



Saving Special Places

Affordable Farmland

VERMONT EASEMENT PURCHASE

PROGRAM BEGAN IN 1988

VERMONT OPAV

PROGRAM ADDED IN 2004



OPAV GOAL:

Keep conserved farmland in ownership of farmers

“Make reasonable efforts to assure that conserved farmland is accessible and affordable to future generations of farmers.”

- Option is deterrent to non-farm buyers
- 90% sales of OPAV farms have sold to farmers (currently earning ½ gross income from ag)
- OPAV waived on sales to non-farmers based on:
 - business plan
 - experience
 - price



Vermont OPAV statistics

- 325 OPAV Farms
- 57 OPAV Waivers
- 5 Notices of intent to acquire
- 2 OPAV farm acquisitions through exercise
- 2 OPAV farm acquisitions prior to OPAV trigger



37% of conserved farms have OPAV in Vermont

How does the Option work?

1. Option not triggered by a sale to a family member or farmer.
2. If buyer is a non farmer Purchase and Sale Agreement and Buyer's farm business plan submitted to easement holders.
3. Holders have 30 days to decide to waive or give Notice of Intent to Exercise Option.



OPAV EXERCISE EXAMPLE



Benson Farm

VLT conserved the farm 3/12/2004

Farmer acquired entire 363 farm for \$360,000

VLT acquired a conservation easement including OPAV for \$193,400 on 363 acre farm

Farm was simultaneously purchased & conserved farmer financed \$166,000

Benson Farm OPAV Exercise

October 13, 2006

- VLT OPAV triggered by non farm buyer – 30 days to respond begins
- Non farm buyer purchase price for entire farm \$410,000
- Non farm buyer has no ag experience

November 6, 2006

- VLT sent Notice of Intent to Exercise

December 4, 2007

- VLT reaches price agreement

January 30, 2007

- VLT acquires farm for \$303,000

Benson Farm OPAV Exercise

March 2007

- VLT begins farmer recruitment

November 2007

- VLT sells farm to new farmer for \$303,000

February 2012

- Farmer VLT recruited sells farm for \$350,000



Major Expense Categories & Challenges

- Staff time: 2-3x conservation easement project
- Due Diligence: Phase I ESA, appraisals, haz mat
- Legal Costs: title work, attorney fees,
- Property maintenance: failed septic system, reseeded fields, barn issues
- Capital and capacity to exercise



OPAV PROGRAM GOING FORWARD

Lessons Learned



#1: Be a facilitator and matchmaker through Farmland Access Program

Sale:

Retiring dairy farmer owned conserved farm

- No farm buyer identified
- VLT sent farm info to seeker database
- 12 interested buyers within 2 days

Lease:

- Landowner looking to lease dairy farm
- No farmer identified
- Through RFP found farmer and facilitated lease



#2: Configuration can be an obstacle to exercise OPAV

- Forcing subdivisions of exclusions
 - Local and state permits needed
 - Who pays costs
- Large homes on conserved land
 - Limit size of homes in easement
 - Exclude from easement
- Other resource values a farmer may not want
 - Create flexibility in easement for large woodland acres
 - Allow large woodland acreages or natural areas to go into different ownership



#3: Provide technical assistance to farmers and realtors

- Exclude VLT from realtor agreement
- Pre-negotiate realtor commission if VLT exercises
- Discuss with VLT possible farm buyers
- Provide all documents and in person meetings to discuss OPAV process



#4: OPAV does not require farmer to farm the land

- A farmer may lease the land for up to 14 years if they are not farming

#5: OPAV does not ensure farm affordability for new and beginning farmers

- Existing farmer does not trigger OPAV
- Farmland access program



OPAV is powerful - VLT sold this farm subject to conservation easement that included OPAV



Sale price with OPAV \$293,000
Sale price without OPAV \$1,097,000
OPAV Value \$804,000





Thank you!