approval</i>	10 - 20
<i>Closing</i>	15 – 35
<i>Immediate Post – Closing</i>	30 - 50
TOTAL	215 - 390



Appendix A (continued)

Fee Disposition Time Estimate

Fee Transaction Component	Hours Spent
<i>Broker Selection</i>	24
<i>Conservation Easement Development/Refinement</i>	50
<i>Respond to Purchaser Interest</i>	20 – 40
<i>CE Baseline Development</i>	32
<i>Closing</i>	15 – 35
<i>Immediate Post – Closing</i>	30 - 50
TOTAL	171 - 231



Appendix B

CE Management Time Estimate

CE Management Component	Hours Spent
<i>Prep for Annual Monitoring Visit</i>	5
<i>Annual Monitoring Visit</i>	5
<i>Post Monitoring Summary Reporting</i>	5
<i>Proactive Engagement</i>	10
<i>Respond to landowner inquiries</i>	10
<i>Contingency</i>	15
TOTAL	50

Farm Conservation Plan Time Estimate

Farm Conservation Plan Component	Hours Spent
<i>Prep for Annual Monitoring Visit</i>	1
<i>Post Monitoring Summary Reporting Assistance</i>	2
<i>Contingency</i>	2
TOTAL	5

Fee Management Time Estimate

Fee Management Component	Hours Spent
<i>Prep for Annual Monitoring Visit</i>	2
<i>Annual Monitoring Visit</i>	5
<i>Post Monitoring Summary Reporting</i>	4
<i>Lessee Management</i>	20
<i>Contingency</i>	15
TOTAL	46



Appendix C

Expected Program Funding

Revenue Source	2018 Amount	2019 Amount	2020 Amount	2021 Amount	2022 Amount
General Fund	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Transfer					
Property Resale ¹³	\$590,000	\$379,271	\$390,649	\$402,368	\$414,433
Fund Balance Carryover	\$5,935,426				
Interest ¹⁴	\$50,000	\$38,000	\$25,000	\$10,000	\$10,000
TOTAL AVAILABLE OVER THE 5 YEAR PERIOD: \$13,245,147					

Projected Transactional Costs:

Projected Fee Purchase Values¹⁵

Farm Area	2018 Amount	2019 Amount ¹⁶	2020 Amount	2021 Amount	2022 Amount
Irrigated Land	\$14,000/ac * 22 ac = \$286,000	Adjustment applied to total	Adjustment applied to total	Adjustment applied to total	Adjustment applied to total
Dry Land	\$9,000/ac * 5 ac = \$45,000	Adjustment applied to total	Adjustment applied to total	Adjustment applied to total	Adjustment applied to total
Farm Building Support Land	\$3,000/ ac * 2 ac = \$6,000	Adjustment applied to total	Adjustment applied to total	Adjustment applied to total	Adjustment applied to total
Ancillary Land	\$2,500 * 3 ac = \$7,500	Adjustment applied to total	Adjustment applied to total	Adjustment applied to total	Adjustment applied to total
Home Site	\$200,000 (2 ac)	Adjustment applied to total	Adjustment applied to total	Adjustment applied to total	Adjustment applied to total
TOTAL Value	\$566,500	\$583,495	\$600,999	\$619,028	\$637,590

¹³ Appraised restricted value of Oxbow in 2018, then 65% of projected fee purchase values for future years

¹⁴ .72% APY interest earned on the fund transfer + fund balance carryover in 2018, then .72% APY interest earned on the fund transfer + property resale + fund balance carryover in the following years

¹⁵ Total size based on average farm size of focal area (34 acres), allocation of land unit types a rough guesstimate based on a quick visual survey. Improvement values (residential and agricultural) are not included in the values as they are too difficult to determine and because it is assumed that the value of those improvements should largely be recouped upon EMSWCD resale of fee properties.

¹⁶ A 3% real estate value appreciation rate is applied to each year



Appendix C (continued)

Projected Conservation Easement Purchase Values¹⁷

Farm Area	2018 Amount	2019 Amount¹⁸	2020 Amount	2021 Amount	2022 Amount
<i>Irrigated Land</i>	\$10,000/ac * 22 ac = \$220,000	Adjustment applied to total	Adjustment applied to total	Adjustment applied to total	Adjustment applied to total
<i>Dry Land</i>	\$5,000/ac * 5 ac = \$25,000	Adjustment applied to total	Adjustment applied to total	Adjustment applied to total	Adjustment applied to total
<i>Farm Building Support Land</i>	\$2,000/ ac * 2 ac = \$4,000	Adjustment applied to total	Adjustment applied to total	Adjustment applied to total	Adjustment applied to total
<i>Ancillary Land</i>	\$1,000 * 3 ac = \$3,000	Adjustment applied to total	Adjustment applied to total	Adjustment applied to total	Adjustment applied to total
<i>Home Site</i>	\$75,000 (2 ac)	Adjustment applied to total	Adjustment applied to total	Adjustment applied to total	Adjustment applied to total
TOTAL Restricted Value	\$327,000	\$336,810	\$346,914	\$357,321	\$368,040
TOTAL Conservation Easement Value¹⁹	\$172,500	\$177,675	\$183,005	\$188,495	\$194,150

¹⁷ Total size based on average farm size of focal area (34 acres), allocation of land unit types a rough guesstimate based on a quick visual survey

¹⁸ A 3% real estate value appreciation rate is applied to each year

¹⁹ Concluded total fee value of prior table less total restricted value