The meeting started with Will O’Meara motioning a vote to accept meeting dates for 2021. Jason White seconded that motion and the board voted in favor of accepting the proposed 2021 meeting dates.

Terry Jones motioned a vote to elect Robin Chesmer as chair of the board. Andrew Paterna seconded that motion. The board voted in favor of electing Robin Chesmer as chairperson.

Andrew Paterna motioned to elect Jiff Martin as co-chair of the board. Robin Chesmer seconded that motion. The board voted in favor of electing Jiff Martin as co-chairperson.
Will O’Meara opened up the informational part of the meeting by introducing Chelsea Gazillo (Executive Director of Working Lands Alliance and New England Policy Manager, American Farmland Trust) and Tyler Miller (Vice President for Stewardship, Vermont Land Trust). Will O’Meara briefly reviewed the agenda for today’s presentation.

Chelsea Gazillo began the presentation by providing an overview of farmland protection in Connecticut and specifically the State’s Farmland Preservation Program. She also provided background on the state of farmland preservation and succession in Connecticut.

Will O’Meara provided information about farmland access challenges in Connecticut including the high price of farmland, the high percentage of farmland that is leased, not owned, and the challenges for new, beginning, and farmers of color. He noted that there is a 3 to 1 ration between farm seekers and farm profiles on Connecticut FarmLink.

Chelsea Gazillo reviewed the definition of OPAV (Option to Purchase at Agricultural Value). An OPAV is a voluntary legal agreement that restricts the sale of land to only farmers or to family members, and restricts the sale price to agricultural value (versus the higher fair market value). An OPAV is placed when the landowner sells or donates an OPAV to a land trust or government agency.

Tyler Miller provided information about how OPAV works in Vermont by sharing some of his experiences with the program at the Vermont Land Trust. Tyler Miller described OPAV as a real estate option that grants farmers the ability to purchase a farm under certain conditions. OPAV can be tailored to meet programmatic needs. There are exemptions to the option which include transfer between family members or a sale to qualified farmer (50% or more gross income from agricultural sales). He reviewed the benefits of OPAV which include - the option for an exiting farmer to generate additional revenue for farming or retirement, the ability to include OPAV in an agricultural conservation easement, and the ability to make farmland more affordable for farmers which keeps more farmland in production.

Tyler Miller provided some background information on Vermont’s Farmland Conservation Program. There are approximately 500 OPAV farms in Vermont covering 80,000 acres. About 270 cumulative farm transfers with OPAV have occurred. Of that 270, there has been 1 OPAV exercise and 2 farm purchases in lieu of exercise. He provided an example of an OPAV transfer, the Bragg Farm. Tyler Miller reviewed a few OPAV considerations – 1) Program entities should be prepared to purchase and hold a farm on short notice. 2) OPAV alone doesn’t necessarily guarantee affordability for beginning farmers.

Will O’Meara then motioned to open the floor up for a Q&A session for board members and the public. Robin Chesmer motioned for Will to run this Q&A session.

Jiff Martin motioned that the board let Terry Jones speak first since he needed to leave the meeting early. Terry Jones declined to pose any questions at that time.

Elisabeth Moore asked if the IRS has recognized the donation of an OPAV. She asked if it has ever been challenged or become an issue for taxable deductions.

Tyler Miller said that he hasn’t witnessed any issues.

Elisabeth Moore asked how Vermont has funded OPAV. She asked if the NRCS provides funding. Tyler Miller said that the state provides funds through the Vermont Housing and Conservation Board. He noted that almost every OPAV project is cost shared by the NRCS.
Elisabeth Moore asked if the NRCS provides OPAV cost share outside of Vermont.

Tyler answered that yes, the NRCS has cost shared projects in other states including Massachusetts and New York.

Elisabeth Moore asked if OPAV could be added onto an existing conservation easement.

Tyler answered yes, saying that Vermont offers it to folks who already have an existing easement in place. However, these projects cannot include NRCS funding.

Cam Weimar asked - when you do the sale to the incoming buyer, does that dollar amount include the appraisal and due diligence costs?

Tyler said that VLT doesn’t add those costs into the price point for the farmers. He stated that Vermont tries to fundraise those costs. He noted that the goal is to get the price for farmers as low as possible.

Cam Weimar asked if VLT is the only easement holder or if the Vermont Housing and Conservation Board is a co-holder. He noted that in Connecticut, the State cannot be the only holder to an easement if it wants the option to purchase that farm in the future.

Tyler answered that yes, the Vermont Housing and Conservation board co-holds the easement. All OPAV projects have multiple holders so stewardship can shift to the other entity if the state purchases that farm.

Cam Weimar asked if Tyler Miller could send him that statute language in Vermont?

Tyler Miller answered that he’d be happy to do that.

Chelsea Gazillo asked - If an OPAV is placed on a property with a house, and the owner invests in the house, is the property owned paid for the equity they put into the house at the time of sale?

Tyler Miller said there is a set of formulas for valuation - there is a specific formula for infrastructure. He stated that the appraiser will factor all those pieces into their appraisal.

Dan Carr asked what role Vermont plays in funding for the OPAV program.

Tyler Miller answered saying that the Vermont Housing and Conservation Board provides state funding derived from property tax revenue.

John Hall asked if there is a way that you can word the agreement so that it can be relaxed or relinquished.

Tyler Miller answered saying that 7.5% of Vermont’s agricultural land has OPAV on it. He noted that 15% of Vermont’s agricultural land is conserved statewide.

Jiff Martin noted that the Vermont Housing and Conservation Board mirrors the Community Investment Act. She asked Tyler Miller how easy or hard is the retroactive OPAV for Vermont? How does this shake things up for the appraisers?

Tyler Miller said that in VT it’s difficult to become an appraiser. The average age of a Vermont appraiser is around 60 years old. He noted that there is a finite number of appraisers who work on these OPAV projects. He added that now that OPAV is in the pipeline, it’s easier to find comparable sales. Tyler Miller said that overall, OPAV has been really great for Vermont. There’s a lot of possibility for additional OPAV projects (there are 450+ conserved farms without them).
Robert Chesmer asked how Vermont chooses which farmers have the opportunity to purchase the land? He asked how the selection process works and how Vermont determines priorities.

Tyler Miller answered saying VLT puts out a request for proposal. He said that there is a cross sectional panel of folks who review each application based on a standard rubric.

Will O’Meara asked if VLT will work with just one farmer to assist them with purchasing farmland.

Tyler Miller said that in most cases, VLT works with farmers through a lease to own agreement.

Chelsea Gazillo stated that there is currently proposed legislation in Vermont to address how the Vermont Housing and Conservation Board handles issues or diversity and equity.

Tom Morgart asked if VLT had to negotiate a special deed with NRCS for OPAV.

Tyler Miller answered yes.

Tom Morgart asked if special appraisals are used?

Tyler Miller responded saying that the appraisal includes an OPAV restriction but that it is still a standard Yellow Book appraisal.

Cam Weimar asked if OPAV is happening with ALE funding in Massachusetts too. Is the OPAV language within the ALE funded deed?

Tyler answered yes.

Cam Weimar asked if OPAV is recorded on land records as a second document (in addition to the conservation easement).

Tyler Miller stated that no, OPAV is included within the easement as one document.

Jacob Israelow noted that OPAV language is an option in New York whereas in VT and MA it’s included in all easements.

Elizabeth Moore asked if Tyler Miller could talk more about the equity issues - when a farmer buys at the OPAV value, it sounds like they would already have equity beyond what they already put in as a down payment.

Tyler Miller said that the ultimate goal is to buy down all of the property’s value so that just ag value remains. He noted that in his Bragg Farm example, the $165,000 was the property’s fair market value as it was restricted. Any improvement that the new farmer makes will be equity building features.

Will O’Meara motioned to move the meeting towards a discussion about how this conversation could fit into the next FPAB meeting. He asked how today’s discussion can fit into the continued work of the board. He asked the board if there are there any additional aspects of OPAV they would like to learn more about or if there are any aspects people need more information about.

Elizabeth Moore stated that further discussion may not be helpful for folks who don’t do these types of deals. She suggested having involved parties learn more about how this would work with the NRCS since funding is critical.
Tom Morgart, Jiff Martin, and Cam Weimar discussed the importance of looking at Vermont and Massachusetts’s programs more closely to understand how to embed OPAV into an ALE easement in Connecticut.

Jiff Martin stated that the board doesn’t need to understand every detail about OPAV but rather what statues or policy are needed that the board can weigh in on and provide assistance with.

Cam Weimar asked Tyler Miller if OPAV was voluntary and if there are instances where farmers want to conserve but don’t want OPAV to be included?

Tyler said that yes, there is an option to conserve without OPAV.

Robert Chang asked how farmers are compensated for improvements made to their farm property.

Tyler Miller said that it is part of the appraisal process and based on soil quality. He noted that farmers need to disclose to the appraiser improvements that have been made and that these improvements are assessed at each appraisal stage.

Tom Morgart asked what number VLT is using to value OPAV.

Tyler Miller stated that varies quite a bit – more in communities with high estate pressure – less in areas with an available population of farmers to sell to. He noted that generally, 50% of the easement value is in OPAV. Vermont has a per acre and total cap of $4,000-$4,500. Where that pressure is high, the value is high.

Robin Chesmer noted that he is interested in learning more about the state of the Farmland Preservation Program as it stands to date. Robin made a motion to cover this at the next FPAB meeting.

Robin motioned to adjourn today’s meeting.