The Fayette Alliance

601 West Short Street, Ste. 200
Lexington, KY 40508
(859) 281-1202
www.fayettealliance.com

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Executive Director
Knox van Nagell

LFUCG Urban County Council
Government Center
200 East Main Street
Lexington, KY 40507

Dear Vice Mayor Gray and Council members,

My name is Knox van Nagell, and I am writing to you on behalf of The Fayette Alliance.

The Fayette Alliance is Lexington's only land-use advocacy organization dedicated solely to achieving a sustainable, livable Lexington that benefits all of us by preserving our renowned rural landscape and related agricultural industries in Fayette County, while strengthening our city through innovative infill redevelopment and adequate infrastructure.

If responsibly pursued, this growth approach will improve our city and protect our productive and beautiful farmland—creating a quality of life crucial to Lexington-Fayette County's economic and environmental success today and beyond.

In furtherance of this mission, **the Alliance respectfully requests that** you follow-through on your FYI 2011 $2 million commitment to the PDR program and issue the bonds for the allocation, for the following three reasons:

1. **Funding farmland Preservation IS Economic Development**

Doing what local zoning cannot, PDR purchases development rights from farmers which preserves the land for agricultural use forever—creating an environment of market stability in the rural area. This is critically important, as it fosters confidence amongst international, regional, and local investors in spending millions of dollars in farm and business improvements in the rural landscape.

Such investment has a multiplier effect throughout our entire county and Bluegrass Region—by supporting various ancillary industries outside of agriculture including construction, landscaping, feed, farm and equipment suppliers, farriers, law, finance, service, restaurants, hotels, real estate, animal brokerage, animal science, veterinary medicine, education, and tourism.

In addition, PDR funds keep Fayette County farm families in business—which, on average, make less than $50,000 a year. By financing farm improvements, mortgage payments, and payrolls—PDR money floats many local agribusinesses that not only produce horses, but local beef and food.

PDR not only preserves the factory-floor of our $3 billion signature industry and 23,000 Fayette County jobs, it creates an economic environment that fosters investment and local business activity. As LFUCG depends on payroll tax for 83% of its revenues—PDR is needed now more than ever in this time of great recession and unemployment.

2. Farmland preservation advances affordable housing and sustainable growth practices.

By preserving our rural area on the perimeter of the city, market forces and development efforts are driven inward—revitalizing dilapidated, economically depressed, and vacant property; of which Lexington has an estimated 12,000 acres according to the recently released LFUCG Housing Study.

If pursued responsibly and imaginatively, infill redevelopment can result in much needed affordable housing—because location matters. For people with tight budgets and limited transportation options, building housing away from the city center pushes low-wage workers farther from job opportunities. For example, up to 90% of welfare recipients do not own a car, and yet 2/3 of job growth occurs in the suburbs. In addition it's estimated the cost of owning and operating a car is the equivalent of paying a $100,000 mortgage—on top of other living expenses.

Arguably, limiting the supply of "developable" land through farmland preservation efforts increases property values—translating into higher home prices and decreasing workforce-housing supplies. However, Lexington's track record tells a different story.

During the last major expansion of the Urban Service Area in 1996, homebuilders did not take advantage of one affordable housing incentive in the 5,000 acre expansion Area—as offered in the Expansion Area Masterplan. Further, with an estimated 20 square miles of land available for development inside the Urban Services Area, we still have a shortage of affordable housing. According to a recent HBAL study, Lexingtonians earning a median income cannot afford up to 71% of houses on the market today. So land availability does not necessarily translate into affordable housing.

In the interests of building a city for everyone, while also preserving what makes us unique—we must be proactive about incentivizing affordable housing. Faced with increasingly limited and expensive natural resources and complex real-estate markets—we can no longer rely on the simple solution of more land and sprawl development to provide housing for all.

LFUCG must lead the way, and use various tools to make it easier for developers to build affordable housing, such as establishing a land-bank, community land trusts, zoning and financing incentives, mass-transportation and alternative transportation programs, and an affordable housing trust fund.

If effectively done, everyone will benefit in the community—from those living in the city, to our farmers in the rural area. As such, farmland preservation is a partner in growing sustainably—and if meaningfully addressed—affordably.

The Fayette Alliance will continue to promote this strategy—from supporting funding for the PDR program, to helping LFUCG defeat House Bill 447 in Frankfort—which if passed, would have prohibited local governments from passing affordable housing programs.

Ultimately, let us not punish PDR because we have collectively failed to establish affordable housing programs in their own right—as they are independent, complimentary efforts that both need funding.

3. The PDR program advances cultural tourism and quality of life.

PDR farms are the foundation of our local tourism industry. Operations such as Darby Dan, Mt. Brilliant and Cobra farms host thousands of tourists a year, from bus and walking tours to bike rides. Despite the various liability and operational issues most Fayette County livestock operations face, the farms regularly open their gates for public enjoyment—as evidenced by the $14 million in local tax receipts, and $1billion impact our tourism industry has on the regional economy.

Our farms are our brand—and investment in the PDR program strengthens our quality of life, food security, and attractiveness to knowledge-based professionals alike. Simply put, it is a program that benefits the entire community.

For the aforementioned reasons, The Fayette Alliance respectfully requests that you follow-through on your FYI 2011 $2 million commitment to the PDR program, and issue the bonds for the allocation.

Understanding we face the most difficult budgetary time of LFUCG's charter, The Fayette Alliance stands committed to working with Council to continually improve the PDR program, and advance a growth strategy that feasibly benefits everyone in the community.

Sincerely,

Knox van Nagell, J.D.
Executive Director
The Fayette Alliance