

FARMLAND WORKING GROUP

Spring 2009

STRIVING TO PROTECT FOOD, FAMILIES AND FARMLAND

10 YEARS!

The Farmland Working Group is celebrating a decade of promoting smart growth and farmland protection in our local region of the Great Central Valley of California – the most productive agricultural region the world has ever known!



Our board has never lost sight of our mission: to preserve the agricultural foundation of our region and promote smart growth in our urban communities through education, outreach and action. As we begin our second decade, FWG recognizes that our work is more important than ever.

In 1999, after becoming a 501 (c)(3) non-profit corporation, our board recognized that educating the next generation of voters would be one of our important goals. We developed a video that would be appropriate for high school students. The sixteen minute video *A Vision and a Legacy* has been re-mastered and is now on DVD. In that same year, we started our High School Program at Ceres High School. Mr. Karl Nielsen, History Department Chair, used our video as part of the senior history curriculum. Today, our High School Program is in high schools throughout Stanislaus County.

To build upon our High School Program, our board initiated a scholarship program in 2005. Every high school in Stanislaus and Merced Counties receives our scholarship application.

Staying on top of local planning issues is our passion. To help us tell our story, Farmland Working Group produces a newsletter three times a year. It contains current articles about farmland protection, smart growth and land use. Our “We’re Watching” segment keeps an eye on land use at the city and county levels and provides the reader important contact information.

Rudy Platzek, a charter member of FWG and considered by many the Paul Revere of farmland protection in the Central Valley, keeps his eye on our mission and reminds FWG board members that the steady drip of information is key to farmland protection. Our community advocates are committed to informing planning commissions, city councils and boards of supervisors of farmland protection tools as well as short-sighted land use planning.

Never before has our mission been more important. In an effort to maintain the steady drip, FWG is expanding our Advocacy Committee. Our board is proud to announce new directors who will be active on our Advocacy Committee: Ron Freitas, former Director of Development, Stanislaus County; E. Timothy Parker, former Council Member, City of Newman; Phil Rockey, former Council Member, City of Oakdale. Also joining our board is Jojo Espiritu and Allen Gammon from Riverbank.

After a decade as Chair of Farmland Working Group, I am passing the gavel to Denny Jackman. I will be active, as always, and you can read my op-ed articles, letters to the editor and hear my comments at city council and county board meetings!

I don’t want to see Stanislaus County become another Los Angeles County. I want to see this region producing food in the 22nd Century – **If not here, where?**

Our Mission: To preserve the agricultural foundation of our region and promote smart growth in our urban communities through education, outreach and action.

Top 10 Reasons for Central Valley Cities and Counties to Adopt Farmland Mitigation Programs

By Tim Byrd — Advisory Board, Farmland Working Group

Many cities and counties in the Central Valley have adopted farmland mitigation programs that are tailored to meet their local needs. A court recently ruled in favor of Stockton's program, which is a good example of a program that includes many of the elements being considered by other cities and counties.

In Stockton, a developer is required to pay a mitigation fee of \$9,600 per acre developed for projects of 40 acres or less, and to obtain a conservation easement protecting an equal number of acres as that being developed for developments exceeding 40 acres. The fee amount is based on an independent study showing the costs of acquiring and managing conservation easements to mitigate the farmland impacts of a development.

Stockton, along with many other cities, contract with the Central Valley Farmland Trust, a non-profit corporation that uses the mitigation funds to acquire and manage agricultural conservation easements. The conservation easements must be placed on high quality farmland with ample water resources, and permanently preserves the farm for agricultural uses. The farmer receives the appraised fair market value of the conservation easement, which is calculated as the value of his land without the easement restrictions minus the value of his land with the easement restrictions. Some farmers decide to donate the value of the conservation easement or receive less than the fair market value, which provides them with certain tax benefits.

There are at least 10 compelling reasons for Central Valley cities and counties to adopt farmland mitigation programs:

#10: We need to protect our #1 industry's unique resource base — our best soils located in areas with high quality and plentiful water.

In the midst of the worse recession in decades and an unprecedented real estate crash, Central Valley agriculture, a global powerhouse, continues to drive our economy. Agriculture generates about 24% of the region's jobs, with sales of about \$13 billion from more than 240 different food products. No other place in the world can compete with the Central Valley's farm productivity.

This is particularly true in the northern San Joaquin Valley, where our forefathers developed local water sources that do not rely upon the state and federal systems that currently face dramatic cutbacks. Farmers near Stockton, Modesto and Merced enjoy not only some of the best soils but also locally controlled high quality and inexpensive irrigation water. In contrast, the Valley's west side area Firebaugh and

Mendota are losing 80,000 jobs from the following of 800,000 acres due to water shortages. This exceeds the well publicized job losses in the US auto industry in Detroit.

For the long term survival of agriculture, it is now critical that the cities surrounded by these unique resources develop mitigation programs that preserve our best soils supported by our most reliable water resources.

#9: Agricultural conservation easements are an excellent farmland protection tool.

The most common local farmland protection tools include general plan policies that support agriculture, agricultural zoning, and the Williamson Act. These traditional regulatory approaches to farmland preservation tell the farmer what he can do with his land, and are subject to change.

Agricultural conservation easements, on the other hand, are permanent and provide our farming families with the opportunity to control their own destiny — to voluntarily decide whether to protect their own farmland for future generations, under terms decided upon by the family. They are tailored to the needs of the farmer, and allow the farmer to exercise his own private property rights to achieve his goals: to expand his farming operations, diversify his investments, and/or to achieve tax benefits and long term estate planning goals. Agricultural conservation easements are very effective at permanently protecting our best farmland while ensuring that our family farmers retain ownership and control of the farm and continue to make the farming decisions that have made the Central Valley the most productive agricultural region.

#8: City and county wide mitigation programs level the playing field for developers.

Currently many cities and counties impose farmland mitigation requirements on an ad hoc, development by development basis. A broad, city or county wide policy involves more input from key stakeholders (farmers, real estate developers, environmentalists and other community groups), and levels the playing field with a uniform set of rules for all developers and the community. The result is a strong program that is applied fairly and equitably to all projects.

#7: Mitigation programs can reduce environmental review costs and expedite approvals for future development projects

The California Environmental Quality Act requires local agencies to study a development's impacts on good quality farmland and then to adopt feasible mitigation measures. A

(Continued on page 5)

(Continued from page 4)

broad policy requiring mitigation with findings that the policy mitigates the farmland impacts of development could support expedited environmental review for future development projects. Such a policy could allow project approval with a so-called “mitigated negative declaration” and avoid a more expensive and time consuming environmental impact report. This reduces the costs of development and expedites development approvals.

#6: Farmland mitigation will have no significant impact on housing and other development costs.

Agricultural mitigation programs do not necessarily increase the costs of homes or other development - supply and demand generally determines a property’s sale price, not development fees. And as explained above, a properly designed farmland mitigation program can expedite a development’s environmental review and approval, which ultimately lowers housing and development costs.

Even in a hot real estate market, when a developer might be able to pass on a significant portion of development fees to the property’s buyer, farmland mitigation fees are low, a very minor portion of the fees imposed on development. For example, total local developer fees for residential subdivisions in Modesto are about \$75,000 per unit. The San Joaquin Policy Council, which consists of elected officials from the San Joaquin Valley, recently recommended that subdivisions should average 6.8 homes per acre. At that density, a \$9,600 per acre farmland mitigation fee like Stockton’s would impose a one-time cost of \$ 1,412 per home, less than 2% of the total development fees paid to build the home and a trivial portion (about one-half of 1%) of the \$225,000-275,000 median home price in the Northern San Joaquin Valley. Even if the market allowed a developer to pass the fees onto the buyer, these fees could be partially offset by the savings in the developer’s environmental review costs (see reason #5 above) and in any event would be insignificant.

#5: Mitigation is not a subsidy to farmers.

When a farmer sells a conservation easement, he receives only the appraised value of the property rights he is selling and nothing more. In return for receiving the fair market value of the property right he is conveying, he gives up his ability to develop the farm as a housing subdivision or a commercial or industrial development. His payment is not a subsidy, but payment for the fair market value of the property rights being conveyed.

#4: Mitigation programs are legal.

In a lawsuit brought by the Building Industry of America against the City of Stockton, the San Joaquin County Superior Court recently ruled in favor of Stockton’s mitigation program, and affirmed that a properly designed agricultural mitigation program is legal.

#3: Local mitigation programs complement federal and state programs.

Some argue that the general public, and not new development, should pay for agricultural mitigation. However, new development is required under state law to incorporate all feasible measures to mitigate the impacts of that development, including the loss of important farmlands. Agricultural conservation easements are a proven mitigation measure under state law.

Moreover, most of the funding for agricultural conservation easements comes from the general public, and not developers. Much of the 11,000 acres covered by agricultural conservation easements in the northern San Joaquin Valley were funded by voter approved state-wide bond money under California’s Farmland Conservancy Program. Under the Farm Bill, the federal government also provides significant funding for agricultural conservation easements. Both the federal and state funding agencies look for local contributions, including local mitigation fees. For example, Modesto mitigation fees from the Kaiser Hospital project funded only about 15% of the costs of a recent agricultural conservation easement transaction in west Modesto, with the state providing about 80% and private contributors paying about 5%.

Local mitigation programs provide important matching funds that are needed to obtain federal and state funding, and demonstrate to federal and state funding agencies that the community cares about protecting our best farmland.

#2: Mitigation programs managed by non-profits are cost effective with minimal costs to local governments

One of the reasons that farmland mitigation fees are low is that many of the programs in the northern San Joaquin Valley are managed by the Central Valley Farmland Trust, which has only 2 paid staff members and an army of more than 60 volunteers. Having a non-profit, non-governmental organization with committed volunteers manage the program holds down program costs, and avoids the need for cities and counties to allocate their limited resources to agricultural conservation easement program management.

And the #1 reason: It’s the right thing to do.

City Councils and Boards of Supervisors must address numerous community needs, including public safety, transportation, domestic sewer and water, and general public health and welfare. But looking back in 50 years, our grandchildren will undoubtedly point to local farmland protection as one of the most significant achievements of our generation if we are able to save the most productive agricultural region in the world.



WE ARE WATCHING...

City of Stockton

The San Joaquin Superior Court denied the appeal of the Building Industry Association to overturn the city's farmland mitigation ordinance. It is unknown if the BIA will seek an Appellate Court ruling.

http://ccms.stocktoncourt.org/via_p_l_a_y_e_r/CaseInformationSummary.aspx?CaseNo=CV032651

Stanislaus County

www.co.stanislaus.ca.us

Diablo Grande continues to have its water problems despite new ownership.

The economy has also taken its toll on the Salida Plan. There are no new project descriptions submitted as yet and the Environmental Impact Report has yet to be submitted for public and legal scrutiny.

The county and cities will be updating their housing development plans this year after they receive their required allotment from the California Housing and Community Development Dept.

Stanislaus County dropped a bombshell on unsuspecting property owners in March when they unveiled a couple of tentative drawings for the North County Corridor that connects Fwy 99 to Riverbank and Oakdale. Many of the affected property owners had moved into the area over the last decade. Many said that they expected the long-term plans for using Kiernan Avenue as an expressway to be the west/east connector. After 15 years of allowing curb-cuts onto the planned Kiernan/Claribel Expressway, County officials now claim that Kiernan Avenue has too many

curb-cuts and is too narrow to be used for needed traffic flow. Officials cite a study that indicates a need for **30 traffic lanes** to support future needs.

City of Modesto

www.modestogov.com

Last year we reported that workshops on farmland mitigation should produce a policy by year's end. This year any mitigation policy has been put on the back burner according to a discussion during a March Urban Policy Review meeting. The melt down in the economy has governments scrambling to cutback staff while tax revenues drop. Urban Policy meetings are focusing on expansion of industrial and commercial areas for job creation. Modesto has about 5,000 acres of underdeveloped land within their 33,000 acre Sphere of Influence.

City of Turlock

www.ci.turlock.ca.us

The area north of the City, along Taylor Road, is in agreement with the County to remain an agricultural buffer. County planning staff suggested that county planning commissioners reject a proposal for a golf driving range. But the commissioners in March voted for the driving range.

For over 20 years, Stanislaus County leaders boasted about their formal greenbelt protecting farmland between Turlock and Keyes.

While a golf driving range may be allowed after a use permit is granted, it is not a guaranteed approval. In this instance, due to the "Turlock Agreement" it was a poor decision by the commission.

City of Riverbank

www.riverbank.org

The City Council recently adopted a General Plan option that calls for development of a "Sustainable Agricultural Strategy intended to conserve agricultural production in the Stanislaus River Watershed,..." The policy is loaded with non-committal words like should, flexibility, and intent. The option does little to reduce confusion by stating, "It is the City's intent to use and potentially modify the Land Evaluation and Site Assessment (LESA), as amended, developed by the State Dept. of Conservation, when considering if a project will have a significant impact upon farmland resources."

High Speed Rail Update

from www.cahighspeedrail.ca.gov

"Some news reports suggested the state's first completed high-speed train segment would connect Bakersfield and Merced. No decision has been made on which section of the backbone link between Anaheim/Los Angeles and San Francisco will be the first to become operational.

Current plans anticipate that a test track may be built on a flat stretch in the Central Valley somewhere between Bakersfield and Merced. "The California High Speed Rail Authority has begun project-level environmental review in eight sections of the 800-mile statewide system, including the Central Valley. This is among a number of important steps that must be completed before a decision is made on which sections will become operational and in what order."



Message from the Chair

Over the last decade the residents of the Central Valley and Stanislaus County in particular have talked about what our future holds. Will we duplicate the sprawl failures of the Los Angeles basin and the Santa Clara Valley or will we take action to create another result? Our local history reflects more reason for optimism than the feelings we get from our daily exposure and the appearance of sprawl-as-usual.

Last year Stanislaus County voters overwhelmingly supported the Stamp Out Sprawl Initiative, Measure E, which requires a public vote before residential housing subdivisions can be built outside of cities. The action not only directs housing into cities, its more profound message from the voters tells elected officials that our agricultural lands are important to them. Whether that message translates into smart growth policies or smart growth candidates and elected officials has yet to materialize. In Modesto, for over 30 years, citizen votes have advised City Council members whether land use development should move forward. Partly due to those advisory (managed growth) votes Modesto is one of the most densely populated cities in the Central Valley.

The good news is that Stanislaus County has fertile soils, irrigation systems, a food growing climate, and a farming community second to none in the world. It is important for us to support local candidates and their policies that promote better land utilization. That means that cities need to grow up more than out. That soils need to be considered for their food producing capacity and as a reason not to urbanize an area. And that the jobs, jobs, jobs mantra include those generated by our local food producing and support industries.

Beach and Silveira Farms Preserved in Merced County

The Central Valley Farmland Trust (CVFT), the California Farmland Conservancy Program (CFCP), and the Modesto-based Great Valley Center recently partnered to purchase agricultural conservation easements on two farms in Merced County near the city of Livingston. In both projects CFCP and the Great Valley Center provided funding while CVFT provided project coordination and will hold the easements. Both farms – Beach and Silveira -- are located near Livingston in some of the most productive farmland within Merced County. The area consists primarily of farms on par-

cels typically ranging from 20 acres to over 100 acres in size. The area is especially productive for fruit and nut orchards because of its soil quality, availability of affordable and high quality irrigation water, and proximity to processing and marketing infrastructure.

Irrigation is provided by the Merced Irrigation District. Livingston has experienced rapid growth in the last few years, with recent subdivision activity on the southern limits of the city. Livingston's latest General Plan calls for annexation south of the current city limit and to convert 464 acres of farmland to residential development, within one-half mile of the Beach Farm.

In October 2008, Livingston's City Council unanimously voted to approve a draft master plan and environmental impact report that projects exponential area growth.

A donation has been made:

*In memory of
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by
Mr. Ralph Azevedo*

*In memory of
Jerry Salmon
by
Audie & Max Dahlgren*

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- Tim Byrd