

**OHIO FARMLAND PRESERVATION ADVISORY BOARD
MINUTES OF BOARD MEETING**

**Ohio Department of Agriculture
Reynoldsburg, Ohio
June 8, 2016**

Minutes taken by Amanda Bennett

*Disclaimer: Many individual opinions have been captured by the recorder but do not necessarily reflect the opinions of the entire Advisory Board.

Advisory Board Members present: John Schlichter, Chair; Brian Williams, Vice-Chair; Alan Anderson; Lucille Hastings; Joe Logan; Timothy Lynch; Thom Mazur; Bill Westbrook.

ODA Staff Members present: Howard Wise, Assistant Director, Ohio Department of Agriculture; Jody Bowen, Office of Farmland Preservation (OFP); Amanda Bennett, OFP; Jake Parkinson, OFP; Jessi Morehouse, OFP; Timothy Schirmer, Senior Staff Legal Counsel.

Visitors: Chris Collier; Doug Ritchey; Jonathan Ferbrache; Julia Cumming; Brian Mead; Steve Goodwin; Scott Stephens; Bonnie Dailey; Kreig Smail.

Welcome and Introductions

The Meeting was called to order at 10:08 a.m. by John Schlichter, Chair and Deputy Director of the Ohio Department of Agriculture (ODA). John welcomed attendees to the meeting, and everyone introduced themselves and the organizations/interests that they represent.

Approval of November 18, 2015 Advisory Board Minutes

John asked if there were any questions or amendments to the Minutes. Minutes stand as approved.

Travel Expense Reports

Jody Bowen said she had picked up the Advisory Board members' Travel Expense Reports.

Update on Status of 2013 – 2015 Easement Purchases

Amanda Bennett provided an update on the OFP's Easement closings:

20 Local Agricultural Easement Purchase Program (LAEPP) Easements closed since the last Board meeting in November 2015, representing 3,585 acres. Since this time last year (June 2015), the OFP has closed 40 total agricultural easements.

LAEPP 2013

- Five more agricultural easements have been closed and recorded (Clinton, Warren, Ashland, Madison, and Highland counties). 22 total agricultural easements have closed under this funding round, representing 85% of the total 2013 LAEPP projects.

LAEPP 2014

- 15 more agricultural easements have been closed and recorded (Pickaway, Fulton, Sandusky, Seneca, Lake, Logan, Madison, Clark, Champaign, Greene, and Portage counties). 26 total Agricultural Easements have closed under this funding round, representing 67% of the total 2014 LAEPP projects.

LAEPP 2015

- There are 43 pending agricultural easements under LAEPP 2015, and all are in process – many in title review. Several are ready to proceed to the Purchase Agreement phase.

Ethics Documentation

Timothy Schirmer, ODA Senior Staff Legal Counsel, provided the Board members present with the Annual Conflict of Interest and Ohio Ethics Law Acknowledgement Statement for their signature, to be collected during/after the meeting.

LAEPP 2016 Landowner Application Review

Amanda shared with the Board a summary of the 2016 landowner application:

- 140 total electronic applications received, 99 submitted in hardcopy to the OFP for review and funding consideration
- New local sponsors for LAEPP 2016 included Delaware County Commissioners, Miami SWCD, and Marion SWCD
- OFP launched a new online application system in 2016, which increased internal capabilities for managing the application round, as well as expanded functionality for local sponsors. Being the first year, there were challenges to overcome, including speed and printing issues. Looking ahead to next year's 2017 landowner application, the OFP will continue to work with the ODA IT division to increase performance and the "copy" function for applicants that have applied in the past

Presentation of Local Sponsors' Highest Scoring Farms for Easement Purchase and Board Discussion and Recommendation

John began the presentation of the 2016 landowner applications by explaining that more funds were added to the original Local Sponsor allocations, based upon recommendations from the Office of Budget and Management. Local Sponsor allocations were increased by 30%, resulting in total funding available at the start of the landowner application process of \$8.1 million. The 30% increase was chosen after evaluating what the OFP could take on in the additional workload and with respect to turnaround time. In light of this, there will likely be an increase in total

funding amounts for the next few funding cycles. Due to other Clean Ohio programs seeking an accelerated bond issuance schedule, OFP is being asked to not only spend more money, but close more quickly.

Bill Westbrook asked the staff of the OFP why the easements were so difficult to close. Jody Bowen highlighted the four remaining 2013 funding round easements as an example – these easements tend to be more difficult due to clouds on the title, or that the local sponsor is newer and not as experienced in closing agricultural easements. The program has been in transition with the additional volume, and this has included inundating ODA Legal with multiple title reviews. To combat that, a contract has been signed with the Ohio Attorney General’s Office to source out title reviews. John added that ODA Legal has developed an instruction sheet to help streamline the information needed by title agents, which is helping. This cuts down on multiple communications to the title agents to get ODA what is needed to properly review title. Bill suggested ODA consider using fewer title agents with connections throughout the state. Per John, ODA is attempting to stay out of that, given that local sponsors have contracted their own title searches, sometimes with local agents with which they have already developed relationships. Lucille noted that the difficulties could be because under the localized AEPP, the program is getting into more parts of the state, so the Board should recognize there will be less experienced organizations in some cases.

Jody then drew the Board’s attention to a chart (Exhibit A), which breaks down the total allocations awarded to each local sponsor for LAEPP 2016, beginning with the amounts approved at the last Board meeting. Due to the bond acceleration mentioned by John, those amounts increased first by 30%. As some local sponsors experienced challenging CAUV values and became unable to participate – or as some landowners withdrew during the application period – there became money available (about \$102,589) that was redistributed, bringing the grand total of LAEPP 2016 funding round to \$8,294,346. There could also be an additional \$2.3 million in federal matching funds coming to some LAEPP local sponsors, but the Natural Resources Conservation Service’s (NRCS) Agricultural Conservation Easement Program-Agricultural Land Easement (ACEP-ALE) funding round has yet to be finalized. This is a record year for the OFP.

Jody next asked the Board to consider “Exhibit D” (Exhibit B to these Minutes), which breaks down the landowner applications being considered for funding by local sponsor. The last page includes a summary – a record 63 easements expected to be funded, with an additional 32 marked as contingent applications (available for funding if a higher ranking farm drops out or becomes otherwise ineligible).

John shared with the Board that also during the funding round, some local sponsors experiencing low purchase offers due to CAUV values lobbied for an exception to be able to use real estate appraisals to determine purchase price. ODA was prepared to allow this exception, but only if all funded landowner applications for that local sponsor utilized the same valuation (Points-Based

Appraisal or real estate appraisal). One local sponsor requested the exception, but ultimately decided to submit their funding plan using the Points-Based Appraisal methodology.

John also noted that there were a lot of questions from County Commissioners throughout the state, often showing concern with regard to the proposed ag easement's effect on local utilities and road projects. ODA is not looking to get in the way of local safety, so we are working with these counties to develop a Memorandum of Understanding (MOU) to address these concerns. ODA and the OFP are working hard to remain flexible so that local sponsors can continue to maximize their dollars and remain involved in the program.

MOTION: Brian Williams moved to recommend approval of the purchase of easements on farms recommended by local sponsors as presented at the June 8, 2016 meeting. Lucille Hastings seconded; Vote 7-0; motion carried.

Brian and Lucille asked Jody for additional data showing how many new counties have come into the purchase program (an original goal of the LAEPP), as well as historical Exhibit D (landowner funding plan) data. Jody said that the OFP is working on training programs (including teleconferences) to help new local sponsors through the LAEPP process. John added that Amanda has done a presentation to the Ohio Soil & Water Conservation Commission and will likely be speaking at the Ohio Federation of Soil and Water Conservation Districts' Summer Supervisor School to reach out to even more potential SWCD local sponsors. Alan Anderson suggested the OFP consider speaking to the County Commissioners Association of Ohio (CCAO) as well. Brian Mead, visiting on behalf of the CCAO, said the Association is willing to help if needed.

Next Board Meeting Date

Members present selected Wednesday, November 9, 2016 as the next Board meeting date. The purpose of the meeting will be to discuss local sponsor funding allocations for LAEPP 2017.

Other Business

Brian asked for an update on the vacancy in the OFP for the Executive Director position. Per John, there is an ongoing discussion about the position and he hopes to know more soon. The OFP is pleased to have Jessi Morehouse, a new staff member, come on board to help with the additional work load.

Brian then asked about the potential for agricultural easements to be placed on the prison farms being sold by the State. John said that would only be possible if the new owners of those properties would want to apply to the program. Howard Wise mentioned that the state agency in charge of those sales was the Department of Administrative Services (DAS), and both he and John reiterated that ODA has not been involved in the legislation surrounding the sale of the farms.

Public Comments

Steve Goodwin, on behalf of Appalachia Ohio Alliance, invited the OFP and all to their upcoming open house, taking place next week (June 18) in Pickaway County. The event will include aspects of farmland preservation.

Jonathan Ferbrache of Fairfield SWCD touched on the sale of the prison farms, as the Southeast Correctional Facility includes one of the farms in question. He said they are reaching out for ways to protect the property or help market as valuable ground if possible, perhaps with other Clean Ohio dollars. Brian said he would like to see the OFP involved in some way, perhaps facilitating these sorts of discussions. Joe Logan said that many of his members are thoroughly opposed to the sale of the prison farms, and that his members have expressed concern with the pace at which the process is taking place. Jonathan mentioned that there are a lot of considerations that may slow down the sale in other ways (zoning related, for instance). John said some of the discussions leading up to the sales included a look at the costliness and inability of the state to keep training and technology on pace with the rest of the industry. Brian said there were Canadian companies investing in land to put hundreds of acres under glass, but John said it was a different kind of farming taking place on the prison farms. The use would need to be drastically changed and the investment too great for the state to adapt to. Joe added that while reorganization and much thought would be needed, perhaps the farming taking place on these particular farms could be converted to more fundamental uses (animal husbandry and plant biology, for instance), away from the more technological-intensive corn and beans farming. Alan wondered if the land would be converted to residential or industrial, since once it is gone it's gone. Bill and Thomas Mazur, development and planning representatives, both expressed serious doubt that residential housing would occur.

Adjournment

MOTION: Timothy Lynch moved to adjourn the Board meeting at 11:14 p.m. Joe Logan seconded; Vote 7-0; motion carried.