

**RESOLUTION
ROCK COUNTY BOARD OF SUPERVISORS**

Land Conservation Committee
INITIATED BY



Thomas Sweeney
DRAFTED BY

Land Conservation Committee
SUBMITTED BY

August 28, 2014
DATE DRAFTED

**LONG TERM FINANCIAL STABILITY OF THE
PURCHASE OF AGRICULTURAL CONSERVATION EASEMENT PROGRAM (PACE)**

1 **WHEREAS**, the Rock County PACE program’s intent is to identify productive agricultural parcels in
2 the highest priority areas of the county, as determined through the program manual, and purchase
3 agricultural conservation easements from willing landowners on the specified parcels; and,
4

5 **WHEREAS**, the Board of Supervisors has supported this program through various resolutions
6 including the program launch to financial support as demonstrated in the following whereas clauses;
7 and,
8

9 **WHEREAS**, the Board of Supervisors adopted Resolution 09-2B-219 which allocated one half of the
10 ATC Environmental Impact Fee for a utility project, which amounted to \$740,000 being allocated to
11 the PACE program; and,
12

13 **WHEREAS**, the Board of Supervisors adopted Resolution 09-6B-311 approving the Rock County
14 PACE Program to commence with the formation of the PACE Ad Hoc Committee; and,
15

16 **WHEREAS**, the Board of Supervisors adopted Resolution 11-1A-250 approving the start of the PACE
17 program and approval of the program manual; and,
18

19 **WHEREAS**, the Board of Supervisors adopted Resolution 12-11D-179 which allocated \$228,000 to
20 the PACE program from the sale of 5 additional acres of the Rock County Farm to the GOEX
21 Corporation for the construction of a new manufacturing plant; and,
22

23 **WHEREAS**, the Land Conservation Committee (LCC) requested staff to provide a review of the
24 PACE program financial status as it relates to short term goals and long term stability of the program
25 and present findings to the LCC; and,
26

27 **WHEREAS**, the Land Conservation Department (LCD) conducted the internal analysis of the program
28 funding and presented the preliminary findings to the LCC, after which the LCC directed staff to
29 consider three stable funding sources. These sources include: the rent receipts from the county farm
30 lease, sales tax receipts ~~and the tax levy~~, and,
31 *amended 8/11/14*

32 **WHEREAS**, the LCC also identified proceeds from future sale(s) of county owned real estate
33 holdings, with the exception of park land and IN REM properties, as an additional funding source.
34 However this source is unstable at best; and,
35

36 **WHEREAS**, at its August 2014 meeting the Rock County PACE Council recommended easements to
37 be purchased on four properties totaling 412.5 acres in 2015, which will reduce the account balance for
38 the program to approximately \$40,000; and,
39

40 **WHEREAS**, the LCC concludes that to continue the Rock County PACE program into the foreseeable
41 future, the LCD must request financial assistance from the Board of Supervisors with an annual budget
42 appropriation of \$200,000 commencing with the 2015 budget; and,
43

44 **WHEREAS**, the funding sources to be used during any given year, will be at the discretion of the
45 County Administrator and approved by the County Board through their annual budget process.

14-9A-099

Long Term Financial Stability of the PACE Program

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46 **NOW, THEREFORE, BE IT RESOLVED** that the Rock County Board of Supervisors in session this
47 11th day of September, 2014, approves apportioning \$200,000 annually to the Rock County
48 PACE program until an alternative outside funding source can be located with final approval through the
49 annual budget process; and,

50
51 **BE IT FURTHER RESOLVED**, that proceeds from the sale of County owned real estate holdings,
52 with the exception of park land and IN REM properties, will be deposited into the PACE account to
53 assure that the short and long term goals of the program are met. If proceeds from said sales are available
54 they should not be used to reduce the annual budget appropriation requested.

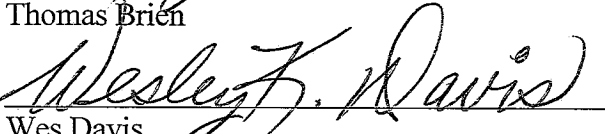
Respectfully submitted,

LAND CONSERVATION COMMITTEE



Richard Bostwick, Chair

Excused
Alan Sweeney, Vice Chair

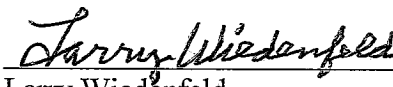

Thomas Brien


Wesley K. Davis


Jason Dowd


David Rebout, FSA

Dissest
Rick Richard


Larry Wiedenfeld

FINANCE COMMITTEE ENDORSEMENT

Reviewed and approved on a vote of

2-3


Mary Mawhinney, Chair

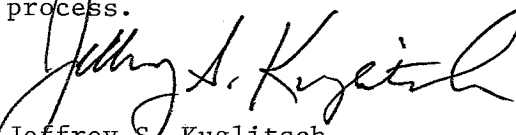
FISCAL NOTE:

This resolution appropriates \$200,000 to the PACE program annually until the County Board takes action otherwise. Three possible funding sources are mentioned: tax levy, farm lease revenues and sales tax revenues. Since the County farm lease revenue is a direct offset to County levy, any redirected lease revenue would need to be filled with tax levy. The County continues to operate under strict levy limits. Our estimated maximum allowable levy increase for all departments and programs in 2015 is \$441,000.


Sherry Oja
Finance Director

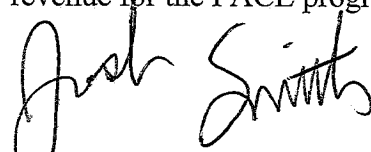
LEGAL NOTE:

The County Board is authorized to take this action pursuant to secs. 59.01, 59.03 and 59.51, Wis. Stats. This resolution proposes apportioning \$200,000 to the Rock County Pace program annually. While the County Board can take this action, this is a voluntary payment. Unlike a debt service payment, the County Board can depending on financial condition, modify, delete, or increase such payments in the future. This likely could occur during the annual budget process.


Jeffrey S. Kuglitsch
Corporation Counsel

ADMINISTRATIVE NOTE:

As described in the fiscal note, the effect of State-imposed levy limits will restrict the ability of the County to utilize tax levy or County farm lease revenue in 2015. Consequently, if the resolution is approved, the 2015 administrator's recommended budget would include \$200,000 in sales tax revenue for the PACE program.


Josh Smith
County Administrator

EXECUTIVE SUMMARY

The vision and goal statement for the PACE Program is: The Rock County Purchase of Agricultural Conservation Easement (PACE) Program will work in cooperation with local governments to enhance Rock County's quality of life by building consensus towards a regional vision, to include preservation of agricultural land, the agricultural economy, and the County's rural character, and responsible growth and development in appropriate areas.

The County Board has supported the PACE Program in the recent past as identified by the numerous resolutions adopted. This resolution requests the County Board to continue the support for the PACE program in the form of an annual budgetary appropriation to the program in the sum of \$200,000. This request will allow the program to continue into the future. This request is a direct result of the Land Conservation Committee (LCC) requesting the Land Conservation Department staff to conduct an internal analysis for the PACE program funding, which concluded that the program will exhaust existing funds within two years if additional funds are not allocated to the program. As noted in the program's manual, this program is not a short term commitment. An American Farmland Trust report dated 2010, identifies numerous local government programs nearing or exceeding their 20th year of operation. The closest long term PACE program is located in the Town of Dunn, Dane County WI.

The LCC, with assistance from the PACE Council, will develop policies that will cap the value of easement purchase price, which will likely be below the USDA- Natural Resources Conservation Service program maximum of 75% of the easement appraised value. The LCC will also establish a cap for the annual acreage allowed into the program or the number of applications approved, whichever is below the established acreage threshold. Other policies and provisions that will increase the cash flow efficiency of this program will be evaluated in the future. These proactive actions/policies are needed to assist with the overall cash flow of the program. Also, the resolution will only be effective until such time that alternative outside funding sources are made available.

The PACE program has a direct and indirect impact to the economy of Rock County, by not only providing a payment to landowners (which can then be used to make future investments in the operation) but also by protecting a valuable resource. Furthermore, by providing local funding for the PACE Program the County is providing the means necessary to secure funding from the federal government. On average, for every dollar the county contributes to the purchase price of an easement, \$2.66 has been contributed by the federal government under the USDA-NRCS program. Without a local entity like Rock County to provide the local contribution, those dollars would be going to another area or even another state.

The resolution also requests the County Board to defer the receipts from sales of real estate holdings to the PACE program. Exceptions to this request include any IN REM property and/or any sale of county park land.