



FAYETTE  
ALLIANCE



March 16, 2017

Dear Mayor Gray,

Please accept this letter on behalf of the Fayette County Farm Bureau, Kentucky Thoroughbred Owners and Breeders, and Fayette Alliance.

We are writing to respectfully request that the proposed budget recommend fully funding the Purchase of Development Rights (PDR) program at \$2 million for fiscal year 2018.

As part of the Comprehensive Plan update process, the Rural Land Management Plan (RLMP) is being updated for the first time since its adoption in 1999. The RLMP articulated the importance and unique value of the Rural Service Area to our community and set forth a plan to preserve, protect, and promote our agricultural economy and Bluegrass landscape.

The cornerstone of that plan is the Purchase of Development Rights (PDR) program. The architects of the PDR program were a diverse group of stakeholders, including developers and farmers, who showed tremendous leadership and foresight in crafting the program.

Recognizing the centrality of agricultural to our economic development and stability, the purpose of the PDR program is to “preserve a ‘critical mass of land’ for agricultural uses” in a concentrated manner that “would maximize its benefit to the agriculture industry of Fayette County.”<sup>1</sup> As the RLMP notes, agriculture is an industry like any other, “with the ‘factory’ being the land itself.”<sup>2</sup>

However, unlike other industries, our “factory floor” is a finite, irreplaceable asset—the phosphorous rich, prime soils that comprise nearly 90% of the Rural Service Area.<sup>3</sup> Thus, unlike other industries, our agricultural industries cannot be relocated—they are inextricably linked to the land.

We applaud and appreciate your past support of the PDR program. We ask that the program be funded in the same amount as the current budget--\$2 million dollars. This represents less than 1% of the overall city budget.<sup>4</sup> Yet, our Rural Service Area contributes so much to our economy and more than pays for itself.

- Fayette County has the highest agricultural receipts of any county in Kentucky;<sup>5</sup>

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<sup>1</sup> LFUCG Rural Land Management Plan, 1999, pg. V-7 (hereinafter cited as RLMP).

<sup>2</sup> RLMP, pg. I-3.

<sup>3</sup> RLMP, pg. III-2.

<sup>4</sup> See *i.e.*, LFUCG FY 2017 Adopted Budget. The 2013 Comprehensive Plan includes supporting the PDR program as an objective “to protect, preserve and enhance our signature agricultural industries, historic structures, cultural landscapes, natural environments, and community welfare.” Pg. 9.

<sup>5</sup> Kentucky Farm Bureau, “Kentucky Agricultural Facts,” 2<sup>nd</sup> ed., 2015.

- Fayette County's agricultural industries generate \$2.4 billion annually in output and \$1.32 billion in additional income, profits, and dividends;<sup>6</sup>
- Fayette County's agricultural industries contribute over \$66 million in tax revenue collected from state income and sales tax;<sup>7</sup>
- Fayette County's agricultural industries contribute approximately \$7 million in local payroll tax;<sup>8</sup>
- 1 in 9 jobs in Fayette County is supported by agriculture;<sup>9</sup>
- In 2015, expenditures related to travel and tourism in Fayette County totaled over \$2 billion;<sup>10</sup>
- In 2015, 15,339 individual jobs in Fayette County were related to travel and tourism.<sup>11</sup>

Few investments realize such a high rate of return.

Unlike many other government programs, the PDR program delivers on its promises. Since its inception in 2000, 261 farms have been permanently protected, totaling nearly 30,000 acres of land.<sup>12</sup> Protecting this land provides economic stability and security for us all. Protecting the land ensures the continued viability and growth of our agricultural economic base and burgeoning tourism industry, as well as provides for future food security and sustainability.<sup>13</sup>

Paramount to the program's success is the equitable way in which it has been implemented. As stated in the RLMP, "[t]he PDR program must be administered equitably. A Land Evaluation and Site Assessment (LESA) procedure should be established which would create an objective, point-based system for the determination of priority acquisition."<sup>14</sup>

In order to remove any ability or suspicion that the program could be used to enrich individual land owners or be applied in a discriminatory manner, an equitable, objective, points-based system was created and adopted in the Ordinance.<sup>15</sup> The Ordinance provides that farms comprised of the highest percentage of prime soils receive the most points,

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<sup>6</sup> Alison Davis, *et al.*, "The Influence of the Agricultural Cluster on the Fayette County Economy," University of Kentucky, College of Agriculture, January, 2013.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> "Economic Impact of Kentucky's Travel and Tourism Industry—2014 and 2015," Kentucky Tourism, Arts & Heritage Cabinet.

<sup>11</sup> *Id.*

<sup>12</sup> <https://www.lexingtonky.gov/departments/purchase-of-development-rights>. The goal of the program is to protect 50,000 acres. "...[I]t is the purpose of this Ordinance to establish a program for the preservation and management of agricultural, rural and natural lands which will over the next twenty (20) years purchase perpetual Conservation Easements on fifty thousand (50,000) acres in the rural service area...." LFUCG Ordinance, Chapter 26; see also RLMP, pg. V-2.

<sup>13</sup> According to the Food and Agricultural Organization of the United Nations, food production must increase by 60% by 2050 to meet demand from the world's growing population. [www.fao.org/sustainability/en/](http://www.fao.org/sustainability/en/).

<sup>14</sup> RLMP, pg. V-9.

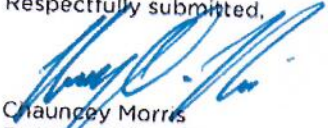
<sup>15</sup> Ordinance § 26-10.

thereby clearly implementing the program's policy and aim to protect the highest quality land for future agricultural use<sup>16</sup>

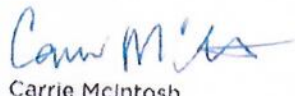
Protecting our prime agricultural lands provides economic stability and security for our entire community. The balance between our rural and urban areas helps create a quality of life that is essential to our economic development and cultural identity. Our nationally acclaimed PDR program is central to maintaining that balance.

Thank you for your leadership and for your commitment to our community.


Respectfully submitted,



Chauncey Morris  
Executive Director  
Kentucky Thoroughbred  
Owners and Breeders



Carrie McIntosh  
Executive Director  
Fayette County Farm  
Bureau Federation



Susan Speckert  
Executive Director  
Fayette Alliance

Cc: Sally Hamilton, Chief Administrative Officer  
Bill O'Mara, Commissioner of Finance and Administration  
Derek Paulsen, Commission of Planning, Preservation and Development

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<sup>16</sup> *Id.* at § 26-10(4).