

CHAPTER 7: AGRICULTURE

Overview

Historically, agriculture has been the predominant land use in the rural parts of La Plata County. It has defined the area's character. Over the past decade, however, consistently declining agriculture commodity prices coupled with skyrocketing land values resulting from an in-migration of new residents has made selling agricultural land for residential development a far more profitable enterprise than agriculture. While this phenomenon is not unique to La Plata County, it has been a cause for concern for many area residents who believe that the preservation of agriculture in La Plata County is essential to maintaining the historic character of the County.

The *Agriculture Element* of the comprehensive plan describes La Plata County Government's role in helping to ensure that agriculture remains an integral part of the community. It is not the intent of this plan element to recommend new land use regulations restricting agricultural operators from selling land for development. It is, however, intended to outline current and proposed land subdivision processes, as well as other tools that agricultural land owners can use to realize non-agriculturally based income from their land while at the same time continuing their agricultural activities.

Key Point: It is not the intent of this plan element to recommend new land use regulations restricting agricultural operators from selling land for development.

Background

In 1999 there were approximately 468,592 acres of land taxed agriculturally in the County. Despite this large amount of land, agriculture is a small component of the County's economy. As of 1998, agricultural products and services accounted for a mere 4 percent of jobs in the County, comprising only 1 percent of employment income in the County. The average salary for agricultural related jobs was \$16,134, the lowest rate of any employment sector in the County. Table 7-1 depicts agricultural receipts and net realized income for the County from 1992-97.

**Table 7-1
La Plata County Agricultural Income: 1992 - 1997**

These data show that net income from agriculture has been a net loss for the entire period. This fact,

	1992	1993	1994	1995	1996	1997
Total Cash Receipts and Other income	19,920	22,198	21,601	22,112	22,654	24,688
Less: Total Production Expenses	21,649	22,902	25,552	26,993	27,508	28,571
Net Realized Income (000)	(1,729)	(704)	(3,951)	(4,881)	(4,854)	(3,883)

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coupled with high real estate values creates an attractive option for farmers and ranchers to “cash in” by selling off all or part of their land. The simplest means of selling land is in tracts 35 acres or larger which are not subject to County development review. Over many years, the cumulative effect of selling off 35-acre parcels is a gradual filling in and breaking up of agricultural land. The overall effect is a loss of rural character.

Thirty-five Acre Subdivision Has Many Negative Consequences Including:

- A reduction of land for farming and ranching
- Diminished feeling of the rural character
- Creation of parcels too small to ranch and too large to mow
- The proliferation of noxious weeds
- Disruption and fragmentation of wildlife habitat and unique natural features

Key Point: *The cumulative effect of selling off 35-acre parcels is a gradual breaking up and filling in of contiguous agricultural areas and loss of rural character.*

Agriculture Goals

Goal 7.1: Encourage the continuation of agriculture as an integral part of La Plata County.

Goal 7.2: Establish voluntary incentive- and compensation-based programs for preserving agriculture in La Plata County.

Goal 7.3: Find creative solutions to help support the agricultural community’s own efforts to improve the economic viability of farming/ranching in the County.

Goal 7.4: Establish a land use process that provides farmers and ranchers with additional alternatives to 35-acre subdivisions.

State and Local Government Initiatives

Recognized as an issue of concern for quite some time, the loss of agricultural lands to development came to the forefront in the early to mid 1990s as the economy strengthened. In Colorado, an influx of new residents put significant development pressure on local communities. This led to myriad initiatives at the State and local level to find ways to help preserve agriculture and rural character.

1995 State Agricultural Task Force

In January 1995, Colorado Governor Roy Romer convened an agricultural task force to study the

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causes, trends and consequences of agricultural land conversion. The task force published a report, which included a variety of strategies¹. A number of the strategies would require the involvement of County, State or Federal government while the agricultural community would likely initiate others. They included:

- **Flexible Subdivision Regulations:** Increase flexibility of County subdivision review processes in order to maintain productive agriculture while encouraging clustering of developed units.
- **Income Tax Credits and Enterprise Zones:** Provide state and federal income tax credits for activities that protect agricultural lands and other natural resources. State and federal legislation would be required to implement this strategy.
- **Value-added Processing:** Increase state and local food and fiber manufacturing, and by-product processing opportunities.
- **Agricultural Land Tax Classification:** Clarify the state’s agricultural land classification to limit abuses of tax breaks by landowners who are not true agricultural producers.
- **Infrastructure Development:** Direct infrastructure development and growth to protect agricultural lands.

Key Point: *It is somewhat unclear as to what effect the 1995 Task Force recommendations have had in stemming the tide against agricultural land conversion statewide.*

A number of local initiatives have, however, been initiated that have implemented some of the Task Force’s recommendations including the modification of subdivision regulations and the adoption of district land use plans that have designated areas for higher density development in areas served by central services while maintaining lower density in outlying areas. See ***Chapter 4: Land Use*** for additional information.

The Governor’s Commission on Saving Open Spaces, Farms, and Ranches

Governor Bill Owens appointed the Commission in May 2000 to examine Colorado’s land preservation efforts and identify the most efficient and effective means of protecting the State’s natural landscape, in particular agricultural lands. A number of recommendations came from the Commission. They included:

- **Creating a Conservation Revolving Loan Fund**--to assist local communities in there preservation efforts.
- **Allowing Great Outdoor Colorado to Bond**--against future revenue streams so as to

¹ A Report on the Conversion of Agricultural Land in Colorado, Colorado Department of Agriculture and the Governor’s Task Force on Agricultural Lands

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provide more flexibility in spending when “once-in-a-lifetime” projects arise.

- **Finding Additional Funding Options**--for State and local conservation efforts.
- **Creating Incentive Programs**--for agriculture community who voluntarily sign management agreements to protect wildlife, soil, or water resources on their land.
- **Strengthening Conservation Easement Tax Credits**
- **Ending Federal Estate Tax on farms and ranches**
- **Enhancing Office of Smart Growth**
- **Initiating Water Banking Program**
- **Increasing State Assistance**--to find new agricultural product markets and value added processes

Because the Commission’s report is relatively recent, not a great deal of progress has been made towards implementing the recommendations. However, one important aspect of the recommendations has been implemented--the strengthening of conservation tax credits. Effective August 2, 2000, House Bill 1348 allows a tax payer who claims a state income tax credit for a conservation easement to have the unused portion of the credit refunded to the taxpayer in an amount up to \$20,000.

Key Point: *Effective August 2, 2000, House Bill 1348 allows a tax payer who claims a state income tax credit for a conservation easement to have the unused portion of the credit refunded to the taxpayer in an amount up to \$20,000.*

La Plata County Agricultural Protection Task Force

In 1995, La Plata County established the *Agricultural Protection Task Force* made up of members of the farming and ranching community. The purpose of the Task Force was to determine what actions the County could take to help protect agriculture while also helping to protect open lands.

One outcome of the Agricultural Protection Task Force was the proposal to change the County development review processes, to provide a menu of options for agricultural landowners who were interested in subdividing some of their land or changing land uses. Several changes have already been initiated, including the refinement of the eligibility requirements for home-based businesses and the revision of eligibility requirements for Minor Exempt Subdivisions (3 or fewer lots)

Key Point: *The County has already revised several regulations to ease the requirements associated with developing agricultural land in the County.*

Agricultural Protection Subdivision Exemption Proposal

Another outcome of the Task Force was the 1998 initiative to streamline the subdivision process to

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provide an alternative to subdividing land into 35-acre parcels. The ***Agricultural Protection Subdivision Exemption (APSE)***, as it is titled, is intended to be an optional process for agricultural landowners that would allow more lots to be created than could be achieved by dividing property into 35-acre tracts. It would encourage the clustering of homes to retain the majority of the land for continued agricultural activities. As proposed, it would allow the subdivision of up to nine lots, of up to five acres each in size, clustered on 25 percent of the property, while retaining 75 percent of land in agricultural use. ***Chapter 4: Land Use*** includes an illustration demonstrating how an residential subdivision could be integrated into a traditional agricultural setting under this scenario. Due to a number of concerns raised by the agricultural community regarding eligibility criteria and development standards, the process has not yet been formally acted upon by the County.

Key Point: *The proposed Agricultural Protection Subdivision Exemption process has the potential to provide assistance to agricultural landowners needing to generate additional income, while still maintaining the majority of their lands in agriculture uses.*

The proposed APSE process is similar in a number of respects to a process that seems to have gained acceptance in Larimer County, Colorado. In Larimer, a rural lands development director was appointed who guides development applicants through a streamlined review process known as the ***Rural Land Use Process***. As with the La Plata County proposal, this process provides an alternative to full subdivision or 35-acre subdivision. It allows two lots per 35 acres given the proponent meets certain minimum standards regarding the clustering of homes and maintaining two-thirds of the total acreage in a 40-year agricultural easement.

Key Point: *The proposed Agricultural Protection Subdivision is similar in a number of respects to a process that seems to have gained acceptance in Larimer County, Colorado.*

Key Point: *The County should reconvene an agricultural task force to refine for adoption the voluntary Agricultural Protection Subdivision Process.*

Adoption of an APSE process would give agricultural land owners in the County a menu of subdivision process options to choose from. They would include:

- 1) **Thirty five acre subdivision**--exempt from the County subdivision review process;
- 2) **Agricultural Protection Subdivision Exemption**--streamline County review process for subdivision of up to 9 lots;
- 3) **Minor Exempt Subdivision**--streamlined development County review process for 3 or fewer lots; and
- 4) **Major Subdivision**-- full County review for subdivisions conforming to densities set forth in district land use plans.

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Key Point: *Adoption of an APSE process would give agricultural land owners a menu of subdivision process options to choose from.*

Other Local Strategies

Key Point: *It is clear that strategies in addition to a streamlined subdivision process will be required if County residents are truly committed to preserving agriculture as a integral part of the community.*

There Are a Variety of Other Strategies That Should Be Considered:

- 1) Working with project applicants to promote site planning that maximizes the protection of agricultural lands consistent with County regulations and the landowner's development goals.
- 2) Working with interest groups, such as land trusts, to assist in land owner education regarding the physical and financial benefits of agricultural land preservation, including the provision of information regarding the potential tax benefits.
- 3) Segregating annual agricultural property tax revenues for exclusive use in agricultural preservation strategies such as funding the costs associated with managing conservation easements or expanding the noxious weed abatement program.
- 4) Supporting the creation and funding of an open space acquisition program that would assist with agricultural land preservation.
- 5) Creating an inventory of irrigable or other important agricultural lands identified for continued farming/ranching.
- 6) Creation of a Transferrable and/or Purchasable Development Rights Program.

Summary of Goals, Key Points and Plan Recommendations

Goals

Goal 7.1: Encourage the continuation of agriculture as a integral part of La Plata County.

Goal 7.2: Establish voluntary incentive- and compensation-based programs for preserving agriculture in La Plata County.

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Goal 7.3: Find creative solutions to help support the agricultural community's own efforts to improve the economic viability of farming/ranching in the County.

Goal 7.4: Establish a land use process that provides farmers and ranchers with alternatives to 35-acre subdivisions.

Key Points

The **Key Points** presented in this chapter are summarized below.

- U It is not the intent of this plan element to establish new land use regulations restricting agricultural operators from selling land for development.
- U It is somewhat unclear as to what effect the 1995 Governor's Task Force recommendations have had in stemming the tide against agricultural land conversion statewide.
- U Effective August 2, 2000, House Bill 1348 allows a tax payer who claims a state income tax credit for a conservation easement to have the unused portion of the credit refunded to the taxpayer in an amount up to \$20,000.
- U The cumulative effect of selling off 35-acre parcels is a gradual filling in and breaking up of contiguous agricultural areas.
- U The County has already revised several regulations to ease the requirements associated with developing agricultural land in the County.
- U The proposed Agricultural Protection Subdivision Exemption process has the potential to provide assistance to agricultural landowners needing to generate additional income, while still maintaining the majority of their lands in agriculture uses.
- U The proposed Agricultural Protection Subdivision is similar in a number of respects to a process that seems to have gained acceptance in Larimer County, Colorado.
- U The County should reconvene an agricultural task force to refine for adoption the voluntary Agricultural Protection Subdivision Exemption Process.
- U Adoption of an APSE process would give agricultural land owners a menu of subdivision process options to choose from.
- U Strategies in addition to a streamlined subdivision process will be required if County residents are truly committed to preserving agriculture as an integral part of the community.

Plan Recommendations

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Plan recommendations have been included throughout this chapter. They should be implemented through the prioritization and initiation of action items. The *Action Items (AI)* summarized below are drawn, in part, from this plan element. They are incorporated into an *Action Item Prioritization Table* included in Chapter 12.

- AI7.1:** Refine for adoption the voluntary Agricultural Protection Subdivision Exemption Process.
- AI7.2:** Lobby the State to implement additional initiatives from the Governors Task Force
- AI7.3:** Establish a program to work with project applicants to promote site planning that maximizes the protection of agricultural lands.
- AI7.4:** Determine feasibility of establishing a agricultural property tax segregated fund to use in assisting in the preservation of agricultural operations.
- AI7.5:** Research potential of transfer and purchase of development rights programs for implementation in La Plata County
- AI7.6:** Work with land conservancies and other preservation groups to establish an agricultural easement acquisition fund.
- AI7.7:** Work with agriculture community to establish an education programs regarding the benefits of agricultural land preservation, current State laws, and other potentially beneficial information.
- AI7.8:** Support creation and funding of an open space acquisition program that would assist with purchase of agricultural land easements.
- AI7.9:** Evaluate effectiveness of existing Minor Exempt Subdivision Process.

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