

COMMISSIONERS' MINUTES – DAVIS COUNTY

WORK SESSION MEETING MINUTES Tuesday, March 12, 2024

The Board of Davis County Commissioners met for a Work Session at 9:00 AM on Tuesday, March 12, 2024, in room 306 of the Davis County Administration Building, 61 South Main Street, Farmington, Utah. Required legal notice of this meeting was given.

All documents from this meeting are on file in the Davis County Clerk’s Office. The agenda for this meeting is incorporated into the minutes as item headers.

DISCLAIMER

The meeting was an open dialogue. Critical points in the discussion have only been briefly summarized. The reader may refer to the audio recording and the publicly distributed materials for further clarification of the content. Timestamps have been noted in the minutes to aid in locating points of discussion in the audio record. The audio recording for this meeting is available based upon the County's current retention schedule.

ROLL CALL

Chair Bob J Stevenson
Commissioner Lorene Miner Kamalu
County Clerk Brian McKenzie
County Auditor Curtis Koch
Chief Deputy Civil Attorney Neal Geddes
Community and Economic Development Director Kent Anderson

County Assessor Andrew Hansen
Planning Manager Jeff Oyler
Chief Deputy Assessor Dale Peterson
Confidential Secretary Cynda Melville
Deputy Clerk Aaron Moyes
Office Manager Assessor Mary Allen
Utah Agricultural Land Trust Deborah Van Noy

EXCUSED

Vice Chair Randy B. Elliott

OPENING

The meeting convened at 9:01 AM.

AGENDA ITEMS

1. #106/2024. Presentation on conservation easements for agriculture land owners by Utah Agricultural Land Trust from Cache Valley — *presented by Deborah Van Noy, Utah Ag Land Trust, presented on behalf of Commissioner Elliott*

A presentation was given to Davis County about conservation easements for agricultural land by Utah Agricultural Land Trust from Cache Valley [See Attachment B]. There was a healthy discussion about Utah Agricultural Land Trust’s background, where they receive funding from, and what their purpose is. Deborah Van Noy highlighted it is the right of agricultural land owners to sell their land for development, but the Utah Agricultural Land Trust provides a different option. Utah Agricultural Land Trust is a non-profit organization who receives funding from foundations, individual donors, capital campaigns, and open space funds. Natural Resources Conservation Service (NRCS) will match 50% of the conservation easement value. An additional option would be taxpayer support of an open space fund, raising property taxes by about \$35.00 to \$45.00 a year. At the conclusion of the discussion the Commission said no decision has been made at this time.

MEETING ADJOURNED

The meeting was adjourned at 9:43 AM.

ATTACHMENTS

All publicly distributed materials associated with this meeting are noted as the following attachments:

- A. Utah Agricultural Land Trust Handout
- B. Utah Agricultural Land Trust Presentation

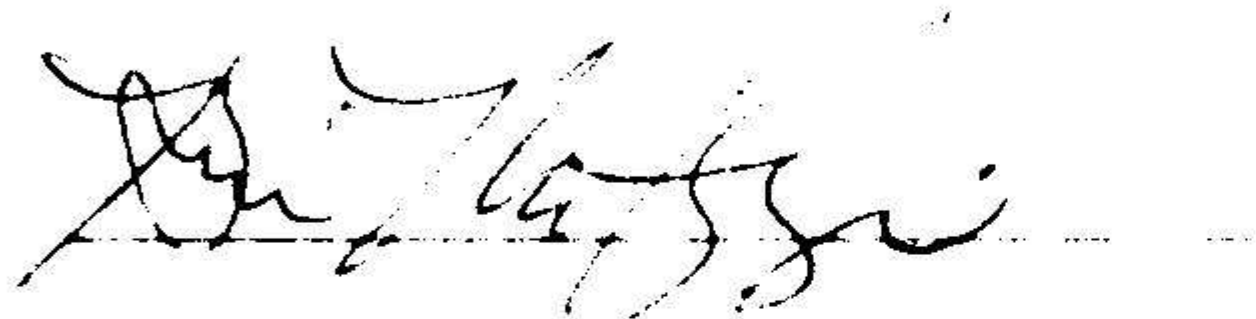
COMMISSIONERS' MINUTES – DAVIS COUNTY

Minutes Prepared by:

Aaron Moyes
Deputy Clerk

Minutes Approved on:

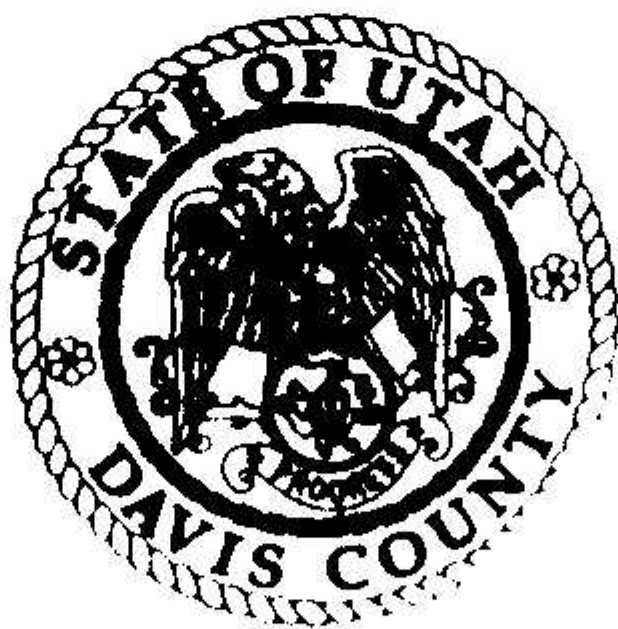
03/26/2024



Brian McKenzie
Davis County Clerk

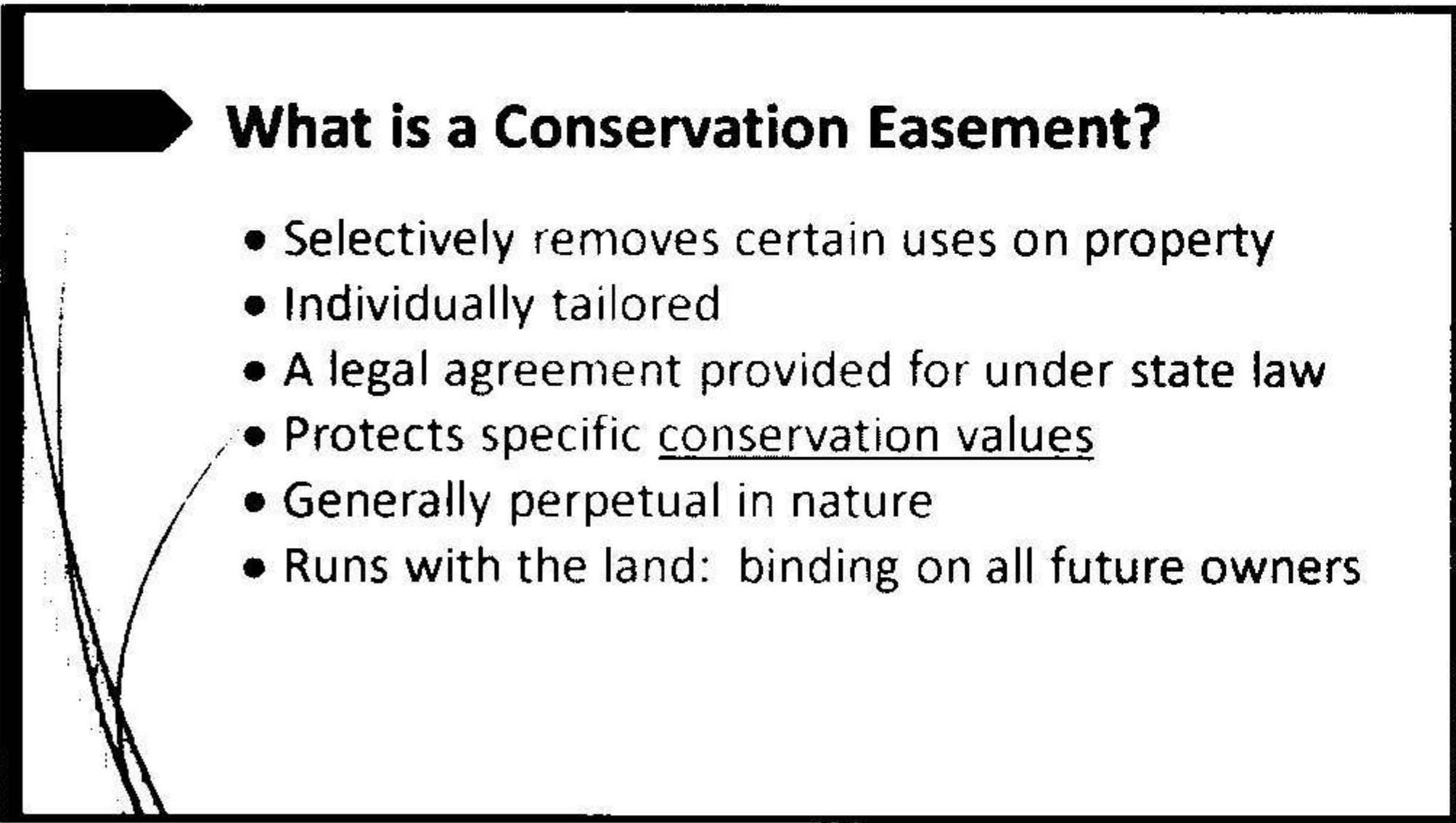


Bob J Stevenson
Commission Chair









Agricultural Conservation Easement

- Limits future non-ag uses, but encourages ag enterprises
- Permits construction of new agricultural buildings, fences, waterings, and residential dwellings
- Does not require public access
- Does not provide immunity from condemnation (ED)
- Can be terminated but only under rare circumstances

Purpose of Conservation Easements

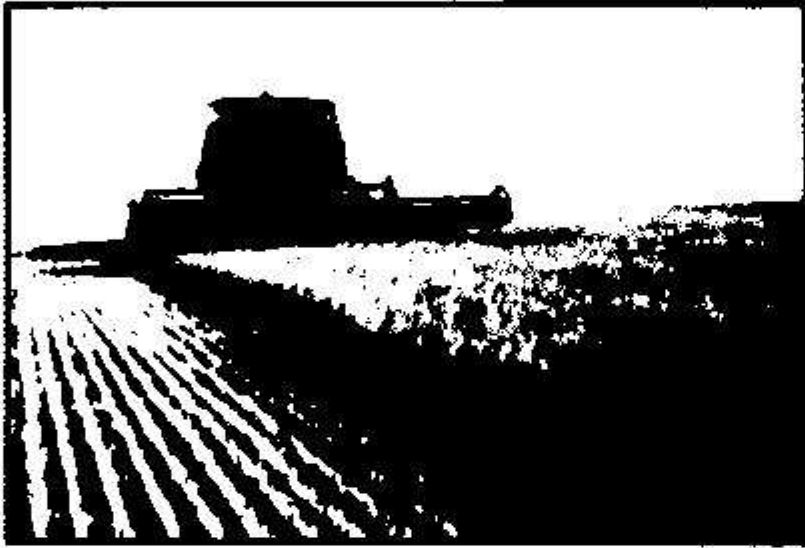
- Protection of significant natural and ecological resources
- Protection of historical resources
- Public access for recreation or education
- Protection of specific values like agriculture
 - *The purpose of an agricultural conservation easement is to protect the viability and productive use of agricultural lands while also protecting their conservation values.*

Davis County Agriculture Profile

- 51,793 acres in agriculture
- 98 acres - average farm size
- Nursery/Greenhouse – largest segment
- Beef cattle/calf-largest livestock segment
- Average age of ag producer-35-64 years

Does Our Ag Land Qualify?

- Significant farming operation- staying ag serves public good
- Title is clean and clear
- Property free from harmful chemicals (no dumping on property)
- No property boundary disputes
- Open space supports wildlife



Benefits of Land Trust for Farmer/Rancher

- Farmer/Rancher Sells Development Rights; Land Remains Agriculture to Perpetuity
- Land trust pays landowner to keep land in ag
- Ag landowner can sell for ag purposes only
- Donated land qualifies for generous federal tax benefits



Financial Model

Developable Value	Undevelopable Value (Ag Value)	Easement Value
\$2,700,000	\$1,500,000	\$1,200,000 (the difference)
\$10,000,000	\$7,000,000	\$3,000,000 " "

- The value of the easement -\$1,200,000
- donate to the Land Trust (federal tax benefits)
 - purchased by the Land Trust (money paid upfront)
 - partial sale/partial donation (combination also termed *Bargain Sale*)

Donated Easements

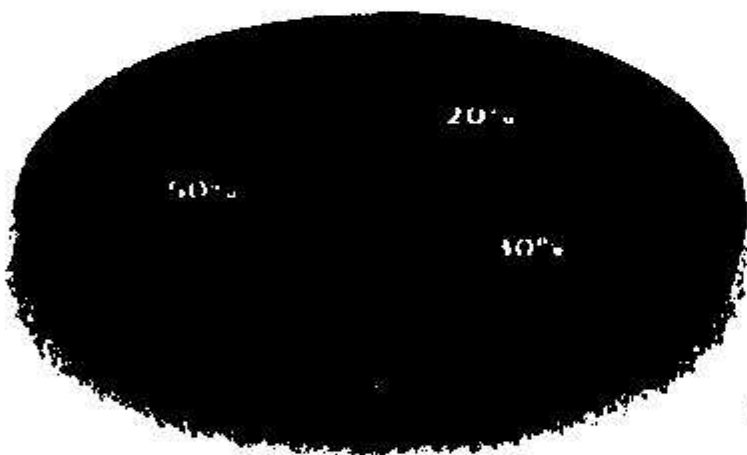
Up to 50% of adjusted gross income can be deducted from federal taxes and carried forward for 15 years

If farming/ranching primary business, can deduct 100% of adjusted gross income from federal taxes with 15-year carry forward rule.

In our example, the value of the charitable contribution generated through the donation of the conservation easement is \$1,200,000. Let's assume that the landowner's adjusted gross income for income tax purposes is \$150,000, which remains constant. The deduction resulting from the easement is as follows: (50 percent of \$150,000 = \$75,000)

Year of Contribution	\$75,000
Carry Forward to Year 1	\$75,000
Carry Forward to Year 2	\$75,000
Carry Forward to Year 3	\$75,000
Carry Forward to Year 4	\$75,000
Carry Forward to Year 5	\$75,000
Carry Forward to Year 6	\$75,000
Carry Forward to Year 7	\$75,000
Carry Forward to Year 8	\$75,000
Carry Forward to Year 9	\$75,000
Carry Forward to Year 10	\$75,000
Carry Forward to Year 11	\$75,000
Carry Forward to Year 12	\$75,000
Carry Forward to Year 13	\$75,000
Carry Forward to Year 14	\$75,000
Carry Forward to Year 15	\$75,000
Total deduction	\$1,200,000

57 Acre Ag Property in Heber Valley (Summit Co.)
\$3,780,000 Conservation Easement Value



- Wasatch Co. Open Space Fund: \$780,000
- Ag Landowner: \$1.1 million Donation
- Utah Open Lands Land Trust: \$1.8 million

Combined Funding (AKA Bargain Sale)

Bargain Sale on Purchased Easement

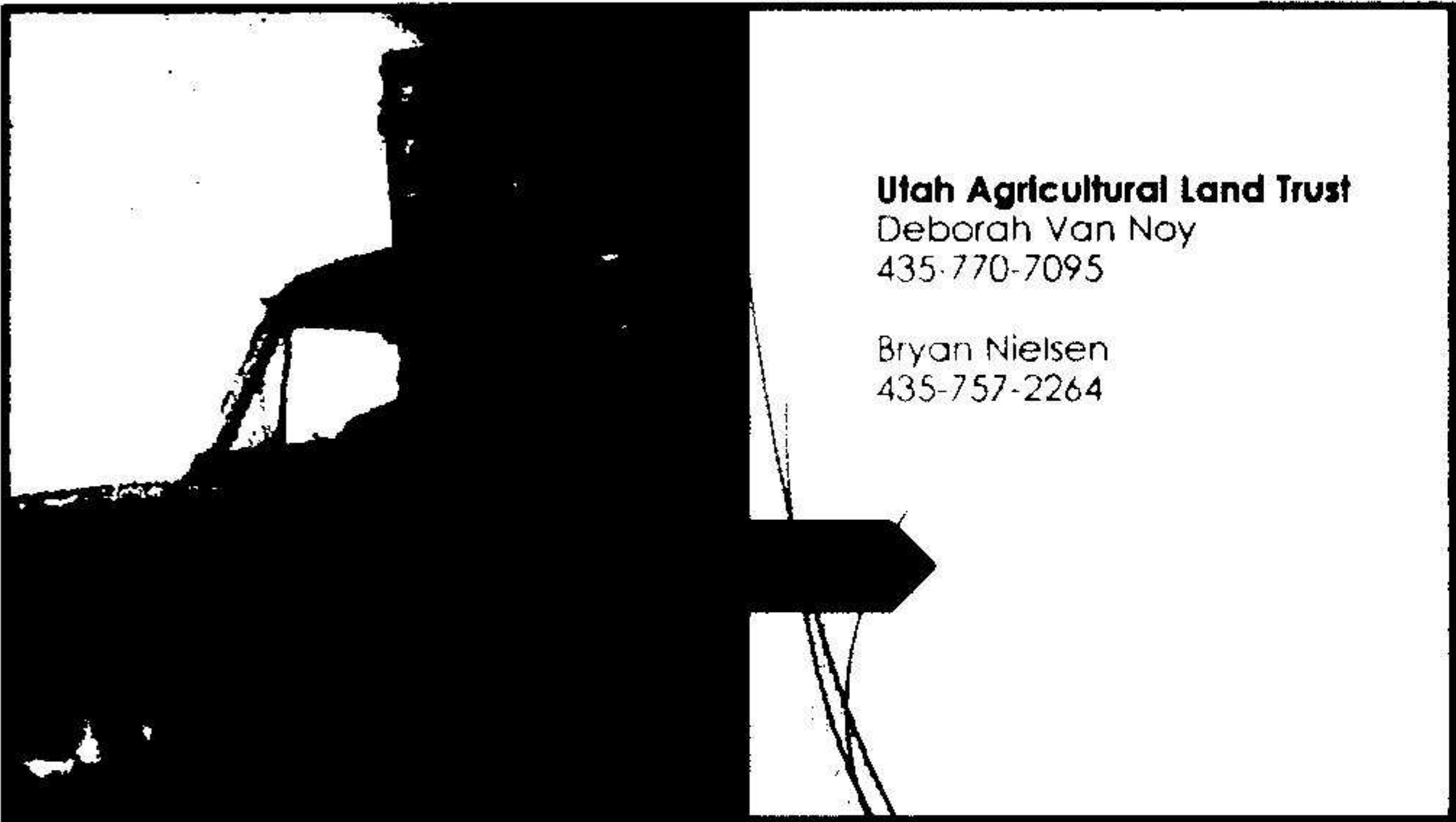
Fair Mkt. Value \$10 million	Conservation Easement Value \$4 million	Ag Value \$7 million
Bargain Sale – Ag landowner receives part of CE value in cash and part they donate to the land trust.		
\$3 million	CE Value	
— \$1.7 million	Paid to landowner (IRS Form 1099 Income)	
\$1.3 million	Donated by ag landowner to land trust (provides deduction from cap. gains on \$1.7 million)	

Benefits of Conservation Easements

- Ag land remains productive livestock or crop land
- Natural resources supported (ground water, carbon sequestration, wildlife preservation)
- Open spaces benefit for all
- Historical and cultural benefits for all
- Ag landowner paid outright or receives federal tax deductions for donated land or both

Steps in Process

- Receive UALT Introduction Packet
- Complete application and return with application fee
- UALT visits property to assess land, grasses, water source, livestock, fencing, etc.
- Board discusses project and votes Yea or Nay on going forward
- UALT informs ag landowner of Board decision
- If yes and MOU is signed by both parties, project moves forward
- Property gets appraised by independent, qualified appraiser.



Utah Agricultural Land Trust supports agricultural landowners seeking to maintain their ranch and farming operations while protecting precious natural resources. A land trust holds a conservation easement on private ag property. The easement is owned by UALT. The land remains under the ownership of the original landowner, but with a conservation easement placed on the property. These easements are in place to perpetuity.

Conservation easements are designed to:

- Promote conservation of agricultural property for scenic, historic and productive value
- Provide agricultural legacy to family members eager to work the land into the future
- Preserve open spaces, support wildlife habitat and create outdoor recreational experiences such as hunting, trail riding and other seasonal sporting activities.

Many working farmers and ranchers wish to hold onto their properties and continue to run the land for agricultural purposes recognizing also that they are stewards of the land and benefit the environment by keeping the land in its more natural state. An option to accomplish this goal is a conservation easement attached to the property. Conservation easements can take the form of donated easements (which provide federal tax benefits to the ag landowner) or purchased easement whereby the landowners sells the development rights to the land trust. (e.g. ag landowner is paid for placing all or a portion of his land into a conservation easement.) The value is determined by an independent appraiser. Donations and grant funding are used to pay the ag landowner for placing their land into a conservation easement and for stewardship and monitoring of the land held in the conservation easement.

Conservation easements do more than protect the ag landowners property – they also protect natural resources within the region where the property is located. Farmland and ranchland replenishes our aquifers and groundwater. They support natural grasslands and woodlands. Finally, they improve soil, water and air quality. Open grazing and croplands also protect wildlife habitat and bird migration corridors. Consider using conservation easements to protect the natural resources on your property – today and for future generations.

Steps To Exploring the Possibility of Developing an Easement on All or Part of the Property

1. Property owner contacts UALT to determine if it meets resource protection and project feasibility criteria.
2. If the above criteria are met, UALT works with the landowner to develop the legal framework to complete the easement agreement.
3. The landowner retains the right of access and right to exclude.
4. The Land Trust receives the right to prevent all or some development on the property as specified in the agreement.
5. The conservation easement establishes exactly what rights the owner retains and what rights are conveyed to UALT.

Your agricultural property can be protected from development. Contact us today to learn more about conservation easements. www.utahaglandtrust.org Telephone/Text: 435-770-7095

