

**Agricultural Advisory Committee Meeting
Meeting Minutes - December 18, 2018**

Attendance: Eleanor Leak, Michele Cropp, Linda Lewis, Aliza Fishbein Silver, Pete Driscoll, Doug Lechliden, Jane Evans, Ben Butler, Lori Larson, Angie McNally

Staff: Jeremy Criss

Guest: Steve Robinson from Madison Fields

Agenda items are in bold and minutes are not bolded.

- 1. Call the Meeting to Order and Introductions: 7:05 pm**
- 2. Approval of the AAC meeting minutes from November 20, 2018.**

Accepted as corrected (Driscoll/Evans)

- 3. The OAG drafted letters for the MCFB President Michele Cropp and APAB Chairman Michael Jamison to County Executive Marc Elrich requesting a meeting to discuss proposals for farmland preservation funding. The APAB recommends that collections of County Agricultural Transfer Taxes and Water Quality Protection Charge funding be allocated for farmland preservation easements.**

Mike Jamison (chair of the Ag Preservation Board) and Michele Cropp (President of MCFB) have requested a meeting with Executive Elrich to discuss funding for farmland preservation programs. APAB's meeting is January 7 at 10:30, MCFB waiting for reply. Elrich requested to know dollar amount of TDRs still available for transfer; Jeremy will tell him it is \$100 million at the January 7 meeting.

Background about TDRs. Farmers were made a commitment from the County 38 years ago that there would be a market for the TDRs. Prior to 1980 you could build one house for every 5 acres. The Agricultural Reserve was created by a comprehensive downzone and the TDR program was created to compensate for the lost development potential of the properties. One TDR is equivalent to 5 acres. The AR zone will allow one house for every 25 acres and the TDRs that equate to a building are called BLTs that have a higher value. TDRs today are \$25,000 whereas BLTs are \$250,000 if you can find a developer willing to purchase them. Example: If you have a 100-acre farm you have 4 buildable TDRs and the remaining 16 are the excess TDRs the farmer would create and sell to the developer to make up for the lost equity of the downzone. A problem in this area is that real estate appraisers don't understand the value of TDRs and it is hard to find developers willing to purchase them.

There was a total of 19,000 TDRs created in 1980 and this term is referred to theoretically maximum number of TDRs available. Since the beginning of the program, 10,000 have been created, serialized, severed, and sold. Now there are

9,000 remaining. After deducting the TDRs that Pepco created for the in-fee strips for powerlines, and TDRs on public owned lands, and TDRs on public purchased agricultural easements, this brings the figure down to 5,000. P&P's figures are lower, at about 2-3,000. Some of the receiving areas have been under moratorium and will not be realized. Additionally, there are regulations for wetlands and forest conservation restrictions that have been created in the past 38 years that negatively impact the use of TDRs on development projects.

Since the program was first established, there have been other public policy objectives like affordable housing, workforce housing, mixed use plan developments, which have cut in line in front of those who would want to consider TDR receiving area types of development. P&P staff doesn't push developers to consider optional methods for TDRs.

Current Status. This results in the total TDRs in the sending area being greater than all the receiving areas added together, therefore the commitment to the farmers has not been fulfilled. There is little value to having TDRs if there is no market.

Jeremy is continuing this conversation with the CE. The thought is to request a new source of revenue through the county ag transfer taxes. The taxes currently go into the general fund and the ag community would like that to go to ag preservation instead. This suggestion would be in addition to requesting water quality protection charge money going to ag preservation.

With the County's storm water and septic nutrient reduction goals not being met for the Watershed Improvement Program III (and likely will never be met) the dependence on the ag community will be the greatest. The farmers need help, as the burden will come down on us.

4. We received the proposed bill (Statewide Bill) from Delegate Eric Luedtke which proposes to remove the State Section 13-305 which allows developers to avoid paying the Agricultural Transfer Taxes. The hearing will be in Annapolis.

The bill would remove provision 13-305 that developers are in fact using to avoid paying agricultural transfer taxes. OAG has worked hard to make sure Colby Ferguson, Chuck Fry, and Luedtke have spreadsheets showing multiple properties in multiple counties that are being farmed without an ag use assessment; this means that when they're sold and transferred there will be no transfer taxes collected.

Colby said today at the Legislative Lunch that the 5 year look back program may be extended to 10 years. If you have the property and you farm it and change the assessment to something other than ag and you continue to farm it for 5 years, then the ag transfer tax is waived, as you have fulfilled the obligations of the Declaration of Intent. Paying 10 years into the county coffers at the unimproved

residential rate will make developers wonder, “do we really want to pay 10 years to the county or alternatively 5% of the consideration?” Over 10 years there are additional carrying costs associated with the property including engineering costs, farmer’s legal right to crops grown, etc. There would be an effective date of the change that would have to be implemented carefully.

5. Update on Farm Alcohol Production Facilities. The Council will introduce a new ZTA 18-14 that will allow Farm Alcohol Production in the RE-1 and RE-2 Residential zones as an accessory use to farming.

<https://www.montgomerycountymd.gov/COUNCIL/Resources/Files/zta/2018/ZTA%2018-14.pdf>

This new ZTA will apply the same use of farm alcohol production into the RE1 and RE2 residential zones. This is a Hans Reimer and Craig Rice initiative. The public hearing is on Jan 15, 2019 at 1:30.

This ZTA keeps the accessory to farming requirement from the last proposed ZTA. Jane, spoke with Andrea (staff to Tom Hucker) at the Leg Lunch today about this. This was discussed on NPR yesterday (“beer in the ag reserve”). Andrea seemed sympathetic to MCA position about it ruining pristine open space. Jane and Doug live around the corner from Waredaca Brewery and have no problems with drunk drivers or anything like that.

In adding the RE1 and RE2 zones to the Farm Alcohol Production standards will also require that properties must be a minimum of 25 acres.

AAC decided that as farmers we are advocating for farmers across the county, not just those in the AR. We want to create the same types of business opportunities and on farm value added opportunities for existing farmers, no matter the zone they are in. We agree that Farm Alcohol Production uses would be better than the land being developed.

Motion to draft letter of support of ZTA 18-14 passed. (Evans/Larson)

6. The Montgomery County Farm Bureau conducted their annual Conference in OC December 4-6, 2018. The OAG is working on the new policies adopted by the Maryland Farm Bureau to prepare for the 2019 MD Legislative Session.

The conference went well. They adopted the policies they set forth to adopt.

7. The Agricultural members of the Agritourism Study Advisory Committee-ASAC met on December 7, 2018 to prepare responses to recommendations from the consultant. They may be another meeting of the ASAC after the holidays.

The last meeting was Nov 28. The deadline for comments to P&P based on the consultant were due Dec 14. Responses to the consultant’s recommendations have

been circulated amongst farmer committee members. Some of the consultants recommendations are in the weeds of details and some are beyond the scope of prior conversations.

- 8. The Sugarland Broadband Pilot construction along Partnership Road is almost completed. Comcast is waiving the installation costs to the residents including the long runs up their drive ways for hooking up the service. Comcast is working to schedule construction along the Sugarland Road after the holidays. We have made progress in obtaining signed easements from some of the hold outs along the pilot. Several residents have expressed interest to assist in replicating the success of the Sugarland Pilot into other areas of the Agricultural Reserve.
<https://montgomerycountymd.gov/cable/Sugarland/sugarland-comcast.html>**

Comcast has the cable run on the existing poles along the first section of Partnership Road. Comcast is not a public utility, so they don't have authority to go on private property unless the owner grants them easements. So far, the County has developed work arounds by changing the side of the road that they run the cable down if a property owner will not sign an easement. The second leg of the project will come down Sugarland Rd. Comcast has invested \$400,000 of their own money to ride on a pole owned by either Verizon and Pepco.

There will be a ribbon cutting for the Sugarland project, and then hopefully more people will want to get involved. Jeremy went to Elrich's listening session at Poolesville HS last week and more than half of the questions were about getting broadband access extended to the rural areas of the County.

Michele proposed that AAC author a proclamation recognizing Dave Weitzer for his contributions to County ag. He was active on the County's Agricultural Boards and Committees for 39 years. We lost Dave and Dennis Kamber within 2.5 weeks last year.

- 9. The OAG is working on a Family Farms promotion for Montgomery County. If Kira Tregoning (Doug Tregoning's daughter) contacts you, please respond back as this will help us to promote Montgomery County Agriculture and the wonderful farming families that we have.**

Kira is already working with Ben Allnutt and others. She will tell the story of how your family is fostering the next generation of farming and promoting young people returning to the farm.

- 10. Agricultural Legislative Luncheon-scheduled for Tuesday December 18, 2018 12:00 to 2:00 pm.**

It was a success today. Aliza asked Jeremy to distribute a list of the elected officials and their reps so that we can follow up with them. OAG would love to repeat this annually. It was an excellent program with a great focus on the

farmers. Doug did a fantastic job representing the AAC. The elected officials responded favorably.

11. The Linthicum family will receive the Governor's Agricultural Hall of Fame Award for this year. See the attached letter.

Congratulations!!!

12. Additional Business

- a. County Budget. The county is going through difficult times again, with a \$40 million revenue shortfall in the current FY. They are implementing a 1.5% savings plan in the current FY19. OAG has to identify \$14,583 from its appropriation to not spend. For FY20, which begins July 1, 2019, there will be a 4 % reduction in the OAG budget of \$38,888. It is unclear whether that cut will be just for OAG or shared with the extension.
- b. Taste of Maryland Dinner. It is Feb 7, \$100/ticket, at Michael's 8th Avenue. Doug is on the planning committee. Politicians come for free. We should let Doug know if we know anyone who might be interested in sponsoring. There are normally ~400 people in attendance. The governor will be there and is typically very accessible. Sponsorship form is on the Maryland Agriculture Council website: www.mdagcouncil.com
- c. Schedule for Appointments to AAC. If everyone currently serving is interested in requesting another term we will not have to replace anyone except for Susan Butler who had to resign. Jane Evans and Lori Larson have partial term renewals. Eleanor Leak's and Angie McNally's first terms are up and they are eligible for renewals. Aliza Silver and Leonard Yourman are non-farmer members and have to re-up since they only have one year terms. This upcoming term is Aliza's last eligible term. Jeremy will send the link out to everyone.
- d. River Rd. Jeremy spoke with Al Roshdieh Director of DOT on Dec 12. They had the study but didn't feel it had the sufficient cost data and numbers to redo the culverts etc.

Happy Holidays and Happy New Year! ☺