An Application from the Vermont Land Trust and Cross Vermont Trail Association to the
Vermont Housing \& Conservation Board for the
Purchase of Development Rights and Public Trail Access on Farmland

## FAIRMONT DAIRY, LLC



## TOWN OF EAST MONTPELIER WASHINGTON COUNTY, VERMONT

## PROJECT HIGHLIGHTS

* PHASE TWO OF CONSERVING THE FORMER LYLEHAVEN FARM
* 125 ACRES (64\%) STATEWIDE AG SOILS
* PUBLIC TRAIL EASEMENT FOR THE CROSS VERMONT TRAIL
* 26 ACRES OF RIPARIAN AND WETLAND PROTECTION


# EXHIBIT A <br> Fairmont Dairy IV <br> VLT CONSERVATION EASEMENT BUDGET <br> 07/17/19 

INCOME

|  |  |  | VHCB | OTHER | TOTAL |
| :--- | ---: | :--- | ---: | ---: | ---: |
| VHCB Funds | 605,000 | Acquisition | 592,000 | 0 | 592,000 |
| Specify source | 0 | Third Party costs | 4,000 | 0 | 4,000 |
| Specify source | 0 | Associated Costs | Contract | 0 | 0 |
| Specify source | 0 | Value Donation | 0 | 148,000 | 148,000 |
| Landowner Funds | 0 | Stewardship | 9,000 | 0 | 9,000 |
| Bargain Sale | 148,000 | Landowner contrib., if applic. | 0 | 0 | 0 |
| Easement Donation | 0 |  | 0 | 0 | 0 |
| TOTAL | $\$ 753,000$ | TOTAL | $\$ 605,000$ | $\$ 148,000$ | $\$ 753,000$ |

An appraisal cost split between landowner and VHCB.

Appraisal done by:
Total appraisal cost
Total survey cost
VHCB grant
Landowner : paid already:
Other
TOTAL PRE-DEVELOPMENT COSTS:

TOTAL ALL COSTS:
\$756,500
Rich Larson
\$3,500
Stewardship Landowner contribution expected: ..... \$0

Category for landowner exemption, if applicable (check one, use a 1
$15 \%+$ barg. sale
${ }^{1}$ st farm
$\ldots$

## VALUE OF DEVELOPMENT RIGHTS \& ACREAGE CONSERVED:

Appraised Easement Value with Option to Purchase at Ag Value \$740,000
Enhancement of Excluded Land
_ $15 \%+$ barg. sale
1st farm
$\qquad$ other (explain)

Final Easement Value
Bargain Sale
Purchase Price of Easement

| $\$ 0$ |
| :--- |

Pront

Easement Cost per Acre \$3,020

VHCB Conservation Project Budget - Fairmont IV Trail Easement
Cross Vermont Trail Association
Date: 7/16/2019

| INCOME |  |  | EXPENSE | VH |  | Oth |  | To |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| VHCB Funds | \$ | 20,000.00 | Acquisition | \$ | 15,000.00 | \$ | 5,000.00 | \$ | 20,000.00 |
| Town Funds |  |  | Historic Rehab |  |  |  |  | \$ | - |
| Foundation Funds |  |  | M apping/documentation | \$ | 1,200.00 |  |  | \$ | 1,200.00 |
| Other Funds* | \$ | 5,000.00 | Closing Costs | \$ | 600.00 |  |  | \$ | 600.00 |
| Bargain Sale Donation |  |  | Stewardship Endowment | \$ | 2,000.00 |  |  | \$ | 2,000.00 |
| Easement Donation |  |  | Value of all Donations | \$ | - |  |  | \$ | - |
| In-kind Donations |  |  | Grantee Staff | \$ | 1,200.00 |  |  | \$ | 1,200.00 |
| Federal Funds |  |  | Other Expense* |  |  |  |  | \$ | - |
| TOTAL INCOME | \$ | 25,000.00 | TOTAL EXPENSE | \$ | 20,000.00 | \$ | 5,000.00 | \$ | 25,000.00 |


| *Describe other funds: | We are beginning the process now of approaching other donors and are confident of raising this <br> amount. The East M ontpelier Conservation Fund has expressed support for this project in the past. <br> But only just signing the PSA, we have not yet gotten to point of confirming commitments of other <br> funding sources yet. |
| :--- | :--- |
| *Describe other <br> expense: |  |

## VALUES OF PROPERTY INTERESTS TO BE ACQUIRED

For Fee Simple Acquisitions:
Appraised value
Bargain sale value (if applicable)
FEE SIM PLE PURCHASE PRICE:


For Easement Acquisitions:

| Appraised value (unrestricted) | $\$$ | $20,000.00$ |
| :--- | :---: | :---: |
| Appraised restricted value |  | $20,000.00$ |
| Appraised easement value <br> Bargain sale value (if applicable) | $\$$ | $20,000.00$ |

TOTAL PAID FOR ACQUISITION (fee/easement purchase price):

Number of acres conserved by purchase (fee simple and/or easement):
Number of acres conserved by donation (fee simple and/or easement):
TOTAL ACRES CONSERVED
NOTE: Area of easement is 3.74 acres and 4,560 linear feet of anticipated trail Corridor.

Total appraised fee/ easement value
Total appraised fee/easement per acre value
\$ $20,000.00$
3.74

0
3.74
\$ 5,347.59
\$
\$ 5,347.59


$\square$
$\square$
$\square$ Wetland Protection Zone (WPZ)
$\square$


Prepared by Cross Vermont Trail Association (CVTA), 4/2018 Data Source VCGI, CVTA. This is not a survey.

## = "Old Fassett Rd"

耳ロாாா
= connection between "Old Fassett Rd" and old Railbed/farm road
= old Railbed/farm road




Subject Property
VLT Conserved Land

FAIRMONT DAIRY IV $\quad$ EAST MONTPELIER


Looking across the main fields with Greg Western.
The main farm road, which will be part of the CVTA trail.

FAIRMONT DAIRY IV $\quad$ EAST MONTPELIER


## VHCB PREAPPLICATION - TO SELL DEVELOPMENT RIGHTS ON FARMLAND

## STATEMENT OF INTENT, PROPERTY ACCESS AND RELEASE OF RECORDS

I/ we the undersigned are interested in selling development rights to the Vermont Housing \& Conservation Board. This intent includes the following authorizations and releases:
$>$ Providing access to the property to contracted conservation planners and staff from the following organizations for the purpose of collecting data to assist in the conservation of the property: Vermont Association of Conservation Districts (VACD), USDA Natural Resources Conservation Service (NRCS), Vermont Housing \& Conservation Board (VHCB), Vermont Land Trust (VLT) or other Regional or Local Land Trusts, Vermont Agency of Agriculture, Food \& Markets (VAAFM) and Vermont Department of Environmental Conservation (VT-DEC).
$>$ Discussing production and conservation goals with technical assistance providers and agreeing that, should I/ we proceed with the conservation process, all practices will be developed and implemented to plan standards by the USDA-NRCS.
$>$ Releasing information resulting from the North Lake Farm Survey and/or farm inspections conducted by VAAFM solely for the purposes of conservation planning through the NRCS Agricultural Conservation Easement Program (ACEP). This information may be used to assist project selection for the Regional Conservation Partnership Program (RCPP) and ACEP.
$>$ Releasing USDA farm and/or forest records for any property on which I am an ownet/operator, or other producer. USDA-FSA \& NRCS documents might include:

- Aerial photography maps which include farm ID, tract ID, field ID, acres and land use determinations such as highly erodible land and wetland certification.
- USDA - FSA form AD-1026A - Identifies farming interest
- USDA - FSA form FSA-578 - Acreage report
- Crop Records

I understand that this intent statement, property access and information release will only be used for the purpose of assisting me in the voluntary conservation of my property. This intent statement and authorization does not bind me to conserving my land.


Landowner signature
Landowner name: $\qquad$

Landowner signature
Landowner name: $\qquad$

## Applicant Organization:

Vermont Land Trust

Project Name: Fairmont Dairy IV

Owner of Property:
Fairmont Dairy, LLC

Farmer name (if different than landowner):

## Landowner Information

|  | Mailing Address: 95 Lyle Young | Town: East Montpelier | State: VT |
| :--- | :---: | :---: | :---: |
| Road |  |  | Zip: |
| Home Phone (802) 223-3868 | Cell Phone (802)272-8553 | Email richard@fairmontfarminc.com |  |
|  |  |  |  |

## Farmer Information (if different from landowner) (if different from above)

Mailing Address:

## Home Phone

Town:
Cell Phone

State: VT
Email

Parcel Address (if different from above)

Address: 141 Lylehaven Lane
Town: East Montpelier
State:
Zip:
Other Town (if applicable):
County where property is: Washington

Total Number of Acres to be Protected: 196
Total VHCB Funds Requested (Grant): \$625000
Total Project Expenses (from Budget): \$781500

Because VHCB awards are a matter of public record, VHCB may describe this project in a press release following the Board's decision. Do you wish to be involved in public notification about your project? Yes

## Summary

Please summarize the project in one page or less. Briefly describe the type of farm operation and other relevant information that is not included elsewhere in the application. How will conservation of this farmland impact the operation? (i.e., will funds be used to facilitate a transfer, to invest in buildings or equipment, to diversify, expand, retire debt, etc.) In particular, state any aspects that have changed since the preapplication was submitted. Include mention of any innovations, as well as indicators of impact on the local economy.

This project - a partnership between the Vermont Land Trust and Cross Vermont Trail Association - represents phase two of the Lylehaven conservation project in East Montpelier. The first phase, completed in 2017, resulted in conserving 360 acres and securing public trail access on a key linkage of the Cross Vermont Trail. Likewise, this phase includes farm and trail easement components, for which VLT and CVTA are requesting separate grants from VHCB. Two budgets are enclosed.

Fairmont Farm is a third-generation family farm operating as a partnership between Richard and Bonnie Hall and their nephew Tucker Purchase. Richard and Bonnie's two adult children, Ricky Hall and Clara Ayer, also work for the farm. Fairmont milks 1,475 cows between its home farm on Lyle Young Road in East Montpelier and two farms in Craftsbury. Fairmont Dairy, LLC (a sister entity of Fairmont Farm Inc.) purchased the 763-acre Lylehaven Farm from former owner Jerome Rappaport in 2014, and soon began the process of conserving portions of the property.

The current subject property is comprised of 196 acres lying to the west of Route 14 and at the end of Lylehaven Lane. Now referred to as the "Haven," the property features about 100 acres of tillable land and extensive farm infrastructure, including numerous farm buildings and a manure pit recently installed with NRCS funding assistance. With milking activities taking place at its other farms, Fairmont keeps its high genomic and show-type animals at the Haven. In line with Lylehaven Farm's renowned reputation for high quality Holstein breeding, Tucker Purchase now oversees all of Fairmont's flush work on the subject property.

Conservation proceeds will enable Fairmont to pay down some of the considerable debt it incurred to purchase Lylehaven.
Trail Easement (CVTA)
The Cross Vermont Trail Association (CVTA) easement, 3.74 acres and 4,560 linear feet of anticipated trail corridor, will provide a critical link in a local network of trails of various types, as well as contributing to a planned assemblage of trail segments forming the statewide Cross Vermont Trail; is within 5 miles of and situated between and in line with parcels of VHCB conserved forest and farmland that are bisected by trail easements held by CVTA; has scenic amenities that will contribute to the quality of the experience enjoyed by users of the Corridor; and is strongly supported by East Montpelier town planning. The trail as completed will provide convenient access to healthy outdoor activity, safe off road non-motorized transportation from villages to schools and other logical destinations, and support economic development through promotion of tourism and improvement of quality of life for local residents.

Does the deed match the mapped acreage? If not, please explain.
There is no deeded acreage.

## Exclusion Acres: 6

If the project does not involve the protection of all of the owner's lands, explain which land will be protected and which will not. If the configuration has changed since the preapplication, please briefly explain why.

Six acres are excluded on Route 14 to accommodate future growth and development along the Route 14 corridor. The exclusion contains farm labor housing units and will be surveyed prior to closing at the landowner's expense.

Will a survey be required by NRCS? If yes, VHCB can pay up to $\$ 3,000$ towards a survey. Please include in budget.
Yes
To the best knowledge of the landowner, are there any deed restrictions (such as restrictive covenants or mineral rights) which encumber the use of the property? If yes, describe. A full title search will be required prior to disbursement of VHCB funds.

There are no known encumbrances or restrictions that will interfere with the easement.
Does the project include resources that require special easement protections, such as significant wildlife habitat, significant natural community, historic notification provision, public access, noncommercial gravel extraction, etc.

The property includes several tributaries of the Winooski River that will be protected by a 50' riparian buffer and several forested wetlands that will be subject to Wetland Protection Zone language.

## Farm Transfer-are there plans to sell or convey all or part of the farm?

No transfer plans.
It is a :

## PROJECT ACRES

How many acres are currently growing crops (hay, grain, fruits, vegetables, etc.)?
How many acres are currently used for grazing or could used for grazing?
How many acres are woods?
Percent Wooded
How many acres are unmanaged/incidental?
How many acres are in farmstead or residential use?
TOTAL

| Tillable Acres | 100 |
| :--- | :--- |
| Pasture Acres | 17 |
| Wooded Acres | 56 |
| \% Wooded Acres | $28.57 \%$ |
| Unmanaged Acres | 14 |
| Farmstead/Residential Acres | 9 |
| Total Project Acres | 196 |

## LAND RESOURCE

How many project acres are wetland acres?
Wetland Acres
How many project acres are within a mapped floodplain?
Floodplain Acres

Does the farm include any surface water frontage (brook, stream, river, pond, lake, etc.)? Yes
Indicate the name(s) of the surface water(s)
Unnamed tributaries of the Winooski River

What is the approximate frontage (in feet)? 10150
What is the closest distance, in feet, of a farm building or production area to any surface water? 125

| Soil Type | Acres |  | Percent |
| :--- | :--- | :--- | :--- |
| PRIME (non-footnoted) | 0 | 0.00 |  |
| PRIME (footnoted) | 0 | 0.00 |  |
| PRIME TOTAL | 0 | 0.00 |  |
| STATE (non-footnoted) | 125 | 63.78 |  |
| STATE (footnoted) | 0 | 0.00 |  |
| STATE TOTAL | 125 | 63.78 |  |
| Other | 71 | 36.22 |  |
| TOTAL | 196 |  |  |

## LOCATION

The major drainage basin for this farm is: Lake Champlain Basin

Within what zoning district(s) does the project lie? Residential-Commercial District and Industrial District

What are the allowed minimum lot sizes? 1 acre and 150 of road frontage in both districts
How many feet of town road frontage does the project have? 600 Feet of Road Frontage

## INFRASTRUCTURE and BUILDINGS

Are existing or future houses/residences included within the project area? Yes

Explain how many farm labor housing units (including, if applicable, the sole discretion farm labor house right) and reserved building rights are to be retained by the landowner.

There are three existing housing units on the property (one duplex and one single-family home). The units are occupied by Ricky Hall's family, Tucker Purchase's family, and a farm employee. The single-family home will be a designated FLH in the easement (i.e. there will be occupancy restrictions on this housing unit). The easement includes the sole discretion house right but no additional reserved house rights.

Is farm infrastructure included within the project area? Yes
Describe any existing farm infrastructure, including age and condition of buildings.
-Dairy show barn with feed wing. Includes office, milk room herdsman office/lab, 54 large tile stalls with pipeline, 16 large box stalls, three Harvestore silos and one cement stave silo. 20,396 sf. Good condition.
-Pole barn used as freestall dairy barn. 42'x320'. Above average condition.
-One-bay sawdust storage shed. 30'x36'. Average condition.
-Heifer barn. 6,264 sf. Very good condition.
-Machinery storage pole barn. Includes equipment bays, farm repair shop, farm business office, and large meeting room. 5,928 sf. Very good condition.

## Farm Management

| Acres of land rented (from others) | 600 | Annual gross income from farming | $\$ 7900000$ |
| :--- | :--- | :--- | :--- | :--- |
| Total Employees (incl.family members + self) Full-time | 28 | Part-time or seasonal | 15 |

Is the farm enrolled or has it completed a business plan through the VHCB Farm \& Forest Viability Program (or another program)? If so, are the farmers willing to share the business plan, if it is still applicable?

No viability planning.
If the parcel is rented, is there a written lease?

## Acres and types of crops grown

100 acres in a corn-hay rotation.

## Number and type of livestock

75 mature cows and an additional number of heifers are kept at the Haven. Between its four farms, Fairmont has 1,615 mature cows (1,425 milkers).

## Does the farm have a forest management plan? Yes

How many acres are managed for timber? 56
How many acres are managed for sugarbush? 0

How many taps? 0

| Structure or Practice | Installed? | Met NRCS Specs? |
| :---: | :---: | :---: |
| Manure Storage | Yes | Yes |
| Milkhouse Waste | Yes | Yes |
| Barnyard Construction | Yes | Yes |
| Waterways or Ditching | Yes | Yes |
| Drainage Tile | No |  |

If the easement area includes any surface water frontage, is the farm in compliance with RAPs regarding setbacks from surface water for agricultural buildings, manure spreading etc.? Will the easement include any extra protections for surface waters and/or is the

## landowner enrolled in any programs (CREP, EQIP etc.) to protect surface waters?

The farm is in compliance with RAPs and its LFO permit. The easement includes a 50' riparian buffer on all perennial streams except for a small stream adjacent to the farmstead; a 50' easement buffer is not practical there due to an existing farm pond and farm road crossing. Wetland Protection Zone easement language will protect a small stream-associated wetland on this stream in addition to several larger areas of forested wetland.

## Describe any management practices that you use to protect water quality, if applicable

The farm uses extensive no-till and cover cropping practices to protect soil health and water quality.

Describe any aspects of the farm's operation that help to mitigate and/or adapt to climate change (i.e. new crops/rotations to manage risk of extreme weather events, renewable energy projects, hoop houses, etc.)

Fairmont Farm recently partnered with SolarSense LLC to install large rooftop solar arrays on its four farms in East Montpelier and Craftsbury. (VLT, VHCB, and VAAFM issued an approval for the array on the conserved home farm on Lyle Young Road in East Montpelier.) The projects total 701 kW .

If applicable and not already discussed above, describe how this project meets or enhances other parts of VHCB's mission besides farmland protection, (i.e. affordable housing, natural resource protection, public access to recreation, historic preservation, surface water protection and protection of working forestland.)

Not applicable.
Are livestock excluded from all surface waters? Yes
Does the farm have Highly Erodible Land (HEL) as defined by NRCS? Yes
Is the farm in compliance with NRCS recommendations for HEL? Yes
Is the farm in compliance with VT Required Agricultural Practices (RAPs)? Yes
Does the farm have a Nutrient Management Plan up to NRCS 590 standards? Yes
Are there any dumps/significant trash piles on the property? No

How is the farm classified under Vermont Required Agricultural Practices? LFO, MFO

## Leverage and Support

Describe all sources of leverage, including bargain sale, easement donations, foundation funds and local fund raising.
The farm easement budget includes a bargain sale of $\$ 148,000(20 \%)$. The trail easement budget includes $\$ 5,000$ of leverage ( $25 \%$ of the acquisition cost) to be raised from local fundraising and East Montpelier's conservation fund.

On how many acres will the development rights be donated?
0

Is the project in conformance with adopted or proposed local and regional plans and zoning? Please describe the relevant sections of town and regional plans that address how this project conforms to plan.

Town Planning \& Zoning
East Montpelier's 2015 Land Use \& Development Regulations place the subject property in the Industrial and Residential/Commercial Districts. Because of this zoning (and recent concerns about the balance of land conservation in East Montpelier), VLT and CVTA staff met with the Planning Commission twice and the Selectboard once before proceeding with an appraisal of this property. Both boards gave preliminary support for conserving the subject property and obtaining a public trail easement. (Final approval will be sought this summer.) The Planning Commission is in the process of a major update to the zoning districts; one outcome may be to place the subject property and other conserved parcels in the Agricultural \& Forest Conservation District. The property is adjacent to (but outside of) East Montpelier's Upper Village Mixed Use Area, which encourages "small to-moderate scale residential and non-residential uses integrated into a compact village pattern at moderate densities" (2017 EM Village Master Plan, page 30).

The Agriculture section of the 2018 Town Plan includes Goal 9.12: "Support the conservation of prime and actively-used farmland outside of village and growth areas" (page 121). Two actions listed under this goal are to "coordinate conservation efforts with landowners and conservation organizations to ensure that town goals are met" and to "use the Conservation Fund to support farmland conservation that meets town goals." In addition to agricultural considerations, the Plan's Forest Resources and Integrity section supports protecting significant forestland and riparian wildlife connectivity (page 114).

Use section of the Plan states: "A strong, healthy agricultural economy is vital to the Region's well-being. The limited supply of primary agricultural soils, their general suitability for septic systems, combined with agriculture's increasing dependence on higher quality land make it crucial that land use decisions display foresight and recognize the important of these soils to future generations. As such, it is a primary goal of this Regional Plan to preserve and promote a viable agricultural economy, culture, and land base" (Section 2-3).

Are there existing or proposed public investments in highways, water and sewer systems, or other capital plans or facilities on or near the property? If so, discuss whether or not they are consistent with conservation.

There are no existing or proposed public investments on or near the subject property other than proposed infrastructure investments within East Montpelier Village.

Do municipal programs exist that support farmland conservation, e.g. tax stabilization or municipal conservation fund?
East Montpelier has a local conservation fund. A grant application will be submitted to the Conservation Fund Advisory Committee requesting a cash contribution towards the trail easement acquisition. The town had a tax abatement program that was discontinued in 2013.

VHCB requires applicants to inform towns and Regional Planning Commissions in writing about proposed conservation projects prior to submitting an application to VHCB. Please confirm that a letter has been sent to:

Municipal officials, Regional Planning Commission
Describe any endorsements or other indications of community support for this project.
As mentioned above, town officials have offered preliminary support for this project. Final approval to be sought this summer.

## Tax Information

Is the farm enrolled in the Vermont use value appraisal program? Yes

## Public Access

Enter \# of miles for each of the following:
Trail Type:
Planned: 0.86

Existing:

Total Trail Mileage:
VAST Trail:

Catamount Trail:

Long Trail:

Cross Vermont Trail: 0.86
Other Trail:

## Allowed Special Uses:

Mountain Biking: Yes

Horseback Riding: Yes
Snowmobiling: Yes

## Cross-country Skiing: Yes

## Backcountry Skiing

ATV:

Will any of these trails be protected with a trail corridor easement? Yes

## Which Ones?

Three segments totaling 4,560' will be subject to a CVTA trail easement. One of these segments, 1,050 ' along on Old Fassett Road (a discontinued town road), will be be open to snowmobile access as a potential VAST linkage.

If the easement area includes any surface water frontage, is the farm in compliance with RAPs regarding setbacks from surface water for agricultural buildings, manure spreading etc.? Will the easement include any extra protections for surface waters and/or is the landowner enrolled in any programs (CREP, EQIP etc.) to protect surface waters?

The farm is in compliance with its LFO and MFO permits. The proposed easement includes a 50' riparian buffer on all perennial streams except for a small stream adjacent to the farmstead; a 50 ' easement buffer is not practical there due to an existing farm pond and farm road crossing. Wetland Protection Zone easement language will protect a small stream-associated wetland on this stream in addition to several larger areas of forested wetland.

Describe any management practices that you use to protect water quality, if applicable

The farm uses extensive no-till and cover cropping practices to protect soil health and water quality.

## Watershed / Sub-Watershed

Watershed: L Sub-Watershed: W

## Applicant Organization Staff Person: Britt Haselton

Prior to submitting this application, you must provide your email address in order to receive a PDF of this form with your responses. Please provide your email address: britt@vlt.org

