

Bayfield County Agricultural and Industrial Park

Proposal

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1. Where We've Been and Where We're Going

For nearly 100 years, the Ashland Agricultural Research Station supported the farmers and citizens in the region through research, outreach education, and training. The announced closing of the Station in 2005 clearly struck a nerve and was met with a groundswell of support for local control.

For elected officials, it was yet another example of the State ignoring the needs of the North. For older farmers, it was another reminder of the continued decline of agriculture in the region and a blow to the agricultural heritage and culture of the community. For younger farmers, it was a lost resource to help them build their farms and meet the challenges of their day. For citizens, it raised worries about the continued resilience and self-reliance of our community and concern about the complacency our culture has about its food supply.

As discussions within the community proceeded over 2005 and 2006, the frustration over the closing changed to optimism. Perhaps the closing was in fact an opportunity for the local community to take control of the Station and revitalize it into something more vibrant and more effective in energizing and supporting the agricultural economy.

In 2008, after taking ownership of the Station, Ashland and Bayfield County released a request-for-proposals asking the community to propose use of the Station with five criteria:

1. Creates a regional benefit addressing community and economic development needs.
2. Incorporates sustainable and complimentary business practices. Encourages alternate energy and related projects.
3. The creation of local employment opportunities.
4. Fosters local agricultural production including research, value added and other related efforts.
5. Demonstrates cooperation and collaboration, making the fullest use of the site or the portion of the site occupied.

With a remarkable grassroots effort, citizens and farmers working to revitalize the Station created a non-profit organization called the Agriculture and Energy Resource Center (AERC). The mission of AERC was to operate the Station as a research, business incubator, and educational facility to support and grow the local agricultural economy and to help build a renewable energy economy. The vision was to grow the overall economy of the region by reducing the major economic leakages that drain dollars from our economy: food and energy.

The Ad Hoc Ag Station Committee chose the AERC proposal and entered into a 5-year lease agreement with AERC, which expires July 31, 2014. As proposed, AERC's primary function is to bring projects to the Station and manage sub-lease agreements with those projects. In addition, AERC implements its own educational programs.

As highlighted in the Accomplishment Report, AERC has been busy the last four years and has accomplished a lot. The research of our partners is helping producers grow fuel for Xcel Energy, malting barley and hops for South Shore Brewery, and heirloom grains for specialty markets.

Our farm incubation efforts have launched three new growers and have helped Northland students learn more about farm production. Our business development efforts have made it easier for horse-owners to visit the region and a group of 22 farmers to distribute product to local and regional markets. Our educational programs have taught growers and homeowners about seed-saving, horse-hoof care, growing hops, barley, and corn, solar energy, woody bio-mass, and business planning.

Throughout its many accomplishments, AERC has faced a number of challenges that have slowed its progress and hampered its efforts. Addressing these challenges will help make AERC more successful in the future:

- ⌚ Managing the classroom and two residential buildings has required considerable time and money by the AERC organization - time and money that would be better spent on activities and projects related to AERC's mission. Rental income from the two houses was intended as seed money for AERC, but over the first four years the income has gone entirely to property maintenance and lease payments to Bayfield County.

- ⌚ AERC has struggled to build a positive working relationship with the Town of Eileen, partially due to the lease agreement with Bayfield County. AERC originally proposed to make an annual payment to the Town of Eileen in lieu of property taxes. Bayfield County chose not to include this provision and instead required AERC to pay only Bayfield County. This decision by the County set the stage for a poor relationship with the Town of Eileen.

- ⌚ The County's requirement that AERC pay Bayfield County \$1065/mo plus 20% of any sub-lease revenue has been a restrictive burden that has limited

AERC's ability to carry out economic development activities on behalf of the agricultural community of the region. Sharing sub-lease revenue is reasonable, but charging an organization to conduct economic development on behalf of Bayfield County, in retrospect, has been a problem.

- ⌚ The original Board of Directors of AERC made the decision to require users of the property to follow organic production standards. This decision limited the number of participants who could actively utilize the Station and created a culture of exclusion rather than inclusion.
- ⌚ There remains an actual or perceived uncertainty as to Bayfield County's commitment to the priorities and vision for the Station property as specified in the County's original call for proposals.
- ⌚ Likewise, it remains unclear whether Bayfield County actually wants to invest in AERC's success. The 20-acre set-aside in the original lease agreement has resulted in two separate planning and development efforts for the property, which has only perpetuated the belief that AERC is only a placeholder until something better comes along.
- ⌚ An example of this issue is noted in the County's action of engaging in 20 acre sale negotiations for a year, without notifying or including AERC in any discussions of the pending sale. The result has been a direct impact on the AERC mission and optimal land use options.
- ⌚ There has been articulated an expectation for AERC to hit an economic development homerun. Large established businesses moving into an area is the dream of all economic development organizations, but it rarely happens. Instead, economic development is often more about making steady progress to support homegrown businesses and creating conditions for success. Although AERC has not hit a homerun, yet, it has achieved significant success in addressing its mission, while burdened by high expectations and important, but diminished, County collaboration.

AERC is proud of its accomplishments to date, is motivated to reengage the County in a collaborative partnership, and is excited to continue great work. In this document we are proposing a number of changes that will help not only AERC, but the efforts of the larger economic development community to more effectively realize the vision for the property and help revitalize our region's agricultural economy.

We are currently working with Northland College to establish a college farm as part of Northland's new sustainable agriculture minor. We are working with the South Shore Brewery to establish a small-scale malting facility. We continue to work with growers and other partners toward a food processing facility to help fruit and vegetable growers provide local food during the winter months.

We have also engaged in the development of a feasibility study, to determine the economic viability of a regional food distribution center. In order to accomplish this goal, we have had extensive talks with staff members of UW-Superior, UW-Madison, the Department of Workforce Development, UW-Extension, and private foundations.

Therefore, it is with a new spirit of collaboration, inclusivity, and teamwork we think our proposal will help align our region's resources behind a common vision for the Station and do the great work of strengthening our agricultural economy.

2. Accomplishment Report

See appendix

3. Proposal Narrative

3.1. Mission, Vision, and Charter

Mission

The Mission of the Bayfield County Agricultural and Industrial Park is to support the regional economy with a focus on agricultural economic development through research, business incubation, and collaborative business development.

Vision

The Vision for the property is to provide an inclusive economic development facility with a focus on projects and activities which support the agricultural and energy sectors of our regional economy. Some activities will be research-based – innovations specific to our local climate, natural resources, and businesses. Some will be educational – targeted to farmers, businesses, and the general public. Others will focus on production – helping our region become more food and energy self-reliant. Achieving the mission for the property will require collaboration of ideas from individuals from across the economic and political spectrum.

Charter (To be Determined)

3.2 Governance

The Bayfield County Agricultural and Industrial Park property shall be owned by Bayfield County.

The Bayfield County Agricultural and Industrial Park shall be managed by the Agriculture and Energy Resource Center. The terms and conditions of this management relationship shall be outlined in a Memorandum of Understanding between AERC, Bayfield County, and the Town of Eileen.

Each of the three entities will agree to a common Mission, Vision, and Charter for the Bayfield County Agricultural and Industrial Park

In establishing the Memorandum of Understanding, the three entities will develop and confirm a charter and land-use plan for the property, based upon the AERC mission and the current land-use map for the Bayfield County Agricultural and Industrial Park.

The charter and land-use plan will limit non-agricultural development to the State Farm frontage (40 acres), reserving the remaining acreage for agricultural use, for a period defined in the charter, such that a good faith effort is made by all parties to implement the mission and vision of AERC, using the property to support agricultural development.

In order to expand the AERC outreach into the community and surrounding region, an expanded board structure will be implemented.

This board structure will consist of a County Board Member, as appointed by the Agriculture and Extension Committee, a representative of the Town of Eileen as appointed by the Town Board, representatives of the Agriculture and Energy Resource Center (AERC), representatives of the Bayfield County Economic Development Council (BCEDC), the industrial development agency, the UW-Extension Agriculture Service,

Bayfield County legal counsel, a Northland College faculty/staff/ or administrative member, representatives of the UW-Extension system, including the Agriculture and Education staff, and two members of the Bayfield County community at-large.

3.3 Land Use

See appendix

The Bayfield County Agricultural and Industrial Park shall have two primary land-use zones as shown on the Land-Use Map. The forty acres adjacent to the State Farm Road (Commercial Zone) shall be utilized to support a broad range of economic development. Although priority shall be given to agriculture-related projects, the land could be used for non-agricultural projects as determined by the Board

See appendix

The remaining farm buildings and land (Agriculture Zone) shall be utilized for agricultural research and development projects consistent with the overall purpose of the property of enabling regional agricultural development in all its forms through research, business incubation, and collaborative business development.

A farmland preservation easement shall be explored for the Agriculture Zone, specifying agricultural use in perpetuity. If adopted, the purpose of this easement shall be to provide a stable land-use plan to provide adequate time for partnership building, fundraising, and development work necessary to realize agricultural development projects, and, more importantly, to ensure the property is available for agricultural research and development for future generations.

A full range of land-uses shall be permissible within this Agriculture Zone, per the definition of agriculture: activities directly involved in the production, processing, or sale of plants or animals for use as food, fuel, or fiber. Such uses shall be subject to all applicable rules and regulations.

Within the Agricultural Zone, AERC, Bayfield County, and the Town of Eileen shall work specifically to promote and facilitate inclusion in order to accommodate the full range of production practices utilized in agriculture.

3.4 Operations

AERC shall manage the Bayfield County Agricultural and Industrial Park for Bayfield County by monitoring the lease agreements with individuals and entities wishing to conduct activities and projects on the Bayfield County Agricultural and Industrial Park property and who have entered into a lease agreement with Bayfield County. Administrative duties shall be conducted by AERC as outlined below

Residential and Classroom Buildings

Bayfield County will receive all revenues for operating the two residential buildings and the meeting hall. Bayfield County shall be responsible for all costs associated with maintaining the three buildings including, but not limited to, heating, electricity, water quality/usage, sewage, paved roadway upkeep, access/egress, snow removal, and lawn maintenance.

As owner of the buildings, Bayfield County shall provide AERC with an annual operating budget for maintaining the buildings, with rental incomes off-setting management and maintenance costs. As an agent of the County, AERC shall be responsible for hiring staff or sub-contracting with a property manager(s) to manage the buildings, including scheduling the meeting hall.

Bayfield County shall be responsible for setting renter eligibility criteria, rental rates and/or user fees. However, the meeting hall shall remain free for use by designated government, non-profit, or educational groups.

Agriculture Zone

AERC shall administer the Agriculture Zone and be responsible for management of the agricultural buildings and infrastructure (roadways, fencing, ponds, etc.) within the zone. In addition, AERC shall be responsible for administering lease agreements approved and entered into by the County. Bayfield County, through AERC, shall be responsible for all the maintenance of the buildings and infra-structure within the zone.

Commercial Zone

The County shall be responsible for entering into lease agreements or other land-use arrangements for projects and activities within the Commercial Zone. For non-agricultural projects, Bayfield County shall administer lease agreements or other arrangements with users within the zone. AERC shall manage the land in crop production or other agricultural production activities consistent with the AERC mission, as specified as applicable for the Agriculture Zone.

All Zones

The Bayfield County, AERC, and the Town of Eileen shall honor any sub-lease agreements or other formal written agreements in place as of January 1, 2014 through the duration of those sub-lease agreements.

Bayfield County board shall be responsible for approval of all future projects or lease agreements.

AERC, in consultation with Bayfield County, shall be responsible for promoting the purpose and function of the Bayfield County Agricultural and Industrial Park in order to attract projects and users to the property. The County Board shall use marketing, advertisement, direct recruitment and solicitation, a request-for-proposals process, or a combination to solicit and recruit users. AERC will provide guidance regarding the type

of client or agricultural activity appropriate for the Bayfield County Agricultural and Industrial Park, as defined in the future Charter, Mission, and Land-use plan.

3.5 Financials

Bayfield County shall create a non-lapsing segregated account for the Station for all expenditures and revenues. These funds shall not be transferable or transferred to other accounts or used for other purposes without a majority vote by the full Bayfield County board. Bayfield County and the AERC board shall receive 100% of the revenues associated with management and operations of the classroom and two residential buildings, the Agricultural zone, and the Commercial zone..

Bayfield County shall maintain an umbrella liability policy for the Station property. Individual renters shall be required to maintain their own liability policy specific to their activities.

Any revenue from lease agreements within the Commercial Zone shall be *shared between the* County and AERC board. The revenue going to AERC shall be utilized to cover costs associated with their duties managing the lease agreements and to support economic development efforts associated with the mission of AERC.

Any revenue from lease agreements within the Agriculture Zone shall be shared by the AERC board and the County. The revenue going to AERC shall be used to cover costs associated with AERC's duties administering the lease agreements and managing the infrastructure within the zone. The revenue-sharing shall be higher for AERC given the greater expenditures incurred managing the existing buildings, roads, and other infrastructure within the Agriculture Zone and carrying out other duties delineated within the AERC mission.

The revenue sharing shall provide incentives to AERC, Bayfield County, and the Town of Eileen to find tenants and projects with activities that generate revenue for the Bayfield County Agricultural and Industrial Park .

On an annual basis, Bayfield County shall make a payment to the Town of Eileen equal to whatever tax revenue the Town of Eileen would have received if the land were privately-owned.

Any funding remaining after revenue sharing and expenses have been paid shall be transferred to the segregated account to further the Mission, Vision, and Charter of the Bayfield County Agricultural and Industrial Park.

3.6 Farmland Preservation Easement

(To be determined)

3.7 Memorandum of Understanding

(To be determined)

3.8 Charter

(To be determined)

Appendix A:

- 1) Geographic area Map.**

- 2) AERC activities and research.**

Appendix B: Commercial Zone map.