



Minutes of the Rural Land Management Board Work Session

Monday, February 1, 2016

Call to Order: 2:00 p.m.

Location: 3rd Floor Conference Room of Phoenix Building

Voting Members: Greg Bibb – Chair, Commerce Lexington  
Mariana Marye – Vice-Chair, Fayette County Neighborhood Council  
Don Robinson – Treasurer, Fayette County Farm Bureau  
Mary Ann Delaney, Land Conservation Group  
Headley Bell, Kentucky Thoroughbred Association  
Kristin Clark, Fayette County Farm Bureau (arrived at 2:35 P.M.)

Non-Voting Members: John Graham, Natural Resource Conservation Service

LFUCG: Derek Paulsen, Commissioner Planning, Preservation and Development  
Beth Overman, PDR Director  
Tracy Jones, Law Department Counsel  
Della Horton, Commissioner’s Office  
Russ Hensley, Council Member 12th District (arrived at 3:30 P.M.)  
Allen Waddell, Aide to CM Russ Hensley (arrived at 3:30 P.M.)

Partner Organization: Tony Knott, Natural Resource Conservation Service

**I. Attendance**

Chair Bibb asked the board members and staff to sign the attendance sheet.

**II. Review of Deed of Easement Template, Offer Letter and Contract to Purchase by attorney John Watz**

Chair Bibb announced this is a work session to review the Deed of Easement Template, the Offer Letter and Contract to Purchase with attorney John Watz.



Attorney Watz discussed the Contract to Purchase Agricultural Land Easement with the Board, pointing out the significant additions, deletions, and verbiage. He pointed out the addition of 4g and 4h on the second page and 6h on the fourth page which states:

4g. The Grantor, at its expense, shall have caused a (i) consolidation plat to be approved and recorded, if the Property is comprised of more than one parcel and (ii) a subdivision plat to be approved and recorded, if any portion of the Property is outside of Fayette County.

4h. The Grantor shall have received a binding commitment from the United States of America, acting by and through the United States Department of Agriculture, National Resource Conservation Service on behalf of the Commodity Credit Corporation (“Federal Funder”) for its share of the purchase price, and Federal Funder shall have approved the title insurance, the form of Deed of Agricultural Land Easement, and all aspects of the transaction.

6h. Grantor and its owners, if applicable, qualify for funding from the Federal Funder under its rules, including the requirement that all Grantor’s, their shareholders, members and partners not have gross adjusted income for Federal income tax purposes exceeding \$900,000, as such limit may be revised prospectively.

Board members interacted with questions and comments to which Attorney Watz responded. A final draft will be forthcoming from Attorney Watz to Ms. Overman and the changes approved in the upcoming Board Meeting.

Attorney Watz moved to discussion of the Deed of Agricultural Land Easement and provided a Memorandum that outlined the significant items for consideration by the Board. He explained each section of the Deed, and made desired changes after extensive vetting by the board. Major discussion was regarding the definition of the term “Agricultural Production”. Mr. Watz explained the draft definition, as proposed, to include the production for commercial purposes of crops, livestock and livestock products, and nursery and greenhouse products, including processing or retail marketing of these crops, livestock and livestock products, and nursery and greenhouse production, if more than fifty percent (50%) of those processed or merchandised products are produced by the farm operator and the raising and stabling of horses for commercial purposes, and shall also include any of the following: dairying, pasturage, growing crops, bee keeping. Horticulture, floriculture, orchards, plant nurseries, viticulture, Silviculture, aquaculture and animal and plant husbandry; the breeding, raising, training and general care of livestock for uses other than food, such as sport or show purposes; and construction and maintenance of barns, silos and other similar structures, the use of farm machinery, the primary processing of agricultural products and the sale of agricultural products produced on the land where the sales are made. This led Board Members Bell, Robinson, Billings and others, to provide input regarding Fayette County Agritourism, and vineyards/wineries. Mr. Bell said bourbon and horses are two



industries that should be promoted and protected. Mrs. Overman stated the federal government is more liberal; for example, they allow wineries and art studios in broader terms than we have previously.

The Board discussed uses that are pending and/or recently approved such as Bed and Breakfast Inns, Corn Mazes, Horse Farm Tours and Farm Tours. The Board talked about the evolution of farming throughout the last twenty years, and the necessity to broaden the scope of what should be considered appropriate uses on PDR Farms.

A major concern of the Board is the ever growing Vineyard/Winery Industry in Fayette County. Commissioner Paulsen talked about the recent concert held at Talon Winery and the enormous traffic/safety issue it caused. He said from a police standpoint, it is a traffic nightmare and one the police have little control over. Commissioner Paulsen said in the future he hopes we can require such events to have a special needs permit, which would require a pre-approved traffic plan, and other restrictions.

Several Board Members expressed concern over the potential for accessory uses becoming the major revenue (50% or more) for the farm.

Mr. Watz led discussion regarding energy production as it might affect eligible PDR Farms. The Board talked about the use of energy produced onsite (such as Windmills) for the farm operation, versus farm revenue. Mr. Watz noted that On-Farm Energy Production for agricultural and residential need of protected property cannot be prohibited.

Board Members were in agreement that while they want the PDR Program to be somewhat restrictive, they also want to have a program that is attractive to potential future participants.

Mr. Watz will edit the Draft Deed to reflect discussed changes, and provide a copy to the Board.

Work session adjourned at 3:45 P.M.

