

November 1, 2005

PRESENT: Dr. Charles W. Curry, Chairman  
Charles C. Schooley, Vice Chairman  
William Bashaw  
Bruce M. Bowman  
Kitra A. Shiflett  
Larry C. Howdyshell  
Betty Jo Hamilton  
Mark Grove  
Beatrice B. Cardellicchio-Weber

OTHERS PRESENT: Tom Stanley, Extension Office

ABSENT: Clay Hewitt  
Larry Shiflett  
Garland Martin  
Dale L. Cobb

VIRGINIA: Meeting of the Agricultural Task Force Committee held on Tuesday, November 1, 2005, at 7:00 P.M., in the County Government Center, Verona, Virginia.

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Chairman Curry stated that the County Attorney would be here at the November 3<sup>rd</sup> meeting. He asked if the committee wanted him to go over the memo that he gave them or just ask questions?

Ms. Shiflett stated that it probably would be best that the committee just ask questions since they have the memo already.

Chairman Curry stated that the committee would continue reviewing the report.

### **Finding # 23**

The establishment of several Farmers markets and a produce auction have improved the availability of facilities for marketing certain agricultural products but a local shortage of processing and marketing facilities for certain products still exists. Local beef producers that sell retail products direct to the consumer are forced to ship livestock out of the area for processing.

Chairman Curry asked if the support data was Tom Stanley's.

Mr. Stanley stated yes.

Mr. Bashaw stated that the County needs a packinghouse, which would enhance the beef industry in the County.

Mr. Grove stated that this finding sounds good to him.

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Mr. Bashaw stated that this is a major industry but they need to cut out the middleman, cost associated with traders and haulers.

Mr. Howdysshell stated that there is nothing wrong with the idea of slaughterhouses. He stated that a lot of people think it is a dirty industry.

Ms. Hamilton stated that there are two farmers markets in the County. She stated that one on the dock at the Government Center and the other in a parking lot in Staunton. She stated that there is not a facility that houses a market under one roof in the County and their needs to be a facility beyond just a parking lot.

Ms. Shiflett stated that is a good idea.

Mr. Bashaw stated that there is not a reason why a slaughterhouse should not be built in this area. He stated that this is a major industry.

Chairman Curry stated that a year round facility would benefit the County because one does not exist.

Ms. Hamilton moved to approve the finding with the following changes: The establishment of several Farmers markets and a produce auction have improved the prospects for marketing certain agricultural products. However, there is no permanent processing or marketing facilities for products. Local livestock producers who sell retail products directly to the consumer are forced to ship livestock out of the area for processing. The committee approved this unanimously.

**Recommendation #23a**

An Agriculture Program Coordinator should provide leadership and coordination for new and existing markets for agricultural products.

Chairman Curry stated that the Agriculture Program Coordinator should be changed to the Director of Agriculture Development (DAD).

Ms. Hamilton stated that she agrees and she would change the word should to would.

Vice Chairman Schooley and Ms. Shiflett stated that they agree with this recommendation.

Mr. Bashaw moved to approve the recommendation as amended, which carried unanimously.

**Recommendation #23b**

The counties economic development office should be employed to target and recruit a meat processing facility.

**Additional Suggestion:**

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We should not go out and target but if one were to come treat as same respect as other business and not as a “dirty industry”.

Ms. Hamilton stated that recommendation #23a takes care of that subject.

Mr. Bashaw stated that the County's Economic Development staff should pursue a meat processing facility.

Ms. Hamilton stated that in the finding the committee stated that there was not a permanent processing facility. She stated that maybe the County should make it a priority to establish a facility for marketing and processing.

Mr. Howdyshell stated that farmers need to go out and take the initiative.

Ms. Hamilton stated that the County has the industrial park.

Mr. Howdyshell stated that the industrial park is for industry.

Mr. Bashaw stated that he thinks the wording is fine. He moved that the recommendation be approved. Three of the committee members agreed and four abstained from the vote.

#### **Finding # 24**

Traditionally Augusta County has enjoyed a relatively low unemployment rate and the competition for labor is keen within the agricultural community resulting in a shortage of affordable labor.

Mr. Bowman and Ms. Shiflett stated that this is a fact.

Mr. Bowman moved that the finding be approved, which carried unanimously.

#### **Recommendation #24a**

The local government should make written application to the Virginia Department of Agriculture and Consumer Services to have an Agricultural Enterprise District designated for all land zoned as Exclusive Agriculture or designated as an Agricultural or Forestal District.

#### **Additional Suggestions:**

The Agriculture Enterprise District designation should be for Agriculture Conservation and Rural Conservation Policy Areas on Comprehensive Plan.

Chairman Curry stated that the reason why he placed Exclusive Agriculture in the recommendation is to provide an incentive to be in the Exclusive Agriculture zoning.

Mr. Grove stated that this looks fine to him.

Mr. Bashaw stated that he thinks the Exclusive Agriculture wording should be omitted from the recommendation just agriculture.

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Mr. Bowman moved that the recommendation be approved.

Mr. Bashaw amended the motion with recommendation #24a to read as follows: The local government should make written application to the Virginia Department of Agriculture and Consumer Services to have an Agricultural Enterprise District designated for all land in an agricultural zoning district or designated as an Agricultural or Forestal District. The committee agreed unanimously.

**Finding # 25**

In Exclusive Agriculture zones landowners are limited to certain land uses. The modern agricultural industry is changing and rapidly becoming more diverse, intensive, and specialty oriented.

Chairman Curry stated that it might be a good idea for someone to volunteer to spend time looking at each of the uses. There was no recommendation for that task.

Mr. Howdyshell moved that finding #25 and finding #26 be combined, which carried unanimously.

**Finding # 26**

Diverse agricultural enterprises are expanding in modern agriculture.

**Recommendation #26a**

Exclusive Agriculture zoning should be amended to include a more diverse list of permitted uses and a more restrictive list of uses with a use permit (See Appendix J).

Chairman Curry stated that the current list is not diverse.

Ms. Hamilton stated keeping things restricted would be fine.

Chairman Curry stated that a subcommittee could come up with a list of permitted uses with a Special Use Permit.

Ms. Hamilton stated that this might be too specific for this committee. She stated that this is something that the Agriculture Industry Council should do if that were to get approved by the Board of Supervisors. She stated that an ordinance for Special Use Permits should be studied and revised as necessary to accommodate uses related to agriculture.

Chairman Curry stated that the list should be left up to the Agriculture Industry Council.

Mr. Howdyshell stated that it would be helpful to have lists.

Ms. Hamilton moved that the recommendation be changed to read: A study should be conducted to determine the appropriate permitted uses and restrictive uses in Exclusive Agriculture zoning. The committee approved this unanimously.

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**Finding #27**

Augusta farmers are an aging group and death is reducing the number of active farmers. There is an adequate supply of prospective future farmers but they do not possess the investment capital or credit rating to take over available farms.

Ms. Shiflett stated that she would omit the word adequate from the finding.

Ms. Hamilton stated that she would omit adequate and add there is a supply of prospective future farmers, etc.

Vice Chairman Schooley agreed.

Mr. Bowman moved that the finding be changed to read: Augusta farmers are an aging group and death is reducing the number of active farmers. There is a supply of prospective future farmers but they do not possess the investment capital or credit rating to take over available farms. The committee approved the finding unanimously.

**Recommendation #27a**

The county government should aggressively lobby for a State program that provides low or no interest capital and tax incentives for elderly farmers to pass their property along to prospective future farmers.

**Recommendation #27b**

A special focus group of farm capital lenders should be convened to study the issue of generational farm transfer.

**Recommendation #27c**

The local government should consider establishing a public-private partnership to create an investment capital incentive fund for prospective future farmers.

**Recommendation #27d**

The local government should establish a local tax waiver program for young people entering the farming profession similar to the senior citizens tax waiver program.

**Recommendation #27e**

The extension service should provide educational programs for non-farm landowners with conservation easements on the benefits long-term leases for prospective future farmers.

**Recommendation #27f**

The Extension Service and Agricultural Education leadership should be encouraged to enhance or create mentorship programs that place interested 4-H and FFA members on farms with veteran farmers who may not have heirs interested in continuing the farming operation.

**Additional Suggestions:**

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**Establish a program to buy and give farms to qualified individuals as determined by the Board of Supervisors.**

Ms. Hamilton stated that she spoke with Fay Cooper and she was interested in recommendation #27e.

Mr. Stanley stated that they are already considering that tentatively.

Mr. Bowman stated that recommendation #27e should be changed to read the extension service and the Virginia Outdoors Foundation.

Ms. Hamilton stated that it does not do any good for land to just sit there and not be used. She moved that recommendation #27e be changed to read extension service and conservation groups should continue to provide educational programs for non-farm landowners with conservation easements on the benefits of long-term leases for prospective future farmers. The motion carried unanimously.

Chairman Curry asked if anyone knew the state program name for recommendation #27a?

Mr. Stanley stated that it might be Farm Link.

Chairman Curry stated that this recommendation could go under the aging farmer section as well.

Mr. Bowman stated that the committee could table the request until the name of the state program is identified.

Ms. Hamilton stated that farmers cannot wait until they are 65 to start planning because it takes time for the transition. She stated that this is another duty for the Director of Agriculture Development and the Agriculture Industry Council to work on.

Ms. Shiflett stated that she does not have a problem with any of them.

Mr. Bashaw stated that under recommendation #27a the word grants should be added after no interest capital.

Ms. Hamilton moved that recommendation #27a (as amended), #27b, #27c, #27d, and #27f be approved. Six committee members agreed with one in opposition.

**Finding # 28**

Estate taxes that must be paid when farms are inherited by the younger generation often force the sale of farms that would otherwise continue in agriculture production.

Chairman Curry stated that there is not a recommendation under this finding.

Ms. Shiflett moved that finding #28 be approved, which carried unanimously.

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Ms. Hamilton moved that the additional suggestion should be put as a recommendation, which carried unanimously.

**Finding # 29**

The real estate tax system is a deterrent to sustaining a viable agricultural economy. While a low tax rate is essential to maintaining agricultural production a low tax rate also encourages competitive uses, such as, residential development.

Ms. Hamilton stated that this is a true statement.

Mr. Bashaw moved that finding #29 be approved, which carried unanimously.

**Recommendation #29a**

The local government should continue to vigorously lobby to replace the real estate tax with a local income or sales tax.

**Additional Suggestion:**

The County government and staff needs to keep reminding citizens that residential development is a net loss to County finances because of the services it requires while agriculture land is a net gain for County finances. More residences will increase taxes.

Mr. Howdyshell moved to approve recommendation #29a, which carried unanimously.

Ms. Shiflett stated that the additional suggestion could be helpful.

Mr. Bowman moved that the additional suggestion be recommendation #29b, which carried unanimously.

**Finding # 30**

The local government is faced with critical issues concerning sustaining agriculture programs, such as, repealing the farm machinery tax, establishing a purchase of development rights program, considering a sliding scale land use taxation system, considering a sliding scale zoning, creating an agricultural program coordinator, and many other issues without essential revenue and service cost information.

**Finding # 31**

An accounting of tax revenue collected from farm and non-farm households is either not available or not published by the Commissioner of Revenue's Office.

**Finding # 32**

An accounting of local tax revenue by source is not available from the Director of Finance's Office. Local revenue is listed as Property Taxes, which includes real estate taxes (land,

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improvements, residential, farm buildings, business buildings, etc.), personal property tax, penalties, interest, and car tax payments from the state.

Chairman Curry stated that the Commissioner of Revenue stated that this information is not available. He stated that Mr. Joe Davis, Director of Finance, stated that this information is all lumped together and there is no data on what a farmer and a non-farmer pay.

Ms. Shiflett moved to approve finding #30, #31, and #32, which carried unanimously.

Chairman Curry stated that there are no recommendations under these findings.

### **Finding # 33**

Property tax collected by Augusta County over the past five years is as follows:

- ☒ \$35,246,000 in 2004-05 (proposed)
- ☒ \$34,716,000 in 2003-04
- ☒ \$33,641,000 in 2002-03
- ☒ \$32,771,000 in 2001-02
- ☒ \$29,996,219 in 2000-01

Ms. Shiflett moved that finding #33 be approved, which carried unanimously.

### **Recommendation #33a**

An accounting of tax revenue collected from farm and non-farm households should be maintained by the Commissioner of Revenue's Office and provided to the Director of finance's Office for the purpose of making sustaining agriculture decisions.

### **Recommendation #33b**

An accounting of local tax revenue by source should be maintained by the Commissioner of Revenue's office and provided to the Director of Finance's Office for the purpose of making sustaining agriculture decisions. Revenue categories should include land use tax revenue, non-land use tax revenue, farm residential tax revenue, non-farm residential tax revenue, farm building tax revenue, business building tax revenue, farm vehicle tax revenue, non-farm vehicle tax revenue, car tax payments on farm vehicles from the state, car tax payments on non-farm vehicles from the state, and other categories necessary to clearly establish an accounting of farm revenue versus non-farm revenue.

Ms. Shiflett stated that #33a encompasses #33b.

Mr. Bowman stated that the both recommendations should be combined.

Mr. Howdysshell moved that recommendation #33a be deleted and recommendation #33b be approved, which carried unanimously.

### **Recommendation #33c**

Augusta County should conduct a cost-of-services versus revenue-collected study, comparing farm and non-farm households at least every five years.

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Mr. Bashaw moved that recommendation #33c be approved. Six committee members agreed with one abstaining from the vote.

**Recommendation #33d**

Augusta County should obtain fiscal impact tools that will project the cost for services of each rezoning.

Ms. Shiflett stated that these would be done when the Comprehensive Plan gets completed.

Mr. Bowman moved that recommendation #33d be approved. Six committee members agreed with one abstaining from the vote.

**Finding # 34**

When a large piece of property is subdivided into five to ten acre lots and it is not considered a subdivision it is harder for the Commissioner's Office to get rollback taxes on the property.

Chairman Curry stated that there is not a recommendation with this finding.

Mr. Bashaw stated if the landowner does not sell \$1,000 worth of agricultural product and then file a 1040F, they should pay a rollback tax.

Ms. Shiflett stated that if land is rented then the renter pays off on it.

Ms. Hamilton moved that finding #34 be changed to read: When five to ten acre lots are created in an agricultural zoned district it is difficult for the Commissioner's Office to collect land use and rollback taxes on the property. The motion carried unanimously.

**Finding #35**

Annual revalidation in the land use program is not required by the State. Localities have the option of revalidating from every year to every six years. Six year revalidation would make it possible to free up an existing staff member to provide individual attention so farmers would not miss the revalidation deadline and to improve the monitoring of abuse of the land use program and collection of roll back taxes.

Ms. Hamilton stated that there is a finding and a recommendation included in finding #35. She moved to amend the finding #35 to include only the first two sentences, which carried unanimously.

Ms. Hamilton moved to add a recommendation that Augusta County should adopt a six-year revalidation plan, which carried unanimously.

Mr. Bashaw stated that the County should apply the minimum requirements that the state has.

**Recommendation #35a**

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The purpose of the land use tax program is to provide a higher degree of equity on the taxation of land used for agricultural purposes where the need for county services is limited. The land use tax program should be carefully monitored to assure that all land included in the program is being used for agricultural purposes. Open space that is not used for agriculture purposes should not be eligible for the land use tax Program.

Mr. Bowman moved that this recommendation be approved, which carried unanimously.

**Recommendation #35b**

Small farms, lifestyle farms, and part-time farms should continue to be eligible for land use taxation.

Ms. Shiflett stated that this could not be changed.

Ms. Hamilton stated that she agrees, therefore, she stated that the recommendation should be deleted.

**Recommendation #35c**

A Sliding Scale Land Use Taxation program should be initiated on a voluntarily basis in the exclusive agricultural zone and agricultural and forestal districts. The agricultural program coordinator should coordinate the program and maintain documentation that a clear explanation of the program has been provided to the farmer. Rollback taxes should be limited and similar to those currently used for the land use program. Time limits for voluntarily agreeing not to develop should be similar to those currently used in agricultural districts. The sliding scale should benefit farmers in exclusive agriculture zones and agricultural and forestal districts to the maximum extent allowed by the law.

Ms. Hamilton moved that the recommendation be tabled, which carried unanimously.

**Recommendation #35d**

The land use tax ordinance should be amended to establish a six-year revalidation procedure rather than an annual procedure.

Ms. Hamilton stated that this recommendation should be deleted.

**Recommendation #35e**

A staff position within the Commissioner of Revenue's Office should be dedicated to monitoring the land use tax program including on site compliance inspections and revalidation assistance for farmers.

Chairman Curry stated that this is already included in the revalidation process.

Ms. Hamilton stated that the Director of Agriculture Development could help the Commissioner of Revenue Office's with this if need be.

Mr. Howdysshell stated that the farmer is responsible for getting their paperwork in whether they were notified or not.

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Mr. Bashaw stated that the Director of Agriculture Development could be used as a resource in this sense.

Mr. Bowman stated that the committee could suggest that the Director of Agriculture Development could help with this task.

Mr. Bashaw stated that the staff person could assist the Commission of Revenue's Office.

Mr. Howdysshell stated that this should be omitted from the list of recommendations.

Ms. Shiflett stated that the committee could recommend that the Director of Agriculture Development should assist the Commission of Revenue's Office.

Mr. Howdysshell stated that this recommendation should be omitted.

Chairman Curry stated that Mr. Rosenberg the County Attorney would be here at the next meeting. He stated that the committee should look over the memorandum and come with any questions that they have.

There being no further business, the meeting was adjourned.

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Chairman