

THE RURAL LAND MANAGEMENT BOARD & PURCHASE OF DEVELOPMENT RIGHTS ANNUAL REPORT

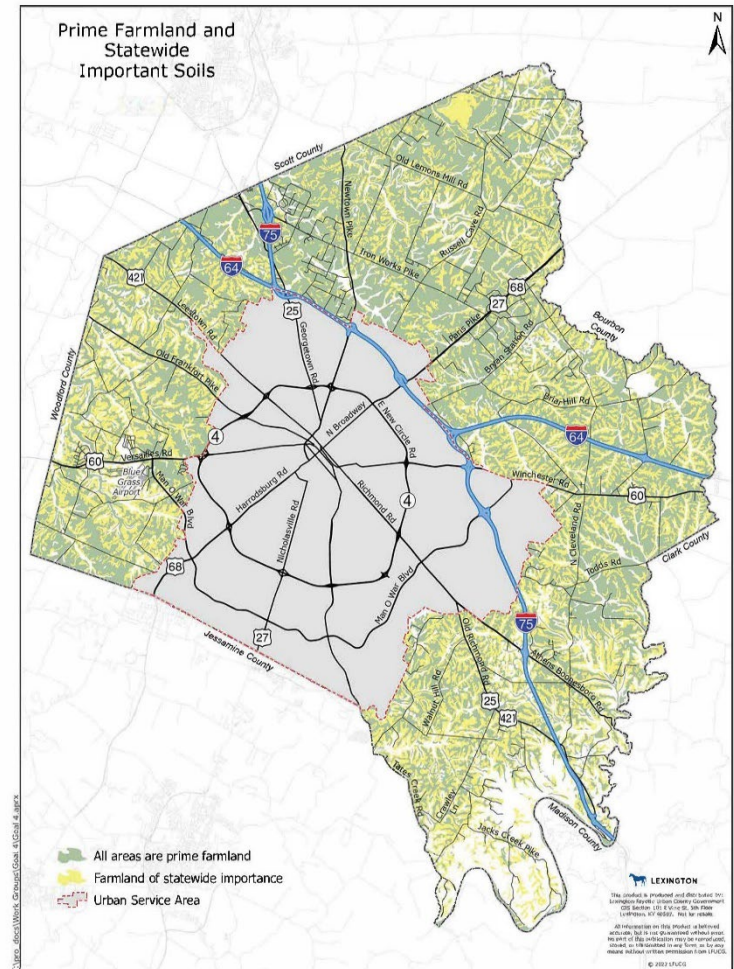
April 16, 2024



LEXINGTON

Rural Service Area Background

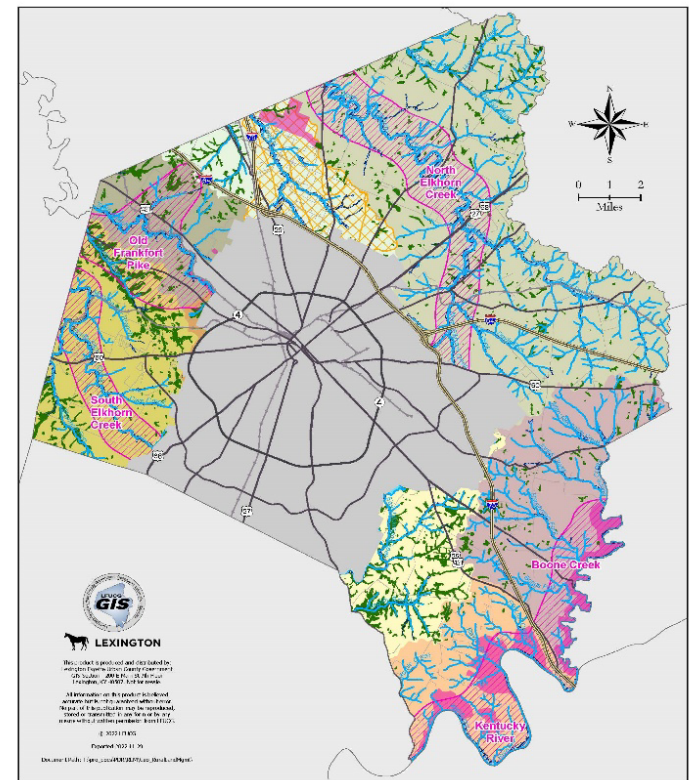
- While crafting Fayette County's 1996 Comprehensive Plan, our citizens and leaders recognized the importance of protecting the Rural Service Area (RSA) for future economic development and tourism, as well as its vast natural and cultural resources.
- The RSA is comprised of some of the highest quality soils in the nation. The prime farmland soils are illustrated in green on the map to the right, and the statewide important soils are in yellow.
- The Rural Land Management Plan (RLMP) was adopted in 1999 as an element of the 1996 Comprehensive Plan, then updated in 2017 and adopted as part of the 2018 Comprehensive Plan.



Rural Service Area Background

- The Rural Land Management Plan (RLMP) was designed to document the natural and historical attributes of the RSA and recommend ways to manage and preserve them.
- These attributes include, but are not limited to, the Prime Farmland Soils, Historic Rural Hamlets, Historic Roads and Turnpikes, Stone Fences, and the Kentucky River Palisades.
- The RLMP notes 5 distinct Focus Areas especially important to conserve, all of which are based on watersheds as indicated on this map. They are the South Elkhorn, Old Frankfort Pike, North Elkhorn Creek, Boone Creek and Kentucky River tributaries.
- Protecting the Rural Area as called for in the RLMP has a trifecta of community benefits:
 - 1) Environmental Sustainability with the protection of our tree canopies, water bodies, soils, and wildlife habitats.
 - 2) Economic Development from the agriculture, equine, and tourism industries.
 - 3) Better Health for our citizens by having access to locally grown foods, and to parks such as Raven Run Nature Sanctuary and Hisle Farm, in addition to less air pollution.

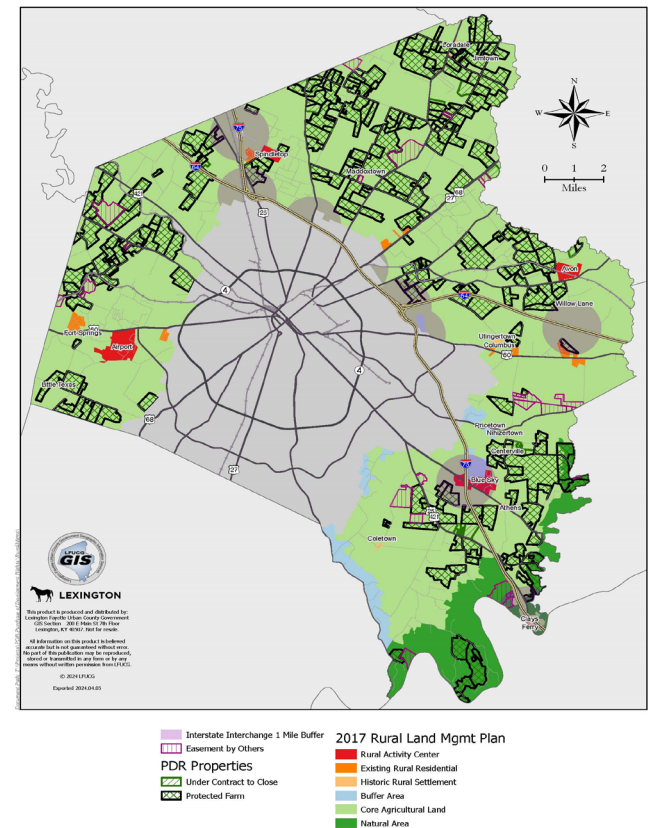
Lexington's Rural Service Area Environmental Considerations



PDR Program Background

- The Rural Land Management Plan (RLMP) also called for the creation of a farmland protection program.
- A group of 26 community members representing multiple facets of business, industry, government, and conservation met regularly for two years and were known as the “Implementation Committee”.
- The Purchase of Development Rights (PDR) Program was established in the year 2000 with an ordinance-stated goal to purchase easements on 50,000 acres in the RSA.
- The 16-member Rural Land Management Board was created to govern the program and per ordinance, is comprised of representatives from the groups who served on the Implementation Committee, as well as three Council-appointed seats added in 2019. Thirteen of the members are voting and three are non-voting.
- The Board meets monthly to steward the easements and oversee the acquisition of new easements.

Lexington's Rural Service Area Rural Land Management



Stewardship

- PDR easements are perpetual and transfer with the land. They are recorded with the property deed at the County Clerk's office just like a mortgage or utility easement.
- The easements require landowners to obtain the Rural Land Management Board's permission to add housing and paving, and if the easement was recorded after 2007 when an impervious surface limit was added, they must also obtain permission to add farm infrastructure such as barns.
- The RLMB heard requests from landowners at over half their meetings last year. The requests included primary residences, tenant houses, indoor riding arenas, barns and paving.
- Since the PDR farms regularly change hands, a letter is sent to the property owners annually reminding them of these rules and that they need to ensure the PDR staff has their contact information.
- The easements must also be monitored annually, and reports must be submitted to NRCS for each federal easement. Most monitoring is conducted in person, and we also utilize the aerial photography purchased by GIS every two years.
- The RLMB and PDR staff must also field questions and requests regarding utility easements, cell towers, potential road widenings, subdivision, expansion, and other issues. Any potential road widening or other issue that might impact a federal easement requires the approval of the Chief of NRCS.





Rural Land Management Board, Inc.

- Gloria Martin, Chair
 - Robert James, III, Vice-Chair
 - Philip Meyer, Treasurer
 - Jim Coleman
 - Hannah Emig
 - Margaret Graves
 - Phil Hager
 - JoJuana Leavell-Greene
 - Will Mayer
 - Thomas Owen
 - Mary Quinn Ramer
 - Christine Stanley
 - Vacant
 - Dave Sevigny
 - Vacant
 - Ian Young
- Fayette County Neighborhood Council
Fayette County Farm Bureau
Fayette County Farm Bureau
Council-Appointed Seat
Bluegrass Realtors
Land Conservation Group
Kentucky Thoroughbred Association
Council-Appointed Seat
Kentucky Thoroughbred Association
Commerce Lexington
VisitLex
Historic Preservation Group
Building Industry Association of Central KY
Non-Voting, Urban County Council Member
Non-Voting, Fayette Cooperative Extension
Non-Voting, USDA-NRCS

Financial Benefits of Farmland Preservation

- Fayette County's Rural Area is a globally recognized landscape that brings investors and tourists from around the world.
- VisitLex reports the **#1 reason** visitors come to Lexington is to see our horse farms and scenic beauty, and that hosting the 2022 Breeder's Cup had an **\$82 million** impact on Lexington and the surrounding areas.
- Lexington is the **"Horse Capital of the World"** and home to the Kentucky Horse Park, Red Mile, Keeneland, and Fasig-Tipton, in addition to numerous horse farms and training centers. We also have an increase in diversity in horse breeds with ownership of sport horses and pleasure horses both growing.
- The Legacy Trail now extends through the downtown core to the Horse Park, where over 30 equine businesses and organizations are housed in addition to the multitude of recreation and tourism activities and events.



Financial Benefits of Farmland Preservation

- Fayette County is also home to the **Bluegrass Stockyards**, which is the **largest stockyard** east of the Mississippi River.
- Kentucky is the **largest beef producer** east of the Mississippi River and home to nearly **1 million beef cows** per the USDA.
- In 2022, gross receipts from cattle production totaled **\$1.1 billion** per the KY Beef Cattlemen's Association.
- The KY Bourbon Industry generates \$285 million in state and local taxes and **15-20 million bushels of corn** go towards making KY Bourbon every year. **75%** of that corn is sourced from KY farmers, and corn and soybeans are the row crops most frequently raised on PDR farms.
- Our thriving Lexington Farmers Market operates 5 days a week during the spring/summer season, and many of our restaurants depend on the produce and meat supplied by local farmers.
- We also have wineries in the Rural Area, including a small one on a PDR farm.



Federal Funding Partnership for Farmland Preservation

- The USDA Natural Resources Conservation Service (NRCS) with whom we partner states it well by saying “**Agricultural Land Easements protect the long-term viability of the nation’s food supply** by preventing conversion of productive working lands to non-agricultural uses. Land protected by agricultural land easements provides additional public benefits, including environmental quality, historic preservation, wildlife habitat and protection of open space.”
- NRCS has partnered with the PDR Program for over 20 years and awarded us over **\$29 million**.
- Over half of PDR easements are federally funded.
- The funding program we utilize is called the **Agricultural Conservation Easement Program (ACEP)**, and it receives bipartisan support from Congress in every Farm Bill.



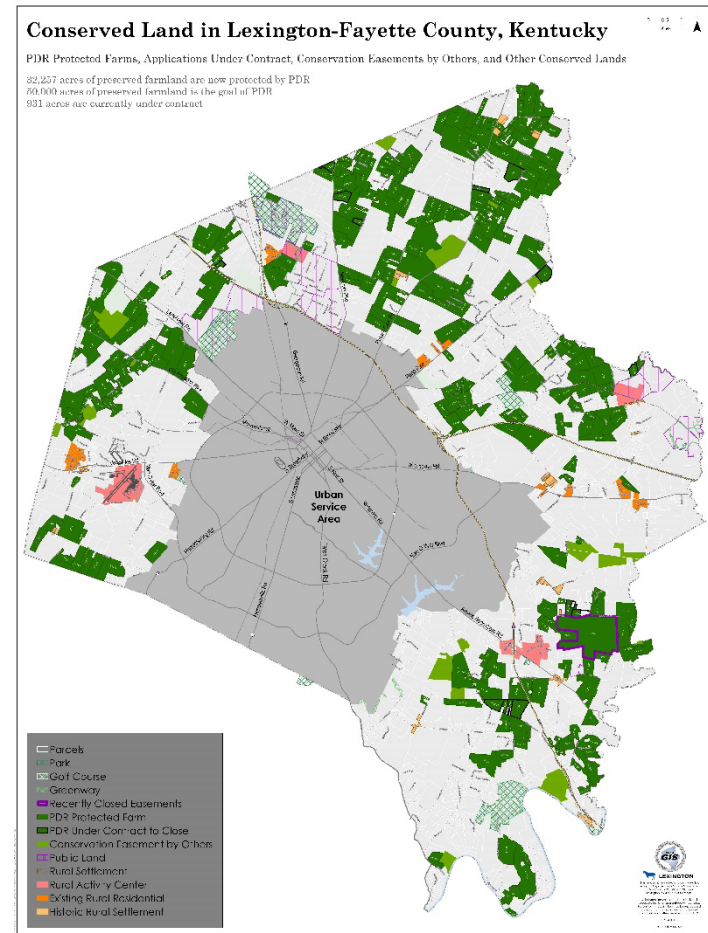


PDR Parcel Ranking Process

- Parcels in the Rural Service Area that are at least 20 acres meet the acreage requirements for easement purchase. A property owner can combine two or more adjacent tracts under the same ownership to meet the 20-acre minimum.
- To ensure impartiality, parcels are ranked using a Land Evaluation & Site Assessment (LESA) provided in Section 26-10 of the Code of Ordinances which includes:
- **Ag Supportive Scoring:** Size of Parcel, Soil Quality, Elimination of Undeveloped Non-conforming Tracts, Proximity to other PDR farms which builds Critical Mass, Batch Application, Farming Activities & Production, & Agricultural Infrastructure Improvements.
- **Environmental Protection Scoring:** Environmentally Sensitive Areas, Designated Rural Greenways, Designated Focus Areas, Natural Protection Areas & Wildlife Habitats, Links to Parks, Nature Preserves, Nature Sanctuaries, etc., & Designated Scenic Viewsheds and other Scenic Resources such as Tree Canopies.
- **Historic Protection Scoring:** Historic and Cultural Resources including those designated for the National Historic Register, Designated Federal, State, and Local Scenic Byways and Historic Turnpikes, Stone Fences, & Length of Public Road Frontage for Viewshed Protection.
- **Negative Scoring:** Negative points are awarded to parcels in Sewerability Categories 1-4 and those within 1 mile of the Urban Services Area, unless they are in a designated Focus Area or Wellhead Protection Area, or a Community Icon.
- *Note: Parcels of any size can be donated, including those of less than 20 acres.*

Conserved Farms and Acreage

- With the federal investment in PDR and the Commonwealth of Kentucky's **\$15 million** investment, the Program is nearly **2/3 of the way to the 50,000-acre goal**.
- There are **286 farms** totaling over **32,000 acres** permanently conserved, and over **930 acres** under contract to close.
- In addition, the Bluegrass Land Conservancy holds **18 easements** in Fayette County totaling **2,300 acres**, and the Mary Wharton Nature Sanctuary at Floracliff has **337 acres** under easement that has been designated as a Kentucky State Nature Preserve.
- It is a goal of both the PDR Program and the federal matching program to create a critical mass of contiguous conserved agricultural land, and you will see that on this map. Applicants receive points for being adjacent to a PDR, Bluegrass Land Conservancy or Floracliff easement, and for applying with a neighboring farm.



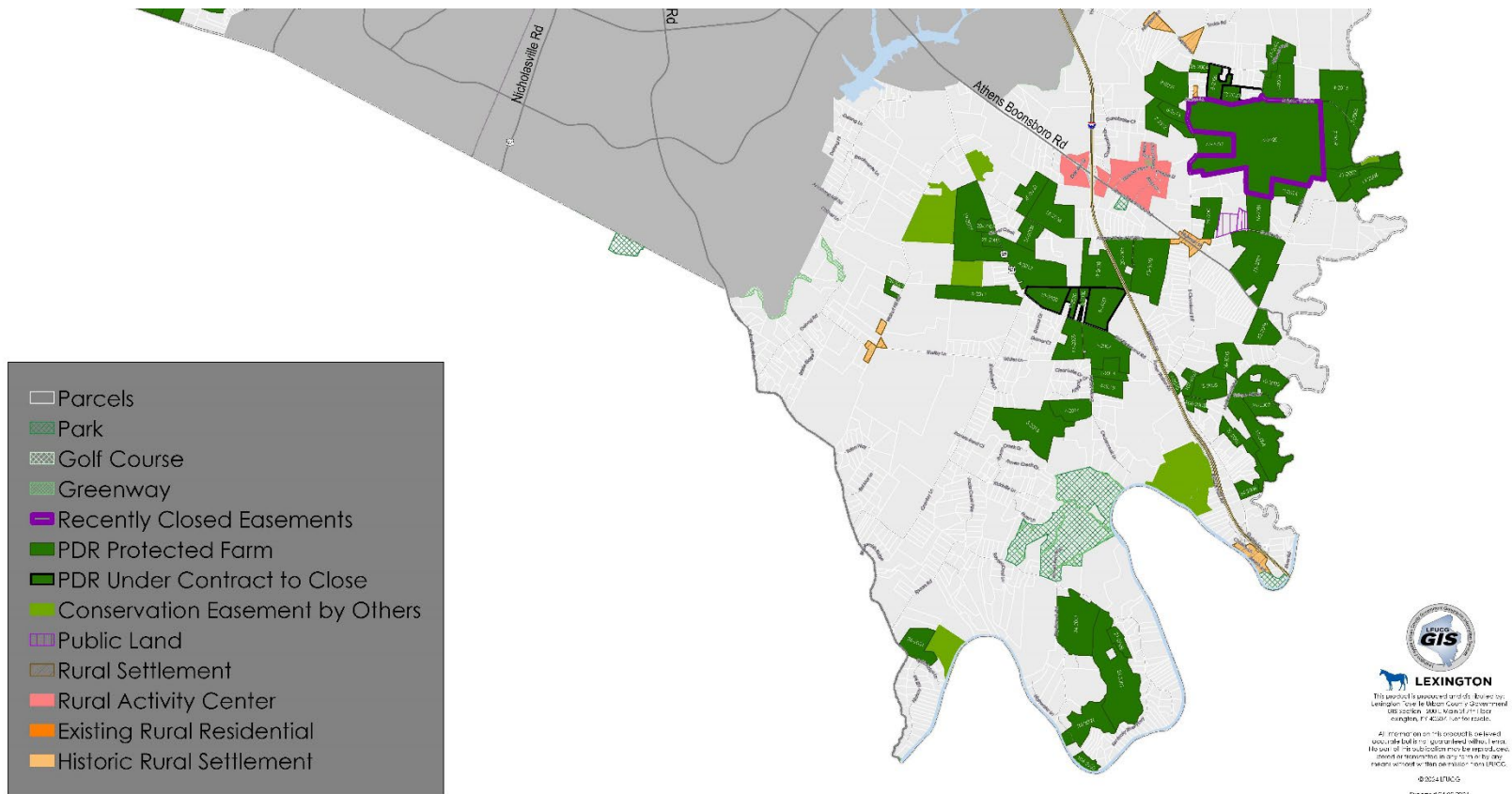
Largest Easement in PDR History

5950-5996 Sulphur Well Rd., 6200 Sulphur Well Rd., 1000 N. Cleveland Rd., & 604 N. Cleveland Rd.

- An easement on Farm 4-2020 owned by the Fox Trot Corporation was purchased in December 2023.
- The farm is comprised of 4 tracts totaling **1,170.64 acres**.
- It's Soil Score = **87.9%** (Prime Farmland =52.6%; Statewide Important Soils = 35.3%)
- It is PDR adjacent on multiple sides.
- It was a Batch Application with 2 neighbors, meaning they applied the same year.
- It is in the Boone Creek Focus Area and the Boone Creek National Register Rural Historic District.
- The farms has Rural Greenways, Environmentally Sensitive Areas, Wildlife Habitats, and large trees throughout.
- It is part of Fayette County's Designated Scenic Viewshed and has over 7,400' of frontage on an Historic Turnpike & a KY Scenic Byway.
- It is used for cattle and crop production.
- It was federally matched 50/50 and NRCS said it is the largest agricultural easement they have purchased in Kentucky.



The Farm is on the far right and outlined in purple



The PDR Program & RLMB have 14 Federally Matched Farms Under Contract to Close:

Application Number	Acreage	Status
5-2020	31	Under Contract
6-2020	30	Under Contract
8-2020	67	Under Contract
9-2020	140	Under Contract
10-2020	95	Under Contract
11-2020	50	Under Contract
12-2020	41	Under Contract
13-2020	40	Under Contract
	<i>Continued...</i>	

Federally Matched Farms Under Contract to Close Continued:

Application Number	Acreage	Status
1-2021	140	Under Contract
2-2021	85	Under Contract
3-2021	102	Under Contract
5-2021	34	Under Contract
6-2021	51	Under Contract
7-2021	25	Under Contract
Total Acres =	931	Under Contract

We also have 3 newly Federally-Matched Farms and 3 pending on a Federal Match Application, and 2 Donation applications:

Application Number	Acreage	Status
1-2022	87	Federally Matched – In Progress
5-2022	46	Federally Matched – In Progress
6-2022	44	Federally Matched – In Progress
3-2022	33	Pending on Federal Application
7-2022	50	Pending on Federal Application
1-2023	40	Pending on Federal Application
8-2022	10	Donation Application
9-2022	10	Donation Application
Total Acres =	320	



Additionally, there are 5 applications in the queue and 1 unsuccessful applicant to report:

- The 5 farms in the queue meet the PDR application requirements but are not yet funded due to life estates or the inability to qualify for the federal match due to foreign ownership.
- The 1 unsuccessful applicant was federally matched but declined the Board's offer to purchase an easement on their farm.

Application Number	Acreage	Status	Landowner Name & Address
4-2015	346	Active Applicant	N/A
5-2015	309	Active Applicant	N/A
6-2015	362	Active Applicant	N/A
7-2015	51	Active Applicant	N/A
2-2017	40	Active Applicant	N/A
Total Acres =	1,108		
8-2021	40	Federally Matched but Declined Board's Offer	Jennifer Elam 5201 Mt. Horeb Pike

News & Accomplishments

- 1) The RLMB have been named a **Certified Entity by the USDA Natural Resources Conservation Service (NRCS)**.
 - This designation is based on our longstanding successful partnership with NRCS through which we share over 160 easements.
 - It is our understanding there were only 4 Certified Entities in the United States prior to 2023, and we are the only Certified Entity in Kentucky.
 - This will give the Board more autonomy to close easements and should expedite closings.
- 2) The non-profit **Seedleaf, Inc. is leasing 32 acres on a PDR farm** and has expanded to the Rural Area for the first time. This is their largest farming space thus far.
 - They plan to allow farmers who have completed their training program to have their own 1 to 1.5 acre lots and will also have land for migrant farmers to use.
 - We are so excited about this new partnership and grateful for the vision and ingenuity of both Seedleaf and the PDR farm owner who is providing the land.
- 3) The Board was awarded a **\$10,000 grant from the American Farmland Trust** to encourage farmers to implement better soil health practices. Uses of the funds thus far include:
 - Purchasing a soil penetrometer that will be used to measure soil compaction when conducting easement monitoring.
 - Providing funds to the Fayette Soil Conservation District to supplement the funds paid to farmers to incentivize the planting of cover crops during the fall and winter. The funds are available to all Fayette County farmers not just those in PDR.
 - Sponsoring PDR farm owners to attend a day-long workshop provided by NRCS experts on better soil practices for cattle farms.

Summary

- Over **32,000 acres** have been permanently conserved including 36 donated easements totaling over 1,400 acres.
- The PDR staff and RLMB are currently working with **27 PDR applicants** and stewarding easements on nearly **300 farms**.
- The federal partnership is strong, and the Inflation Reduction Act (IRA) is raising the investment in the Agricultural Conservation Easement Program from **\$450 million to \$1.4 billion annually** over a 5-year period. We recently received funding for 3 new easements provided by IRA funds.
- We have just been given the greenlight to begin closing farms as a **Certified Entity** and look forward to a productive year of easement acquisitions.





Questions?



Contact Information

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