

October 13, 2016

MEMO

TO: Oregon Agricultural Heritage Program (OAHP) Interested Persons

FROM: Debra Nudelman and Annie Kilburg, Kearns & West

SUBJECT: October 13 Oregon Agricultural Heritage Program (OAHP) Salem Listening Session

The first Oregon Agricultural Heritage Program (OAHP) Work Group listening session was held on Thursday, October 13 from 6 - 8 pm at the Oregon Farm Bureau in Salem. Below please find a high level rough draft of the notes from the listening session. Note that this document does not represent a comprehensive summary of the dialogue.

Participants were provided an overview of the OAHP Work Group and their ideas for a new statewide program that focuses on funding:

- Working land conservation easements and covenants;
- Conservation Management Plans;
- Support for agricultural land succession planning; and
- A study of tax issues impacting agricultural land.

Facilitated Question/Answer and Group Discussion

The following are highlights of the questions raised and comments made at the October 13 listening session by attendees on the new statewide program topics.

- Do the Conservation Management Plans (CMP) tie into the working land termed conservation covenants?
- How long are the termed conservation covenants?
- CMPs do not seem to automatically offer a safe harbor agreement; however, is the goal to provide that protection?
- This program should be in alignment with federal programs
- If SWCDs already own land that have easements on them; however, they do not hold the easements, are they able to apply for technical assistance grants?
- Is there a way of shaping this program so that it is not perceived by the legislature as a “pilot”?
- In terms of messaging, clarify whether the program is new or if it will be new once/if it is passed and how the various facets of the program have evolved
- Focus your messaging on the fact that six statewide groups that serve landowners have come together to serve landowners; relay this message more clearly
- How closely is NRCS being engaged in this effort and are they tracking it?
- Is there a particular reason that ODA is excluded from holding an easement?

Participants were asked for clarifying questions on the above topics and for attendees to consider the list of questions provided as follows:

- What excites you about each of these topics as part of the OAHP proposal?
- What potential issues do you foresee with this part of the OAHP proposal?
- What questions, comments, suggestions, or feedback still need to be addressed in the development of this part of the OAHP?

The following are highlights of the questions raised and comments made at the October 13 listening session by attendees in response to these specific topics and questions.

Working Land Conservation Easements and Covenants and Conservation Management Plans Specific Questions and Comments

- Use the research from other states to help sell this program
- Increase the urgency/need in messaging this program (i.e., what will happen if we do not implement this program?)
- In terms of implementing CMPs, would this occur throughout the life of the easement?
 - How would you put barriers on this concept?
- How do you balance the funding for varying land equities across the state?
- If payments are tied to actions, the program can become inherently discriminatory
- How heavily do you weigh development pressure? Development pressure and value of the land need to be considered separately to a certain degree and balanced
- There is a concern that if local cities, counties, and businesses are not vested in conserving land and this program will not make an economic difference
- The conservation issues are addressed well with this concept; however, the economics are currently not going well in the state
- We must tell our farmers that we are with them in terms of the economic issues so that we do not place one landowner in front of another
- We need to address the economic issue in this program; what in this plan will help incentivize conservation?
- Where is the economic assistance in this program?
- Without economic stability you will not achieve economic success because landowners will not be able to stay on the land
- CMPs in Oregon are very prescriptive; is there flexibility/adaptability with this?
- There needs to be a business/economic production piece to this program (i.e., “the people factor”, providing consulting to help landowner be more sufficient in their day-to-day activities)
- How much redundancy exists between this program and NRCS?
- If we are looking at keeping lands in production, the economic benefits need to be considered
- Consider suggesting landowners engage with small business development centers around the state that are doing similar work
- If the land is transferred while it is under an easement, agricultural standards should be set
- The concept of responding to landowner needs without regulations and with state money is great

- Since this amount of funding really creates a pilot program; ensure to set yourselves up to be successful
- Voluntary concept and flexible approach goes a long way in meeting the needs of landowners

Support for Agricultural Land Succession Planning Specific Questions and Comments

- This program successfully addresses the psychology and sociology aspects of succession (i.e., How do you talk to your kids about your eventual death? How do you hold family meetings around this?)
- It is very exciting to hear that the OSU Extension program is getting more traction
- Going through OSU Extension is really smart
- You might want to create target numbers so that you can go back to the legislature with quantitative accomplishments
- How do you strategize to get this compelling story telling in place?
- This need is incredibly important and there has been a void for 30 years
- This helps to round out the holistic approach of the program
- Ties to the Land is a good program to incorporate

A Study of Tax Issues Impacting Agricultural Lands Specific Questions and Comments

- There needs to be a conversation about the death tax; this tax prevents families' ability to stay on the land
- How much money is budgeted for this?
- What will the topics be for the study?
- What is the deadline to complete the study?
- Consider how the tax laws can positively or negatively affect landowners
- There needs to be some specificity on which tax planning and issues will be studied
- Provide a selling owner a capital gains tax rate makes sense; look into that
- Higher property tax for non-residential owners should be a consideration
- Make this a focused study; do not overpromise what this study includes
- What are the factors that affect working agricultural lands?
- Is there any thought to give some of the funding to beginning farmers and ranchers (BFRs)? Land is currently too expensive for BFRs.

In Attendance at the October 13, 2016 Salem Listening Session

Name	Organization
Lois Loop	Polk SWCD
Tim Murphy	DLCD
Tammy Dennee	Oregon Dairy Farmers Association
Holly Crosson	Benton SWCD
Shawn Morford	Network of Oregon Watershed Councils
Kathleen Guillozet	Bonneville Environmental Foundation
Peter Kenasy	Oregon Farm Bureau
Chris Seal	U.S. Fish and Wildlife Service

Dylan Kruse	SND
Nellie McAdams	OACD
Mary Anne Nash	Oregon Farm Bureau
Amanda Rich	TNC
Kelley Beamer	COLT

Listening Session Locations	Date/Time
Salem	October 13, 5:00 – 7:0 pm
La Grande	October 17, 5:00 – 7:00 pm
Hillsboro	October 24, 6:00 – 8:00 pm
Central Point	October 26, 6:00 – 8:00 pm
John Day	November 1, 5:00 – 7:00 pm
Prineville	November 2, 5:00 – 7:00 pm
Portland	November 4, 10:00 am – 12:00 noon

Listening Session Documents
<ul style="list-style-type: none"> • Proposed Agenda • Key Contacts for OAHP Work Group • Legislative Concept Summary • Comments Template • Listening Session Schedule <p><i>The above documents were provided to participants at the Fall 2016 Listening Sessions.</i></p>

This memo respectfully submitted by Kearns & West.