

**TOWN OF MCMILLAN
M403 ELM STREET
TOWN BOARD MINUTES
February 11, 2014 7:30 PM**

Information was provided by Marathon County Conservation, Planning, and Zoning Department Staff.

The meeting was called to order at 7:40 p.m. by Chairman, Carolyn Opitz.

Carolyn introduced the members from the CPZ Dept. of Marathon County:

Andy Johnson – Environmental Resources Coordinator
Lane Loveland – Land Use Supervisor
Angie Wenninger – Planner
Kirk Langfoss – Conservation Specialist

A letter had been sent out to all landowners with at least 10 acres of land, informing them of this informational meeting.

The Vision is to protect agricultural land -

In Marathon County, 15% of jobs are related to agriculture. The FPZ and the AEA programs are designed to protect land used for agriculture. It was stressed that these are very individual decisions.

Over the next 30 years, the earth's population is expected to increase by another 3 billion people. The existing agricultural land will need to produce an additional 50-75% per acre to meet the needs of the growing population.

There are really two strategies designed to protect agricultural land -

Andy explained **Farmland Preservation Zoning (FPZ)** is an updated version of Exclusive Agriculture Zoning. It limits land use primarily to agricultural, natural, or open space, and associated uses such as farm residence, transportation, utility, and communication. Non-farm residences may be permitted if they are clustered to minimize the conversion of productive farm land. The area must be in a certified farmland preservation area. It is designated like other zoning districts, going through a public hearing process to be designated as a farm land preservation zoned district. In FPZ the landowner must meet the following criteria to be eligible to claim FPZ income tax credits: \$6,000 in gross farm revenues in the past year, or \$18,000 in gross farm revenues in the past three years; current with previous years property taxes; and in compliance with state soil and water standards. The purpose of FPZ is to minimize the conversion of productive agriculture land to other uses; to support the ag-economy by preserving its resources; to minimize farm and non-farm conflicts; and to encourage farming. Participants in FPZ may claim income tax credits at the following per acre rate of \$7.50 in FPZ only, or \$10.00 in FPZ and a FPZ agreement.

Agricultural Enterprise Area is a geographic area of contiguous farmland that has been designated by the Wisconsin Dept. of Agriculture, Trade, and Consumer Protection (DATCP). Farm owners and local governments work together to submit a petition for A.E.A. designation. The process is competitive and to be considered for designation the area must include at least five (5) eligible farm owners; be in primarily agriculture use; be located within a farmland preservation area identified in a certified county farmland preservation plan; and preference is given to AEA petitions of 1,000 acres or more. The benefits of AEA designation are the outcomes of the activities the local government, farm owners, and support businesses take to promote local agriculture. This can be achieved through FPZ, agreements, marketing of regional agriculture, and targeting loans and other financial incentives. Marathon County has two AEA's – the Town of Hull & Brighton and Antigo Flats in Town of Harrison.

Farmland Preservation Agreements are only available to land owners in a designated Agricultural Enterprise Area. The contract is a voluntary agreement between eligible land owners and the state. Landowners must meet the same criteria to be eligible to enter into a farmland preservation agreement and must be located within an Agriculture Enterprise Area. The contracts are for 15 years and the agreement follows the land. Terminating the agreement prior to the expiration date requires a conversion fee equal to 3x the Class 1 use value of the land. This varies by community. What are the benefits of FPA? The purpose of the agreements is

the same as FPZ, but the agreements also conserve soil and water resources. Participants in FPA are eligible for income tax credits at the following per acre ratio = \$5.00 for agreement only or \$10.00 in FPZ and farmland preservation agreement.

Marathon County is asking the Town of McMillan to consider layering on the AEA Program:

- It is a boundary
- There are no land use restrictions – the zoning does that
- It is voluntary
- They would want at least 20 petitioners to sign on
- This is a competitive application; it is not guaranteed

Why preserve farmland? Sustainable, Profitable, and Good Stewardship of the land.

What? Defining on a map an area where we would overlay the land base and offer additional tax credits to the landowners.

The state has capped the number of acres in the state that can be designated as AEA at 1 million acres.

McMillan falls in the area known as Heart of America's Dairyland and it is defined by the dairy industry. There are currently ten towns involved, and they would like to add two or three per year to the HOA Dairyland.

To be a part of the AEA, the land must be contiguous. Bern and Eau Pleine would like to join; so they need McMillan to come on board.

They're doing this by offering an income tax credit as an incentive to the land owners. Currently the farmland income tax credit is \$7.50/acre. The AEA offers an additional income tax credit of \$2.00/acre. To get the \$10.00/acre tax credit, the landowner would have to sign a 15-year agreement with the Dept. of Agriculture. This is strictly voluntary.

Landowners need certainty – The AEA indicates to the community that there is a commitment to agriculture. This commitment on the part of communities can help with obtaining grants from the state.

Kirk explained the "Layer Cake" Effect – The entire town does not need to be designated AEA. The amount of the tax credit is dependent on which layer or tier that your land is located in. The town would need to decide which "tier" it wants to be in.

Monitoring Conservation Performance – Every four years someone from the county will come out to inspect for proper nutrient management, run-off standards, proper manure storage, and more.

Towns that already are in the AEA America's Dairyland include: Beaver, Loyal, Mayville, Colby, Unity, Holton, Hull, Brighton, Johnson, and Frankfort. The towns that are proposed include: Bern, Eau Pleine, McMillan, and Day.

The goal is in 15 years to have 30-35% of landowners might be in a contract in the program. They believe that 60-65% will never be a part of the program. It's an individual choice for landowners and the county has realistic goals.

The county currently has a petition in to the state for the towns of Bern and Eau Pleine for sure. McMillan and Day can join in if they want to. It is strictly voluntary, but it is competitive. Petitions must be in by the end of March. The state would then approve the AEA's in the fall of 2014. Then in January 2015 the individual landowners would find out if they've been accepted into the contract, and Angie would come out and answer specific questions at that time.

The county's role is to work with all the towns in the AEA and help with the petitioning process. If a town wants to join the AEA, all other towns will have to approve that.

Bridging – the land has to be contiguous.

Question: If a landowner owns land in the McMillan and Day, and McMillan joins the AEA and Day does not; can that landowner sign up the land that they have in McMillan? Yes. The land in Day could help that landowner to produce the required amount needed to obtain the credit (\$6,000 in one year, or at least \$18,000 over three years).

Question: Exclusive Ag Zoning: What kind of limitations are we walking into that we're not aware of? Exclusive Ag zoning has a 35 acre minimum. There will be no change in the minimum acres; however, if the property is less than 35 acres, you could not build a home on that parcel.

They do not see the requirements becoming more restrictive; if anything, it will be less restrictive.

Question: Could you please explain more about the zoning and how it relates to the income tax credit? Anyone in the Town of McMillan that is currently in the Exclusive Ag zoning is eligible for the \$7.50/acre credit. In order to get the \$10.00/acre credit, McMillan would have to be a part of the AEA. If a parcel is not in the area zoned Exclusive Ag, but McMillan is a part of the AEA, then that landowner could still get a \$5.00 tax credit. These landowners would then need to sign the Farmland Preservation 15-year contract. If a landowner is already in the Exclusive Ag zoning, he/she would not need to sign that contract; the conservation compliance is all that would be required. The conservation compliance agreement requires an inspection every four years.

Conservation Compliance Grants – They are trying to make grants available to farmers who need money to bring their land into compliance. They do not want the compliance requirements to be a detriment to joining the AEA.

Is there enough interest on the part of the landowners in McMillan to put forth this petition?

Several comments from the people attending the meeting in response to that question:

- This is a pretty small turnout tonight; we don't represent the whole town.
- Last line in the letter was deceiving – Is the board going to decide tonight?
- Those that don't show up, don't care.
- We could put it on the agenda for next month's board meeting
- If board votes no – the County would just go with Bern and Eau Pleine this year.
- Some people do not want government involvement on their land
- Don't have to be a farmer to be a petitioner
- We could talk with neighbors and come back
- Al Kraus couldn't be at the meeting, but he wanted it to be known that he is very much in favor of this program.

Carolyn – What is the feeling of the town? Is there enough interest to go forward?

Perhaps we need to send out some follow-up letters, announcing another meeting, and stating that a vote WILL be taken.

This was on the agenda at the last Town Board meeting, so this is really our second meeting on this topic. It's doubtful that we would get more people to attend.

Andy – We're running short on time due to the March 30th deadline.

Rick stated that the people he has spoken to feel that the Town Board could support participation in order to act as a bridge. Signing a contract would still be entirely up to the landowners.

Dave – If the board supports this, we would need 20 petitions signed?

Andy – Yes, people can show their support by signing the petition, knowing they will never participate in the program.

In Marathon County, we lose about 2500 acres of farmland per year that are being converted to other uses.

Suggestions for next step?

- Generate one more letter? County staff to come out one more time?
- Table until next year; it's moving too fast
- Potential sense of urgency - There is a million acre cap statewide – There is potential that this could be filled up if we wait and there may not be enough open land available next year. There is legislation proposed that the total acres could be increased to two million.
- Should we call the farmers, rather than sending another letter? We need a minimum of five farmers to sign on.

Andy: Would the town be supportive of signing on with five or six sections in the northeast corner? This would help bridge that corner for Eau Pleine and Day.

If we want to add the balance of the town next year, we could do that? Yes, if the land is available, based on the state's caps.

To add on, the land would have to be contiguous. You would have to start in the northeast corner of McMillan and build out.

Rick/Debbie moved that the Town of McMillan ask for assistance from Marathon County to develop petitions to become a part of Heart of America's Dairyland AEA for Sections 1, 2, 3, 11, 12, 13, 14, and part of 15, to be finalized by the Board at the March meeting.

Roll Call: Debbie – yes; Dave – yes; Carolyn – yes; Rick – yes; Geoff – absent.

Motion Carried.

Submitted by:

Denise Barg, Town Clerk

(typed from tape recording of the meeting)