# **Facilitating Innovative Agricultural Enterprises**

Considerations and Example Language for Vermont Municipalities



## Produced by the

#### Vermont Law School Land Use Clinic

for

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Thank you to the following for serving as project advisors providing resources and external review:

Sharon Murray, Vermont Planners Association Executive Committee
Faith Ingulsrud, Board member, Composting Association of Vermont
Pat O'Neil, Executive Director, Composting Association of Vermont
Alison Lowe, Vermont Planners Association Executive Committee
Chris Sargent, Vermont Planners Association Executive Committee
Diane Zamos, Esq., Vermont Agency of Agriculture
Sylvia Jensen, Vermont Agency of Agriculture
Erica Campbell, Farm to Plate Program, Vermont Sustainable Jobs Fund
Clark Hinsdale, President, Vermont Farm Bureau
Brian Shupe, Executive Director, Vermont Natural Resources Council
Kate McCarthy, Vermont Natural Resources Council

#### Authors and Editors within the VLS Land Use Clinic include:

Josh Donabedian, Elizabeth Spellman, Evan Pollitt, Adrienne Lewis, Matthew Shagam, M. Kate Thomas, Peg Elmer and Katherine Garvey.

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#### I. INTRODUCTION TO AGRIPRENEURISM

Agriculture has always been a major part of Vermont's economy and society. Vermonters have been able to use Vermont's rocky terrain and rich valleys to produce valuable products. Early Vermont farmers took advantage of vast forage crops as well as tariffs on wool imports by raising sheep. Vermont was known as the sheep capital of the world, until western expansion and lifting of import tariffs took away the economic advantage. In response to the changing wool market, the state shifted to dairy production, focusing first on butter making and then expanding into the larger fluid milk market. Today, dairy still comprises a large portion of Vermont farmland; however, many farmers are again responding to economic forces and diversifying their farms. Some see this diversification as a "renaissance" in Vermont agriculture.

Vermont has become a national leader in local, organic, and sustainable food. Once again, Vermont farmers are showing ingenuity and resilience. Indeed, dairy farmers are increasingly becoming organic or diversifying their farms. Vermont's close-knit communities have helped the state become a leader by successfully incorporating farmers' markets, community supported agriculture, and farm-to-table restaurants. Seeing this growing market, the legislature requested a study of the contribution of agriculture to Vermont's economy. The study and resulting "Farm to Plate Strategic Plan" <sup>1</sup> seek to support and foster agricultural expansion. The Plan aims at improving the lives of Vermonters by providing them with healthy food and increasing economic development and jobs in the farm and food sector. This paper focuses on a small portion of this economic development, termed "agripreneurism," or the diversification of on-farm business.

Agripreneur is a term used to describe small businesses that form as a natural extension of the farm. These uses are sometimes termed agritourism or agribusiness. For the purposes of this paper, "agripreneur" encompasses only agritourism and agribusiness connected to small on-farm operations that integrate agriculture with small business. This meaning therefore excludes some industrial or commercial uses such as large-scale seed producers and commercial compost, but does include on-farm cafés, corn mazes, pick-your-own operations, wine-tasting rooms, and many other unique agricultural enterprises. By encouraging agripreneurial activity through zoning or municipal planning and language, farm operations can be more economically viable, and Vermont can continue to be an innovative agriculture leader.

## **Current State of Regulation**

Regulation of agripreneurial uses in Vermont varies among municipalities and many uses exist in a gray area. This unclear area creates confusion among farmers, municipalities, and the state. While the bulk of regulation is in the hands of municipalities, some of their regulatory authority has been preempted by the state. Those seeking to

<sup>&</sup>lt;sup>1</sup> Vermont Farm to Plate Strategic Plan. Executive Summary. July 2011.

establish agripreneurial businesses often try to fit their uses under state agricultural exemptions, or Accepted Agricultural Practices (AAPs), which can stretch exemptions to cover uses for which they were not designed.<sup>2</sup>

Accepted agricultural practices (AAPs) outline farm management practices, with an emphasis on water quality.<sup>3</sup> AAPs refer to a wide range of land use issues from solid waste storage to the siting and construction of farm structures. Currently, operating a farmstand or selling vegetables from a farm fit neatly under the AAPs. However, encouraging other agripreneurial activity, such as the operation of a farm café, necessitates innovative town plan and regulatory language, or zoning alternatives.

In addition to the AAPs, The Vermont Planning and Development Act, or Chapter 117, supports traditional agricultural activity. This Act was passed "to encourage the appropriate development of all lands in this state by the action of its constituent municipalities and regions, with the aid and assistance of the state." The chapter outlines steps that municipalities should take when developing land use plans. <sup>4</sup> The Act also seeks to balance economic growth and development, while preserving the historic character of a town, town centers, and rural areas.

Regarding agriculture, Chapter 117 includes five goals.<sup>5</sup> These goals are 1) to develop "strategies to protect the long term viability of agriculture"; 2) to encourage marketing and manufacturing of value added products; 3) to encourage the use of locally grown foods; 4) to encourage sound forest and agricultural practices; and 5) to minimize development pressure on agricultural and forest lands. While municipalities are given discretion over many areas, under Chapter 117 the state reserves the authority to regulate certain agricultural activities and farm structures via the Agency of Agriculture, further described in the next section.<sup>6</sup> In addition, the Vermont Housing and Conservation Board (VHCB) has developed guidelines for rural enterprises that are not typically permitted on conserved farmland. Please refer to Appendix D for a more detailed discussion of these guidelines.

#### **Farm Structures**

Under Vermont law, determining what exactly constitutes a "farm structure" can be a confusing task. Currently, competing definitions are found within both the AAPs and Chapter 117.7 Section 3.2(g) of the AAPs exempts the construction and maintenance of farm structures from municipal permitting requirements. Under Section 2, the definition of "farm structure" includes a building for housing livestock, raising horticultural or

<sup>&</sup>lt;sup>2</sup> See the appendix for a list of agricultural practices exempted from regulations.

<sup>&</sup>lt;sup>3</sup> Persons ... who follow these practices shall be presumed to be in compliance with water quality standards. 6 V.S.A. § 4810(a)(1), under which the Secretary of Agriculture defines and regulates accepted agricultural practices (AAPs)

<sup>&</sup>lt;sup>4</sup> Such as supporting a coordinated effort, encouraging public participation, developing resource management plans, and considering the effects of growth.

<sup>&</sup>lt;sup>5</sup> see 24 V.S.A. § 4302(c)(9)

<sup>&</sup>lt;sup>6</sup> see 24 V.S.A § 4413(d), which prohibits municipalities from regulating accepted agricultural or silvicultural practices, including the construction of farm structures.

<sup>&</sup>lt;sup>7</sup> see 24 V.S.A. § 4413; 10 V.S.A. § 6001(22).

agronomic plants, or a building for carrying out other defined AAPs.<sup>8</sup> But to qualify for exemption, the structure must be used by a person for agricultural production and satisfy at least one of four specified criteria.<sup>9</sup>

Under Chapter 117, all local zoning regulation of AAPs, including the construction of farm structures, is prohibited. As defined in Title 24, a "farm structure" can qualify for exemption by falling into one of three categories: a building, enclosure, or fence for (1) housing livestock; (2) raising horticultural or agronomic plants; or (3) carrying out other practices associated with accepted agricultural or farming practices. This third category is also expanded to incorporate all of the practices included within the definition of "farming" under Title 10. 12

While these competing definitions of "farm structure" are quite similar in many respects, <sup>13</sup> at least three major distinctions should be noted. First, the Chapter 117 definition is to be applied for purposes of section 4413 only. Second, under Chapter 117, a structure only has to fall within the definition of "farm structure" to qualify for exemption, whereas under the AAPs there is the additional requirement that the structure be used for agricultural production and satisfy one of four criteria. Lastly, the AAP exemption only applies to buildings, while the Chapter 117 exemption is much broader and applies to buildings, enclosures, and fences.

Municipalities participating in the National Flood Insurance Program (NFIP) can be caught in a statutory snag when it comes to structures and uses in the floodplain. According to the federal law, the municipal flood hazard bylaw must ensure regulation of farm structures and storage in the floodplain, but the state law proscribes local regulation of AAPs. The AAPs, however, prohibit construction of structures in the floodway and require that any structure built within the special flood hazard area (SFHA) of FEMA maps is in line with NFIP standards. If the AAP restrictions on building in the floodway and SFHA are heeded, then NFIP regulations and state law are close to corresponding. Storage in the floodplain and floodway remain outlying issues.

Before construction begins, the landowner must give notice to the municipality, abiding by setbacks even if no municipal permit for the structure is required. After notice is given, the municipality then determines if the structure is in fact a farm structure. Municipalities, however, are free to define the term "farm structure" as broadly as they wish, and need not look to the AAPs for guidance. The Agency of Agriculture encourages municipalities to make their own determinations. The municipality may, however, ask for an opinion from the Agency if it is unclear whether the building is a farm structure.

<sup>&</sup>lt;sup>8</sup> Section 2.06 and 2.18 of the Agency of Agriculture's Accepted Agricultural Practice Regulations.

<sup>&</sup>lt;sup>9</sup> Id.

<sup>&</sup>lt;sup>10</sup> 24 V.S.A. § 4413(d); see 10 V.S.A. § 6001(22).

<sup>&</sup>lt;sup>11</sup> Id. at §(d)(1)

<sup>&</sup>lt;sup>12</sup> Id.; (Include the Title 10 definition of farming here or in text box).

<sup>&</sup>lt;sup>13</sup> For example, both Title 24 and the AAPs include silos within the definition, while both exclude dwellings for human habitation.

Some zoning administrators (ZAs) will exempt any building related to farming, while others stick to the AAPs. While ZAs have discretion, challenges can arise in instances that are not so clear cut. Additionally, the popular misunderstanding that all agricultural uses are exempt from local regulation creates enforcement problems for those uses that are later found not to fall within the exemption. ZAs may find it helpful to write their own guidance for applicants to follow for exemption, such as the "Agricultural Structure Exemption Instructions" developed for the Town of Windsor (current contact is Paul Belaski at pbelaski@windsor-vt.gov). If an administrator defers to the Agency to make a determination, the Agency uses the meaning of farming as defined within the Act 250 Rules, in order to provide consistency from the state level. For example, the Agency interprets "principally produced" on the farm as more than 50% produced on the farm. Therefore, if more than half of the goods sold in the farm structure are grown on the farm, then it is likely to qualify as a farm structure.

More difficult determinations include examples when a building is used for seasonal horse boarding, and does not always have the requisite number of horses according to the AAPs. Another issue involves farm structures where products are sold that primarily come from off-site, such as neighboring farms. Exempting this kind of farmstand would support local agripreneurial activity, so perhaps it would be effective to exempt these structures with the caveat that off-site products must be of a certain type (e.g. local produce) or the building must be a certain size (e.g. related to the size of the on-site agricultural operation in order to keep the amount of products sold at an appropriate scale, especially if a zone is intended to have limited commercial activity). Some buildings may evolve into nonexempt structures. In these cases, it is not clear how long a nonconformity can exist before it is no longer considered an exempted farm structure.

Problems may also arise where seasonal conditions require selling more than 50% of products from off the farm, potentially raising both Act 250 and AAP concerns. In order to lessen the confusion about what structures are farm structures, regulations could be written that specifically include such buildings as farm cafés, tasting rooms, or commercial riding stables. For example, municipalities may affirmatively exempt or allow for structures such as farm cafés in their regulations. Municipalities may also consider creating more flexible standards in the performance standards realm, which could specify lighting, parking, and nuisance standards that are appropriate for agripreneurial uses. For example, current standards may necessitate a certain sized paved parking lot, which could be inappropriate for a seasonal farm café, where a less defined, unpaved parking area would suffice. By creating more flexible performance standards, municipalities could encourage agripreneurial activity on agricultural land that fits the character of the neighborhood and capacity of local roads and other infrastructures.

<sup>&</sup>lt;sup>14</sup> See definition of "Farm Structure" under § 2.06 of the AAPs, available at http://www.vermontagriculture.com/ARMES/awq/AAPs.htm.

#### AAPs as a Baseline for Exemption

The AAPs represent the baseline of what is exempted from municipal regulation, and municipalities may be more permissive than state laws. While municipalities are allowed to exempt more uses than the AAPs, they cannot be more restrictive. For example, a municipality may broadly construe the definition of farming to include the sale of

"VERMONT'S ACCEPTED
AGRICULTURAL PRACTICES HAVE
ESSENTIALLY PROVIDED OUR FARMERS
WITH ONE OF THE STRONGEST RIGHT
TO FARM LAWS IN THE
COUNTRY." Clark Hinsdale, VT Farm
Bureau President, March 2012.

prepared food, major components of which are produced or processed off the farm. The Town of Pomfret has a permissive ordinance that defines farming more broadly than the state, encouraging "agritourism . . . to promote the viability of agriculture in Pomfret, provided that it does not negatively impact the health, welfare or safety of nearby residents." <sup>15</sup> Municipalities may not want to stray too far from the

Act 250 "principally produced" standard, as permissiveness could encourage the growth of, for instance, farm stands where most of the products sold originate from off the farm. These stands could compete with local products, if encouraging local food or retail establishments in the village center are goals. Leniency, on the other hand, may be desired where the major product sold is prone to seasonal instability or variable weather conditions.

#### II. POSSIBLE MUNICIPAL APPROACHES TO AGRIPRENEURIAL USES

## **Policy Framework in Municipal Plan Goals**

Some municipalities are taking advantage of Vermont's unique food landscape by not only encouraging traditional agriculture but by encouraging new and innovative onfarm businesses. When working to accommodate various uses, municipalities must consider the provisions of their plans, which should be crafted to accommodate and support new farm enterprises and systems. Based on informed community input and a coordinated discussion among interested parties, specific standards can be developed. To begin the process, communities must determine what types of agricultural uses they want to encourage and where they want them. To encourage on-farm businesses it is important that municipalities create flexible policies, to serve as the statutory basis for implementing bylaws and programs, that do not place an undue burden on innovative farmers. A municipality's bylaws must be based on the municipal plan, and the language in the plan itself should provide the community's intentions for new bylaw provisions.

<sup>&</sup>lt;sup>15</sup> Pomfret Town Plan (2007), Policy & Objective # 11, p 23. A neighbor did not agree with a ZA's grant of a building permit for a wood planer and to store wood shavings, based on Pomfret's definition of agriculture, and challenged it in court. See *In re* Moore Accessory Structure Permit (2009).

#### **Example Municipal Plan Language in Vermont**

This section reviews examples from municipalities in Vermont and across the country to look at different approaches to both controlling growth and encouraging innovative agripreneurial business. Models from other innovative places, adapted to the unique needs of a community, can help shape the plan and zoning revisions.

For the full text of the town plans and goals cited, see Appendix A(1). Generally, allowing the development of commercial facilities on farms which augment agricultural uses provides for many types of businesses. Provisions can be written to incorporate agripreneurism in the form of, for example, farm cafés, tasting rooms, corn mazes, riding stables, integrated agriculture, low impact agribusinesses, and festivals. It would also be helpful to include provisions that encourage a broad definition of agriculture.

EXAMPLES OF "INTEGRATED AGRICULTURE" INCLUDE EVENT HOSTING, EDUCATIONAL PROGRAMMING, AND ON-SITE FOOD PROCESSING.

St. Johnsbury's 2011 town plan states its land use goal of encouraging and strengthening the agricultural and forest industries. <sup>16</sup> Several land use policies were also developed to support this goal, one of which states that "The town should support agro-tourism as a dual

benefit mechanism for commercial and agricultural land uses."<sup>17</sup> The plan then identifies a short-term land use initiative to "review and update zoning bylaws in conjunction with the Economic Development Plan to support defined...agro-tourism zoning needs."<sup>18</sup>

Similarly, Brattleboro identifies its land use goal of protecting and supporting the continuing viability of existing farms and agricultural enterprises within the town, as well as preserving their options for any potential future expansion.<sup>19</sup> Brattleboro identifies an intention to "assist and support existing and homegrown businesses" and to "increase, maintain, and strengthen the current number of farms" in its list of economic development goals.<sup>20</sup> In support of these goals, the plan recommends that the town develop strategies to help the agricultural industry remain viable.<sup>21</sup>

Bennington updated its town plan in 2010 and as part of its economic development strategy, seeks to "emphasize investment in ventures and activities that support a sustainable local economy, with particular consideration given to local foods and

 $<sup>^{16}</sup>$  Town of St. Johnsbury, VT Town Plan, at 33 (2011), available at http://www.town.st-johnsbury.vt.us/vertical/Sites/{41A61D81-74CB-4322-9850-

<sup>74</sup>E201907B8B}/uploads/Town\_Plan\_2011.pdf.

<sup>&</sup>lt;sup>17</sup> *Id*.

<sup>&</sup>lt;sup>18</sup> *Id*. at 35.

 $<sup>^{19}</sup>$  Town of Brattleboro, VT Town Plan, at 149 (2004), <code>available at http://www.brattleboro.org/index.asp?Type=B\_BASIC&SEC=%7B12661629-DA99-43FE-A73F-B9897077B269%7D.</code>

<sup>&</sup>lt;sup>20</sup> *Id.* at 62-63.

<sup>&</sup>lt;sup>21</sup> *Id*. at 62.

renewable energy."<sup>22</sup> Among the thirteen primary goals enumerated in the plan is the goal of encouraging and strengthening the agricultural industry,<sup>23</sup> which the town recommends supporting with various tax abatement, economic, and conservation programs designed to support agriculture.<sup>24</sup>

As one of its goals for local agriculture, Middlebury's town plan expresses its desire to preserve the town's rural character and support the agricultural economy vital to the area.<sup>25</sup> One of several "action steps" specified in order to achieve this goal is to "support farming operations and diversification and farm energy projects with the same degree of importance as the Town supports its local industries and other businesses."<sup>26</sup>

In Westfield, the town plan seeks to focus more on maintaining the vitality, rather than growth, of local agricultural businesses.<sup>27</sup> Specifically, the town desires to welcome and encourage new, non-polluting businesses that fit the character of the town and make use of the products of the town's eight operating farms.<sup>28</sup> Included in the plan are several recommendations to strengthen the viability of local agriculture, such as ensuring flexibility in zoning to allow agricultural diversification, encouraging agricultural practices to operate under the AAPs and advancing the study of new value-added businesses that utilize the products of local dairy farms.<sup>29</sup>

The town of Pomfret has included an expansive definition of farming practices in its town plan, including references to professionals that practice animal husbandry, or informal agreements between landowners in town and farmers to cut their fields. The town has also encouraged agritourism to help augment farm income through such language as: "encourage full- or part-time agricultural activities that would supplement regular income such as growing food, flowers or animals, horse farming, maple sugaring, selective growing of timber, tree farms, and firewood. Agritourism should be encouraged to promote the viability of agriculture in Pomfret, provided that it does not negatively impact the health, welfare or safety of nearby residents."

The town of Hinesburg, VT has long-time provisions in its town plan to encourage home-based and cottage businesses. The town prioritizes home-based businesses related to agriculture and forestry. These businesses include "recognizing non-traditional uses that

<sup>&</sup>lt;sup>22</sup> Town of Bennington, VT Town Plan, at 14 (2010), available at

http://www.benningtonplanningandpermits.com/planning-commission/.

<sup>&</sup>lt;sup>23</sup> *Id.* at 100.

<sup>&</sup>lt;sup>24</sup> *Id.* at 101.

<sup>&</sup>lt;sup>25</sup> Town of Middlebury, VT Town Plan, at 28 (2007), available at

 $http://www.middlebury.govoffice.com/index.asp?Type=B\_BASIC\&SEC=\{2BA334F8-051E-4D0E-805A-FA5346266EB7.$ 

<sup>&</sup>lt;sup>26</sup> *Id*.

<sup>&</sup>lt;sup>27</sup> Town of Westfield, VT Town Plan, at 17 (2009), available at

http://www.nvda.net/TopNavBars/towns/documents/WestfieldTownPlan-11-16-09.pdf.

<sup>&</sup>lt;sup>28</sup> *Id*.

<sup>&</sup>lt;sup>29</sup> *Id.* at 18.

<sup>&</sup>lt;sup>30</sup> see Pomfret Town Plan, adopted November 21, 2007.

<sup>31</sup> http://www.trorc.org/pdf/towns/po/potp112107.pdf.

may . . . be agriculturally-related . . . that allow the land to remain open, used and available for future agricultural endeavors."

### **Specific Regulations Allowing Agripreneurial Uses**

Some towns have adopted zoning amendments to meet the needs of specific agripreneurial uses. Examples in Vermont include bylaw provisions in Charlotte and Hinesburg specifically allowing farm cafés. The regulations still require conditional use review and site plan review and contain certain restrictions (e.g., limiting the size of the building and occupancy allowed). Many communities are showing interest in developing specific standards to reduce barriers to agripreneurism to foster Vermont's goals of encouraging local food, economic viability for farms, and the character of the rural landscape, while providing for consideration of impacts from traffic and other conflicts with neighboring uses.

#### **Urban Agripreneurism**

Although Vermont is not highly urbanized, opportunities exist for promoting urban agripreneurism, especially in municipalities such as the cities of South Burlington and Winooski, VT. While agripreneurial enterprises in an urban area may not take the form of a farm café, as in more rural regions, allowing innovative urban ventures that connect small urban farming or gardening operations with a business can further the economic viability of an agricultural activity. Therefore, promoting urban agripreneurism furthers food security and food sovereignty in areas that have less access to fresh food than other more agrarian areas of Vermont. Indeed, providing an economically viable outlet for urban enterprises can promote urban agriculture with its inherent health, social, and environmental benefits.

Aside from explicitly allowing gardening in Vermont city lots, urban agripreneurism can be furthered and enhanced by expanding cottage food laws. If city land is available and farmable, then providing the opportunity for people to make food products in their home kitchens and sell them directly to consumers or at farmers' markets is critical to transforming gardening from simply a hobby to an economically-viable avocation. If the logistical barrier of starting a commercial kitchen, for example, is too great, starting an urban food business will not be feasible, and urbanites will have less access to food products from their city.

Allowing for the diversification of urban agriculture could also promote urban agripreneurism. Specifically, cities could expand the opportunities for urban dwellers to keep fowl or other animals, in turn broadening what can be produced in urban areas. For example, Burlington allows residents to keep up to four hens. The Planning and Zoning

# Range of Possible Municipal Regulatory Responses to Agripreneurial Activities

Regulatory Status	Regulations Applied	Agribusiness Examples
Exempt from municipal review	Meets Agency of Agriculture Accepted Agricultural Practices (AAPs).	Raising and milking cows, storing milk and grain, growing vegetables to sell from the farm stand, add more: riding stables, farm stands, value-added production, etc.
Non-AAP, permitted use (requires only admin review to ensure standards are met)	Municipal bylaw expressly permits certain on-farm activities meeting standards specified in the plan and/or bylaws.	> 50% of goods sold attributable to off-farm production which could include selling baked goods from the farm stand, bringing in food scraps for compost production that doesn't require state certification.
Non-AAP use permitted but subject to site plan review	Municipal bylaw expressly permits certain on-farm activities meeting standards specified in the plan and/or bylaws, and these uses exceed standards so as to trigger site plan review.	Conducting maple sugaring demonstrations, on-farm composting operation that requires state certification, farm cafés, or events on a scale large enough to trigger need for traffic, signage, lighting, landscaping or screening, or other criteria under site plan review.
Non-AAP use subject to site plan review and conditional use review	Municipal bylaw provides standards for businesses that could occur on farms that need site plan review and conditional use review regarding traffic, noise, signage, smell or other impacts relative to the bylaws plan.	Larger mixed-use farming operation, a larger retail store on the farm, wine tasting facility, regular concerts, or wedding facilities for rent.
Non-AAP use, but not listed as either a permitted or conditional use in municipal bylaw	Use is not permitted, not provided for, and must work to amend local policy and bylaws to gain approval.	Zoning districts that list farming as permitted or conditional, but do not define "farming."

Department views these limitations as an animal control issue (i.e., nuisance concerns and more than four domestic animals is defined as "running a kennel").<sup>32</sup> If a resident wishes to keep more than four chickens, for example, he must ask for a variance, which may be difficult to obtain.

Seattle, Washington's Urban Agriculture Ordinance can provide workable guidance on  $8~{\rm fowL~are~allowed~on~any~lot;}$  gardens or farms greater than  $10,\!000~{\rm square~feet~allow~one~additional~fowl~for}$  every  $1,\!000~{\rm square~feet~of~lot~area~over~}10,\!000~{\rm square~feet}$  in garden or farm use; roosters are not permitted.

allowing domestic fowl, and other animal husbandry ventures (permitted only on certain size lots), as well as urban farms in residential zones, in order to further urban agripreneurism.<sup>33</sup>

King County, Washington, which includes Seattle, has recently launched a form based-code pilot project.<sup>34</sup> The pilot project is intended to examine the feasibility of replacing the current conventional land use code with a Form-Based Code. The project identifies seven transect zones to which site and building standards are applied. Depending on the particular transect, the code is more or less restrictive of agricultural-related activities.

For example, orchards or agricultural fields and fenced grazing land or pastures are permitted landscaping options in the T2A and T2B districts. In terms of food production, farm, agricultural plots and vegetable gardens are encouraged uses in T2A and T2B, and vegetable and community gardens are encouraged in all other transects.

#### KING COUNTY PILOT PROJECT PROPOSED ZONING DISTRICTS

- T1: NATURAL
- T2A. ACRICIII TURAI PRODUCTION
- T2B: RURAL
- T2C: RURAL CENTER
- T3: Urban Medium
- T4: Urban High
- T5: Urban Center

The code also permits various uses by right and conditional uses related to agriculture within these transects. For example, in T2A, group housing for farm workers, agricultural training facilities, agricultural related special needs camps, and agricultural anaerobic digesters are all uses permitted with a

conditional use permit. In T2B produce or flower stands and food and kindred product manufacturing are permitted with a conditional use permit. On the other hand, growing and harvesting crops (within rear/internal side yards or roof gardens, and with organic

 $<sup>^{32}</sup>$  See Burlington Board of Health Meeting Minutes (November 9, 2010), available at http://www.burlingtonvt.gov/docs/3175.pdf; as of April 2012 these chicken limitations were being reviewed for potential revision.

<sup>&</sup>lt;sup>33</sup> See Urban Agriculture Ordinance 123378 (August 16, 2010), available at http://www.seattle.gov/dpd/cms/groups/pan/@pan/@plan/@urbanagriculture/documents/web\_informat ional/dpdp020184.pdf

<sup>&</sup>lt;sup>34</sup>http://www.kingcounty.gov/property/permits/codes/legislation/detail/FormBasedCodeProject/Background.aspx.

methods only), raising livestock and small animals and aquaculture are uses permitted by right in all districts except for T1. Even in the most urban zone, T5, where a density of 36 units per acre is permitted by right, the draft code provides opportunities for the creative urban agripreneur.

## III. ALTERNATIVES TO TRADITIONAL ZONING

Zoning typically allows for a single primary use on a lot, along with one or more accessory uses (such as accessory apartments or home occupations) and structures that are usually defined as subordinate to the primary use. Under most Vermont zoning regulations, the primary use in rural districts—especially "agricultural" or "rural residential districts" as described under 24 V.S.A. § 4414(1)(B)—tends to be either farms, or residential uses (typically single-family housing). Because only one primary use is allowed, it can be difficult for agricultural businesses to be permitted under zoning, even if the use is defined in that bylaw as permitted or conditional, especially if a farm or house, as the primary use, already exists on the lot. Because most farming practices are exempt from zoning, this problem only arises when a non-exempt agricultural use is proposed.

Allowing for agriculturally related uses and structures as accessory to an active farming operation, as the primary or principal use, is the simplest solution. Farm worker housing, for example, is often defined and addressed this way—as accessory housing—under local regulations. Agripreneurism as an accessory uses or structure may limit the standards that can be applied to these enterprises.

Another option is for the zoning bylaw to allow multiple principal uses on a lot—for example as an "agricultural mixed use." This use can be defined as a category within the use tables in the zoning bylaw with site plan, conditional use, or performance review standards to address issues of particular concern to the community.

Overlay zones may even be instituted – similar to agricultural overlay districts that promote agricultural land uses, protect prime soils, and prevent other uses from interfering with agriculture as the primary land use. An "Agripreneurial Overlay District" could facilitate both farming and commercial on-farm uses, putting developers and local residents on notice of the special district more clearly than through a complex zoning ordinance.

Planned unit developments (PUDs), explored more in depth below, also provide a way for municipalities to foster multiple agricultural uses on a lot without changing the underlying district zoning. In rural settings, PUDs typically seek to preserve farmland, natural resources, and open space through clustering of development. PUDs may also allow for a mix of agricultural or residential uses.

As part of its planning discussion, a community may want to limit the type of agripreneurial business allowed in a rural district if the hope is to focus retail, dining, manufacturing, special events, and public facilities and services within a village center. Many communities

in Vermont have planned to focus development within their village centers. Municipalities may therefore need to consider the effects of incorporating an agripreneurial business in a rural district, which may compete with a planned center.

## **Planned Unit Developments**

Many Vermont farmers view their land as their retirement, and want to retain the ability to subdivide and develop a portion of their land for income or for family housing. As a result, PUDs have become a commonly accepted way to preserve working farmland and open space, while also allowing for limited subdivision and clustered residential development. In addition, PUDs can be designed to meet other community goals that also allow for other forms of rural development—including a mixture of agricultural, residential, and business uses.

A PUD, for example, could be developed as a "Farm PUD" to include the farm, farm buildings, and a variety of other farm-related uses and structures (e.g., housing, storage, production, sales, tourism, or educational facilities). A "Hamlet PUD" is also a possibility, developed to include farming operations and clustered housing that support the farm. The town of Waitsfield, VT has adopted PUD provisions that allow for additional value-added agricultural production, sales, and educational enterprises as accessory to a principal farming use which would not otherwise be allowed in its underlying Agricultural-Residential District. South Village, in the city of South Burlington, VT, is a PUD which incorporated agricultural use in its development to address multiple goals of marketing a new age community, providing locally-grown food, as well as meeting the primary agricultural soil criterion in Act 250.



This photo is of South Village's reserved area for agricultural production, with a farmstand planned for the future. Photo credit: Peg Elmer

The town of Shelburne, VT allows for mixed-use development, facilitating PUDs. Section 1930.6 of the Shelburne zoning bylaws permits planned unit development-rural mixed use (PUD-RMU) in Shelburne's rural or conservation zoning districts. The purposes of the PUD-RMU are to protect and preserve "significant landscapes and historic places," to encourage adaptive reuse of structures, and to ensure that new development is aesthetically and functionally compatible with preserving valuable resources of the area. The criteria for approval that must be met to the Development Review Board's satisfaction serve to protect farmland (the resource base), but lack a specific mention of agribusiness.

Agripreneurial uses, however, are likely not excluded so long as they do not interfere with the existing character and use of the land. This PUD-RMU exemplifies how a municipality can allow for new uses in agricultural districts, without sacrificing protection for rural character and natural resources.

To allow for new uses, however, the criteria must be written to pass the specificity demands of the JAM Golf test, infra, while still flexible enough to allow for agricultural-related uses not otherwise allowed in the district. Refer to page 18 for further discussion of JAM GOLF decision.

PUD designation allows for a combination of agricultural and value-added business while still preserving the overall rural character of an area. A farming venture viewed as a PUD easily allows for inclusion of a farm, residence, and business, such as a farm store. Farm-PUD regulations (and those for multiple-use or mixed-use development) could be written to automatically include accessory farming uses, including many agribusiness or tourist activities that support the farm. PUDs also allow for increased flexibility in site planning, which can be useful when zoning district dimensional requirements are restrictive. Higher densities are sometimes allowed as an incentive for creative or inclusive site design.

PUDs, however, tend to be complex to apply for, administer, and enforce. They may impose an additional layer of review in the regulatory process, approval is at the discretion of the regulating body (their standards tend to require a degree of subjectivity), and enforcement may be difficult because each PUD has been approved with modifications from the zoning requirements and thus operates under its own master plan or conditions of approval. While PUDs can be successfully managed by more sophisticated municipalities with professional staff, they may not be suitable for small, rural municipalities with limited administrative capacity.

Moreover, if not well sited in relation to existing settlements and open land, PUDs can lead to "cluster sprawl" (encouraging higher density development in rural areas, even if clustered, can lead to suburban-style, auto-dependent patterns of development). PUDs that override zoning district requirements may be effective as short-term solutions to encourage multi-use farm enterprises, especially when the process for amending the underlying zoning takes time. Communities, however, should also consider more long-term solutions that address rural zoning so that PUD provisions are not necessary to achieve a pattern of rural agripreneurial development.

#### **Multiple-Use Zoning**

Multiple- or mixed-use development as an allowed use may be a desirable way for communities to further agripreneurial uses within rural zoning districts, as these uses do not require modifications of municipal bylaws, as in PUDs. Typically, a "mixed use" in this context would require site plan or conditional use review to address site access and layout, and potential impacts to neighboring properties, traffic and local roads.

In many cases, site plan, conditional use and performance review standards are designed for suburban-style development. If agripreneurism is to be facilitated, the standards should be revamped to apply to rural situations, where the farm may be primary and the residence secondary. Likewise, a farm business, such as a café, could be seen as a secondary or accessory use to the farm. It is certainly possible for districts to accommodate agripreneurism, if desired, under municipal plan and implementing zoning regulations. The challenge, however, is to encourage cultural recognition of these businesses as a part of the agrarian landscape. In this way, the community does not merely accommodate these businesses, but promotes them.

## **Agricultural and Overlay Districts**

To really transform the purpose of rural areas, it may more appropriate to allow only agriculture and related agripreneurial uses in agricultural districts that exclude residential uses or allow them only as accessory to working farms.<sup>35</sup> This type of agricultural zoning, found for example in parts of Oregon, New York, and Pennsylvania, limits the inherent conflicts between farming, farm-related enterprises, and residential development, and allows for expanded, more intensive agricultural enterprises.

Though not yet widely applied in Vermont, there are several examples of Vermont towns where housing is a conditional use in rural zoning districts, including Fairfax, Peacham, and Warren. In Fairfax, the town's development regulations specify that the Rural District is intended to primarily consist of viable agriculture and forest land. In Peacham, the Agricultural Overlay (AO) district superimposes over both the Rural Reserve (RR1) and Rural Residential (RR2) districts. In the AO district, "agricultural uses take precedence over all other uses." Warren's Land Use and Development Regulations, which are aimed to promote creative development to conserve resource lands, provide for a "farmstead cluster" in its Planned Residential Development provisions. The regulations also include a "Meadowland Overlay District" that restricts permitted uses to agriculture and forestry, and allows other uses, including single family homes only as conditional uses—and only if there is nowhere else on a lot, outside of the overlay district, to locate such uses. Siting standards limit the amount of encroachment, especially on primary agricultural soils. These regulations are descriptive, using many graphics, as to the form development ought to take, similar to form-based code objectives.

#### Form-Based Code

Form based codes, an increasingly accepted, design-based form of development regulation, is also being adapted for use in Vermont—to date mostly in urban communities such as Newport City and Burlington—but rural towns, such as Huntington, are working to apply these concepts in more rural settings. As applied, form based codes are often incorporated in hybrid regulations that also include elements of traditional zoning.

<sup>&</sup>lt;sup>35</sup> Regulations could also more specifically allow for and encourage home occupations, under which certain agripreneurial activities may fall.

<sup>&</sup>lt;sup>36</sup> Fairfax Development Regulations, at 11 (2011).

<sup>&</sup>lt;sup>37</sup> Town of Peacham, VT Bylaws, at 12 (2005).

Similar to urban form-based codes, a rural form-based code could also regulate the pattern and form of development to achieve desired community goals. A rural form-based code that focuses on the form of development rather than the types of allowed uses may be used to promote agripreneurism as an integral part of Vermont's traditional working landscape. A properly tailored code aimed at structural designs and impacts on the landscape, rather than specific uses, can encourage economic development that results in more resilient rural communities.



Image by Image by Duany Plater-Zyberk & Co.

#### Form-Based Code in Washington State

A national example of a more rural form based code has been developed for Bear Creek in King County, Washington<sup>38</sup> (outside of Seattle), which is probably not as rural as much of Vermont. Its goals, however, include creating more opportunities for rural businesses, and providing more predictability in the development process. An interesting feature of this example includes the accommodation of agricultural uses in all zones, suitable to their settings, from the most "natural" (T1) and "rural" (T2) zones to the most "urban" (T5) zone. The draft code is a mixture of traditional zoning requirements and form-based concepts and descriptions. Many of the agricultural uses that are permitted as of right in this Washington state example would be exempt from municipal land use regulations under Vermont's accepted agricultural practices, but the Bear Creek code also allows for a number of other agripreneurial businesses, subject to conditional use review.

<sup>&</sup>lt;sup>38</sup> See http://www.kingcounty.gov/property/permits/codes/legislation/detail/FormBasedCodeProject/Background.aspx.

#### **Transfer of Development Rights**

Generally established through local zoning, transfer of development rights (TDR) programs allow landowners to transfer the right to develop one parcel of land—the "sending" parcel—to a different parcel of land—the "receiving" parcel. TDR can achieve farmland protection by shifting development rights from agricultural areas to designated growth zones closer to town centers and municipal services. Sending parcels then become restricted with a permanent conservation easement, while owners of receiving parcels typically are permitted to develop their property at a higher density than normal base zoning for that area allows.

TDR is most effective in area where large blocks of land remain in farm use; communities with a fragmented agricultural land base often face difficulties in finding viable sending areas. Municipalities should identify receiving areas that (1) can accommodate the development to be transferred out of the farming area, (2) have the physical capacity to absorb new units, and (3) residents amenable to the idea of higher density development for purposes of farmland protection.<sup>39</sup>

To date, only one TDR program has been successfully utilized in Vermont. In the early nineties, South Burlington adopted its TDR program with the goal of protecting half of the 3,500 acres contained within its Southeast Quadrant agricultural/residential district. Much of this program's success is due in part to the location of needed infrastructure and zoning to support dense development in receiving areas. Following 2005 revisions to the ordinance, South Burlington's TDR program now permits a minimum of four units per acre in receiving areas and one unit per ten acres in sending areas.

#### Fixed-Area Allocation, Sliding Scale & Lot Size Averaging

Typically applied in association with subdivision regulations, and all three being terms for basically the same technique, "fixed-base lot area allocation", "sliding scale" and "lot size averaging" can be used to differentiate permitted zoning densities from district lot size requirements. This approach is particularly useful in rural resource districts that only allow limited residential development. Generally, the density of permitted development—i.e. the number of units per acre—is based on the initial parcel size; under fixed-based area allocation, density is fixed and does not vary by parcel, while under sliding scale zoning, the development density decreases as parcel size increases.<sup>40</sup>

The Town of Starksboro has implemented a variation of sliding scale zoning in its Agricultural District. The minimum lot size in this district is 25 acres with a maximum density of one unit per 25 acres. However, smaller lot sizes are permitted to incentivize preservation of the town's rural character, as long as development is restricted on the portion of the lot intended for agricultural use.<sup>41</sup>

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<sup>&</sup>lt;sup>39</sup> American Farmland Trust, Fact Sheet: Transfer of Development Rights (2001)

 $<sup>^{40}</sup>$  Vermont Land Use Education & Training Collaborative, Open Space & Resource Protection Regulations, 19-7 (2007).

<sup>&</sup>lt;sup>41</sup> *Id*.

Lot size averaging is the basic concept that provided the foundation for the cluster/conservation subdivision.<sup>42</sup> Under fixed-area allocation and sliding scale zoning, individual lots are required to comply with minimum size thresholds. Under lot size averaging, however, the average size of all lots within a subdivision are required to be equal to or greater than a specified minimum. Lot size averaging can be used for both major and minor subdivisions, which makes it particularly helpful for a farmer who may want to create only one additional building lot but leave as much productive acreage as possible.<sup>43</sup>

#### The Use of Specific Standards in Line with the JAM Golf Decision

When developing bylaws, municipalities should be aware of the *JAM Golf* decision from the Vermont Supreme Court. The decision states that the Court "will not enforce laws that are vague or those that delegate standardless discretion to town zoning boards." The case arose from a bylaw of the City of South Burlington's zoning ordinance, requiring planned residential developments to "protect important natural resources...." The Court ultimately agreed with the developer, J.A. McDonald, that the word "important" was ambiguous as applied to a knoll of trees where McDonald was prohibited from developing. The standards of South Burlington's ordinance were not clear enough to give notice to developers of what can and cannot be done, and therefore, the bylaw was flawed. Municipalities must be careful to write bylaws with a certain degree of precision. While writing language to allow for agripreneurial uses, municipalities must balance the flexibility to allow for a wide array of uses with providing enforceable standards for zoning and development review boards to follow. The chart on the following page provides a range of possible municipal regulatory strategies.

### **Proposed Revisions in Hinesburg**

Specific revisions to the zoning bylaws to support agripreneurism will be reviewed by the Selectboard in 2012, and the public is supportive so long as a review process is in place to address, primarily, issues of traffic and noise, and there is adequate opportunity for the public to comment.

Permitted uses in the most rural districts will add new, broadly-defined "agricultural accessory uses" that "need not be subordinate to the agricultural operation in terms of revenue, but shall be subordinate in terms of overall land use (e.g., land area, structures utilized)."

New conditional uses under review include clear allowance for farm cafés, integrated agriculture (adapted from the Town of Shelburne's definition), commercial

 $<sup>^{42}</sup>$  N.H. Dept. of Envil. Services, Innovative Land Use Planning Techniques: A Handbook for Sustainable Development, 27 (2008).

<sup>43</sup> Id.

<sup>&</sup>lt;sup>44</sup> In re Appeal of JAM Golf, LLC., 185 Vt. 201 (2008).

<sup>&</sup>lt;sup>45</sup> See Section 26.151(g) of the zoning ordinance.

riding/boarding facilities, and low impact agribusinesses. Farm cafés need only be subordinate to the agricultural operation in terms of overall land use, not revenue, allowing for enhanced economic viability on farms. Take-out dining and delivery are also specifically allowed, though drive-through service is excluded to prevent unintended consequences.

"Hinesburg has, for years, put great emphasis on focusing business and development in general in the village center. There was debate over the effort to allow for innovative agricultural and forest-based commercial enterprises outside the village area. In the end, the preference was to help the working landscape endure, and to give farm and forest landowners facing a changing economy options other than chopping up the land into house lots." Alex Weinhagen, Director of Planning and Zoning, Town of Hinesburg, March 2012.

In line with the rising interest in food hubs, Hinesburg's definition of integrated agriculture allows for on-site processing, storage, sales, and sampling of farm products and produce not principally

produced on the farm. Moreover, education, cultural, recreation programming, and event hosting is specifically addressed as falling into the definition of integrated agriculture. Low-impact agribusinesses are defined as supporting the agricultural economy of Hinesburg and its surrounding communities, while integrating "into the rural character of the neighborhood and greater zoning district." <sup>46</sup> The impact on surrounding properties and public services is addressed through the allowance of only negligible to small impacts, and the instruction that the use must protect natural resources. The Development Review Board will still review conditional uses, with careful attention to the cost to the Town of providing for the maintenance of public roads affected by the new use.

The Town of Charlotte includes specific definitions of farm café and home occupation in their land use regulations. Home occupation is defined as "[a] home-based business which is conducted by one or more residents of the dwelling." <sup>47</sup> Home occupations are classified into three categories and regulated accordingly. <sup>48</sup> A farm café is defined as "[a] use that is

"After the provisions allowing farm cafés were incorporated into the land use regulations, the applicant who had sparked the zoning change decided to not proceed with the project. So the new provisions remain untested." *Dean Bloch, Charlotte Selectboard Assistant and Planner, March 2012.* 

auxiliary to the agricultural use of the parcel of which the primary function is to serve to the public, for consumption

primarily on the premises, food and/or beverages that include but are not exclusively created from agricultural products grown on the parcel on which it is located."<sup>49</sup> Fast food and drive-through restaurants are explicitly excluded from this definition so as to prevent any unintended consequences.<sup>50</sup>

 $<sup>^{\</sup>rm 46}$  See appendix for complete definition, as well as Hinesburg's Rural Area Zoning Revisions

<sup>&</sup>lt;sup>47</sup> *Id.* at 125.

<sup>48</sup> Id

<sup>&</sup>lt;sup>49</sup> Land Use Regulations for the Town of Charlotte, Vermont, at 121 (2010).

<sup>&</sup>lt;sup>50</sup> *Id*.

#### **Example Language from Other States**

#### **Michigan**

In 2005, the Michigan Agricultural Tourism Advisory Commission (MATAC) was created and tasked with studying the impact of local zoning on agricultural tourism businesses.<sup>51</sup> A final report published by MATAC identified obstacles, risks and benefits of agricultural tourism, and provided suggestions for expanding the industry within the state. One result of this final report was proposed language and model ordinance provisions to be utilized by local zoning authorities seeking to encourage agritourism.

For example, towns are encouraged to define "agricultural tourism" to mean the practice of visiting various agricultural operations, such as a farm, orchard, winery, or livestock show, for various purposes, such as purchase, recreation, education, or active involvement in the operation itself.<sup>52</sup> Language is also proposed for intent, goals, and purpose provisions included in municipal ordinances, for parking and signage, as well as for uses permitted by right and by special use permit.<sup>53</sup> See appendix for complete recommendations and model provisions.

#### Maine

Maine is another place where the advantages of agritourism are being recognized and encouraged. The local zoning ordinance in the Town of Gray allows for agritourism facilities as a conditional use in its rural residential and agricultural (RRA) district.<sup>54</sup> The ordinance defines "agritourism facility" as:

[A] building, or group of buildings operated in conjunction with each other, in which there is provided overnight lodging facilities, which may include private or other assembly facilities and/or restaurant facilities, to paying or non-paying guests, provided that: the operations of such facilities complement or support the agricultural . . . use of land, or the educational and/or outdoor recreational programs on land so used, which uses or programs are otherwise permitted in the Rural Residential and Agricultural (RRA) District.<sup>55</sup>

A 2012 proposed amendment to the zoning ordinance includes "agritourism center" as a conditional use in the RRA district.<sup>56</sup> The proposal defines "agritourism center" as "a campus containing Agritourism Facilities along with facilities for educational, cultural, and outdoor recreation programs that may serve larger community purposes." <sup>57</sup> The proposal

<sup>&</sup>lt;sup>51</sup> MICHIGAN AGRIC. TOURISM ADVISORY COMM'N, AGRICULTURAL TOURISM LOCAL ZONING GUIDEBOOK AND MODEL ZONING ORDINANCE PROVISIONS, at 2 (2007).

<sup>&</sup>lt;sup>52</sup> *Id*. at 8.

<sup>53</sup> Id. at 20-25

<sup>&</sup>lt;sup>54</sup> Gray, Maine Zoning Ordinance (2009)

<sup>&</sup>lt;sup>55</sup> *Id.* 

<sup>&</sup>lt;sup>56</sup> Proposed Amendments

<sup>&</sup>lt;sup>57</sup> *Id*.

also permits the inclusion of one office building not exceeding 15,000 square feet in order to manage and support the mission and operation of the Agritourism Center.<sup>58</sup>

#### New York

The Town of Seneca, New York uses its town plan to make the community's agricultural values and objectives clear. Following an update in 2002, Seneca's comprehensive plan states that:

[T]he loss of agricultural land and open space can have a negative impact on the economy of the town as well as destroying the rural character that makes the town of Seneca a desirable place to live...the town is taking a proactive approach to controlling development and ensuring that the rural character of the town is preserved.<sup>59</sup>

New York municipalities also provide a lot of example language in the context of zoning as well. Recognizing that "farming" must be broadly defined in zoning and other local ordinances in order to encompass the rapidly developing diversity and growth of farming in the state, the New York legislature adopted a definition of

SECTION 301 OF THE NEW YORK STATE AML DEFINES "FARM OPERATION" TO MEAN "THE LAND AND ONFARM BUILDINGS, EQUIPMENT, MANURE PROCESSING AND HANDLING FACILITIES, AND PRACTICES WHICH CONTRIBUTE TO THE PRODUCTION, PREPARATION AND MARKETING OF CROPS, LIVESTOCK AND LIVESTOCK PRODUCTS AS A COMMERCIAL ENTERPRISE, INCLUDING A 'COMMERCIAL HORSE BOARDING OPERATION'... SUCH FARM OPERATION MAY CONSIST OF ONE OR MORE PARCELS OF OWNED OR RENTED LAND, WHICH PARCELS MAY BE CONTIGUOUS OR NONCONTIGUOUS TO EACH OTHER"

"farm operation" to that takes this into account.

The town of Ulysses adopted its "Zoning Law" in 2007, which incorporates right-to-farm language directly in the regulations for it's A-1 Agricultural zoning district. Section 502 identifies agriculture as the primary land use within the

district and states that any agricultural practice determined to be a sound agricultural practice by the state shall not constitute a private nuisance.

The Town of Ithaca Zoning Ordinance is another great place to look for model language. <sup>60</sup> The primary intention of Ithaca's Agricultural Zone "is to permit usual acceptable farming and farming practices which may generate dust, odor, smoke, noise, and vibration." <sup>61</sup> The ordinance provides for broad principal uses by right, while also allowing a broad range of uses that require special permits or approval. Farm retreats are an example of a use requiring a special permit. "Farm retreat" is defined as "a farm which includes facilities for

<sup>&</sup>lt;sup>58</sup> *Id.* 

<sup>&</sup>lt;sup>59</sup> Id. at 31. *See also* the American Farmland Trust publication "Planning for Agriculture in New York: A Toolkit for Towns and Counties;" "Farm Friendly Zoning: Examples and Case Studies" (Nan Stolzenburg, planner in Berne, NY)

 $<sup>^{\</sup>rm 60}$  Town of Ithaca, New York Zoning Ordinance (2003).

<sup>&</sup>lt;sup>61</sup> *Id*. at p. 24.

room and/or board for up three people unrelated to the owner or operator of the farm, which people temporarily occupy farm premises and participate in the farming activities for the purposes of learning about farm life.<sup>62</sup>" Commercial composting facilities where composting occurs for sale is another use requiring a special permit.<sup>63</sup>

#### **Connecticut**

In Connecticut, the Capitol Region Council of Governments (CRCOG) developed model regulations for local municipalities.<sup>64</sup> Included in the model regulations are: definitions of agriculture, agricultural buildings and structures, farms and limited farms, regulations relating to farm stores, seasonal farm stands, agricultural structures, and additional uses of farms, and signage.<sup>65</sup> The CRCOG identified and described common issues that arise in Connecticut towns where planning for agriculture can positively support and improve the environment for local farmers. Among the important issues identified are:

- including all farms when defining "agriculture"
- helping farm stands be successful
- allowing adequate and effective signage
- accommodating farm structures
- supporting compatible commercial enterprises on farms
- easing the permitting process for farms.<sup>66</sup>

The Town of Granby, Connecticut offers a particularly good model for a comprehensive approach to planning for agriculture.<sup>67</sup> Granby's Plan of Conservation and Development (POCD) was updated in 2005 to reflect the local importance of agriculture, stating that "agricultural lands are as important as the residential and business areas" and that they must be preserved as the town continues to develop.<sup>68</sup> Town regulations were then developed to support and recognize the importance of local farms. Included within Granby's current zoning regulations is a statement of fundamental agricultural values and clear definitions of terms such as "agriculture," "agricultural operation," "barn," and "farm."

#### **California**

Lake County, California's plan states: "The municipality should establish criteria for, and amend the zoning bylaw to allow development of agricultural tourism facilities, as long as the facility is secondary and incidental to the commercial agricultural use on that site and the tourism activity does not negatively impact agricultural operations on adjacent lands,

<sup>&</sup>lt;sup>62</sup> *Id*. at 8.

<sup>&</sup>lt;sup>63</sup> *Id*. at 27.

<sup>&</sup>lt;sup>64</sup> AMERICAN FARMLAND TRUST, PLANNING FOR AGRICULTURE: A GUIDE FOR CONNECTICUT MUNICIPALITIES (year).

<sup>&</sup>lt;sup>65</sup> *Id.* at 19

<sup>66</sup> *Id.* at 33-37

<sup>&</sup>lt;sup>67</sup> *Id.* at 41

<sup>&</sup>lt;sup>68</sup> *Id*.

<sup>&</sup>lt;sup>69</sup> *Id*.

based upon parcel size, proposed use and the parcels' ability to provide adequate buffer zones."<sup>70</sup>

Lake County has included criteria for exempting the construction of additional buildings on farms to be used for non-farming purposes. The construction of small-scale facilities is allowed if: 1) an agricultural theme is maintained and 2) the use is compatible with existing agricultural uses; municipal facilities need not be extended to the structure. Large-scale facilities are permitted with the same standards. The town plan recognizes that these facilities can be beneficial to agritourism in the county. Neither small nor large-scale facilities may be used for recreational, motorized off- road vehicles.

### IV. Conclusion

Agripreneurism is a growing trend in Vermont and a large part of future economic growth for Vermont farmers. If communities fail to plan for these uses effectively, local farmers as well as the community could be negatively impacted. When considering agripreneurial uses, municipalities should consider the impact on the land, the community, and the farmer. Municipalities can play a key role in providing for and managing these uses, as well as contributing to the statewide Farm-to-Plate Initiative through promoting agripreneurism. Economic growth through agricultural businesses is a way for Vermont to invest in a sustainable economy while still maintaining the rural character that makes the state so unique.

<sup>&</sup>lt;sup>70</sup> Lake County General Plan. Chapter 12.3. (2008).

## V. Additional Resources

*Vermont Farm to Plate Strategic Plan*: http://www.vsjf.org/project-details/5/farm-to-plate-initiative.

DELAWARE VALLEY REGIONAL PLANNING COMMISSION, MUNICIPAL IMPLEMENTATION TOOL #18 FOOD SYSTEM PLANNING, available at: http://www.dvrpc.org/reports/MIT018.pdf (2010).

American Farmland Trust, Planning for Agriculture in New York: A Toolkit for Towns and Counties, *Available at*:

http://www.farmland.org/documents/PlanningforAgriculturePDF.pdf (2011).

American Planning Association, Zoning Practice: Agritourism Zoning Down on the Farm, available at: www.planning.org/zoningpractice/2004/pdf/mar.pdf (2004).

AMERICAN PLANNING ASSOCIATION, ZONING PRACTICE: ZONING FOR URBAN AGRICULTURE, *available at*: www.planning.org/zoningpractice/2010/pdf/mar.pdf (2010).

Envision Lancaster County, Agritourism Guidelines for the Promotion and Regulation of Farm-based Tourism Enterprises (2009).

VT AGENCY OF NATURAL RES., Environmental Protection Regulations, Chapter 5, Section 5-241, Prohibition of Nuisance and Odor (2003).

CENTER FOR APPLIED TRANSECT STUDIES, CODES & MANUALS, *available at*: http://www.transect.org/codes.html.

VERMONT LAND USE EDUCATION & TRAINING COLLABORATIVE, IMPLEMENTATION MANUAL, OPEN SPACE & RESOURCE PROTECTION PROGRAMS (2007), available at http://www.vpic.info/pubs/implementation/pdfs/18-OpenSpacePrograms.pdf.

VERMONT LAND USE EDUCATION & TRAINING COLLABORATIVE, IMPLEMENTATION MANUAL: OPEN SPACE & RESOURCE PROTECTION REGULATIONS (2007), available at http://www.vpic.info/pubs/implementation/pdfs/18 and 19-OpenSpacePrograms.pdf.

## VI. Vermont Accepted Agricultural Practices

Agricultural practices that are governed by these regulations include, but are not limited to, the following: (a)The confinement, feeding, fencing, and watering of livestock; (b)The storage and handling of livestock wastes and by-products; (c)The collection of maple sap and production of maple syrup; (d)The preparation, tilling, fertilization, planting, protection, irrigation and harvesting of crops; (e)The ditching and subsurface drainage of farm fields and the construction of farm ponds; (f)The stabilization of farm field streambanks; (g)The construction and maintenance of farm structures and farm roads; (h)The on-site production of fuel or power from agricultural products or wastes produced on the farm; (i)The on-site storage, preparation and sale of agricultural inputs including, but not limited to, lime, fertilizer and pesticides; (k) The handling of livestock mortalities.

## **APPENDIX A: Example Town Plan and Zoning Bylaw Language**

# A(1)- Rural Area Zoning Revisions Hinesburg, VT: example definitions of new uses (proposed)

Agricultural Accessory Uses (new use) – Customary on-farm accessory uses that are directly related and subordinate to the agricultural operations. Such activities need not be subordinate to the agricultural operation in terms of revenue, but shall be subordinate in terms of overall land use (e.g., land area, structures utilized). Including, but not limited to: corn maze, petting zoo, farm tours, classes, scientific research, trails for non-motorized recreation, composting, u-pick operations, product tasting, retail sales of products produced on the farm (including products that are produced and then processed on the farm), retail sales of a limited number of agricultural products not produced on the farm as long as such sales are clearly subordinate to retail sales of on-farm products.

#### **Conditional:**

<u>Farm Café</u> (new use) – A restaurant with indoor seating for no more than 40 people, and no more than 1,000 square feet of outdoor seating that meets the following criteria:

- 1. Is subordinate to an agricultural operation.
- 2. One of the principal objectives is the use of products produced on the farm.
- 3. Is located on a parcel of at least 15 acres that contains one or more of the farm operation's principal structures.

This use need not be subordinate to the agricultural operation in terms of revenue, but shall be subordinate in terms of overall land use (e.g., land area, structures utilized). Includes dining on the premises (indoor and/or outdoor), take out dining, and delivery, but excludes drive-through service.

<u>Integrated Agriculture</u> (new use) – Agricultural operations that include activities that may not be directly related to the agricultural use. Such activities need not be subordinate to

the agricultural operation in terms of revenue, but shall be subordinate in terms of overall land use (e.g., land area, structures utilized). Activities must fall within one or more of the following categories:

- On-site processing, storage, sampling and tasting of crops or farm products not principally produced on the farm.
- Retail sales of crops or farm products not principally produced on the farm.
- Retail sales of non-farm products related to the farm and/or what is produced on the farm. Such retail sales of non-farm products must be clearly subordinate to the farming operation and/or other integrated uses.
- Education, cultural, recreation programming e.g., classes, day camp, etc.
- Event hosting as long as such events are clearly subordinate to the farming operation e.g., wedding venue, dinner/dance venue, theater production, etc.

Commercial Riding/Boarding Facility (new use) – Indoor horse riding arenas, outdoor horse riding facilities, etc. Note – Currently, operations that board four or more horses are considered a farm by the State of Vermont, and are exempt from local zoning.

Low Impact Agribusiness (new use) – A business that supports the agricultural economy of Hinesburg and/or the surrounding communities, integrates into the rural character of the neighborhood and greater zoning district, has a negligible to small impact on surrounding properties and public services and fits in to one or more of the broad categories below. This use shall meet the provisions and spirit of this section, the full complement of conditional use standards, and shall protect and preserve important natural resources.

- 1. Animal health, breeding and boarded care facilities such as veterinary clinics principally servicing livestock and poultry.
- 2. Horticultural facilities including selective seed storage and sales, as well as demonstration plots.
- 3. Farm product storage facilities such as vacuum or cold orchard storage and grain silos with associated service structures.
- 4. Slaughter and meat processing facilities.
- 5. Food processing facilities including but not limited to produce washing, flash freezing, canning or value added processing production of food products.
- 6. Craft-scale dairies, cheese and other dairy product makers, wineries, juice and cider producers or similar.
- 7. Agricultural and residential byproduct processors such as composting and bio-electric generators.
- 8. Agricultural and forestry machinery repair.
- 9. Facilities or workshops supporting historically on-site agricultural services such as furriers, breeders, etc.

## A(2)- Specific Zoning Regulations

## Farm Café: Charlotte, VT<sup>71</sup>

Section 4.19: "A farm café may be allowed in the designated zoning district subject to conditional use review under Section 5.4, site plan review under Section 5.5, and the following requirements:

- (A) An enclosed building, or portion thereof, dedicated to this use, including food preparation and seating areas, shall occupy no more than 1,000 square feet of gross floor area.
- (B) Designated outdoor seating shall occupy a total area of not more than 1,000 square feet.
- (C) The parcel on which the Farm Café is to be located must be at least 10 acres, unless the parcel has frontage on Route 7, in which case the parcel must be at least 20 acres.
- (D) The farm associated with a Farm Café must have gross sales of at least \$10,000 of agricultural products per year, unless the Farm Café is to be located on a parcel with frontage on Route 7, in which case the farm must have gross sales of at least \$20,000 of agricultural products per year.
- (E) Annual gross farm sales must not be less than 33% of annual gross sales derived from the Farm Café. Farm products sold at the café or used as ingredients in products sold at the café can be valued at fair market value for the purpose of calculating gross farm income for this criterion.

In Chapter X, Section 10.2, add the following definition:

Farm Café: A use that is auxiliary to the agricultural use of the parcel of which the primary function is to serve to the public, for consumption primarily on the premises, food and/or beverages that include but are not exclusively created from agricultural products grown on the parcel on which it is located. This definition excludes Restaurant/Fast Food and Restaurant/Drive-through. (See Section 4.19)72."

<sup>&</sup>lt;sup>71</sup> http://www.charlottevt.org/index.asp?Type=B\_BASIC&SEC={8FD5F120-5100-4BF9-880D-195CD933D63D}.

# **APPENDIX B: Composting: An Evolving Agripreneurial Activity**

The production and use of compost is an essential part of sustainable farming operations and integral to achieving the goals of Vermont's Farm-to-Plate Initiative. As the cost of commercial fertilizers increases, more and more farmers will turn to compost as a viable alternative to commercial fertilizer. On-farm composting and the use of compost in crop production are traditional agricultural practices that can provide Vermont farms with a number of benefits, many of which cannot be realized through use of manure or commercial fertilizers. Reduced soil erosion and correlated nutrient loading in nearby water bodies, increased soil structure and health, increased crop production, and improved disease resistance in plants can all help to improve both farm viability and environmental health in Vermont.

A growing interest in diverting organic materials and food waste away from landfills and toward composting is also providing the opportunity to increase farm viability in Vermont. Food scraps are a significant part of Vermont's solid waste disposal problem, and could be transformed into a resource to build soil health and fertility by including this material as a feedstock in on-farm composting. If all organics were removed from the waste stream, the amount of material in landfills could decrease by almost  $50\%^{73}$ , while providing Vermont farms with an additional source of revenue from food scraps that would

otherwise be thrown away.

COMPOSTING ORGANIC MATERIAL INSTEAD OF BRINGING IT TO THE LANDFILL WITH YOUR TRASH IS AN EASY WAY TO HELP THE ENVIRONMENT AND SAVE MONEY:

- COMPOSTING REDUCES GREENHOUSE GAS EMISSIONS (SOME PEOPLE ESTIMATE THAT COMPOSTING A 5 GALLON BUCKET EQUALS 1 GALLON OF GASOLINE SAVED).
- COMPOSTING REDUCES COSTS AND ENERGY ASSOCIATED WITH MANAGING WASTE.
- COMPOST IS A BETTER USE OF ORGANIC MATTER AND NUTRIENTS THAN SENDING FOOD SCRAPS TO THE LANDFILL.

Vermont Dept. of Envtl. Conservation, Waste Management Division Presently, oversight of composting activities in Vermont exists under Act 250. In 2010, the Act 250 statute was changed to reflect adopted exemptions, acknowledging a shift in agricultural and societal support of composting on the farm. These exemptions allow farmers to produce

compost to sell so long as the composting operation satisfies the conditions for one of the agricultural exemptions. Local permits may also be required for siting a composting facility whether on-farm or elsewhere; these permits are independent of state regulations and typically derive from municipal or regional planning and zoning. Because composting facilities can be a combination of agricultural, industrial, and commercial activity, they may pose permitting challenges at the local level. Municipalities can attempt to address these challenges by defining composting as "accessory to agriculture" so that a facility can comply with zoning regulations. Nevertheless, one of the regulatory pieces that is still largely missing in order to realize a resource management approach to organic residuals is

<sup>&</sup>lt;sup>73</sup> Composting Association of Vermont, *Legal Compost*, p 2.

incorporating on-farm composting into local planning and zoning. See Appendix B for examples of municipal planning and zoning language for commercial on-farm composting as an agripreneurial activity.

Given the complexity and diversity of permits needed for composting, groups have advocated for change to facilitate on-farm composting, making it a less complex regulatory environment in order to reap the environmental, agricultural, societal, and economic benefits of compost. This priority also supports the diversion of organic materials away from landfilling and toward a "closed-loop" system that produces "stable humus-rich material", a critical component of sustainable agriculture. Since 2008, various stakeholder groups have indicated a clear priority for siting composting facilities on farms throughout Vermont<sup>75</sup>. By 2012, new solid waste rules were adopted that define composting practices for "small (as well as medium and large) composting facilities". <sup>76</sup> Under the rules, for example, composting less than 2000 cubic yards of food residuals per year on a farm may be exempt from state review. It should be noted that the limitation on municipal bylaws under 24 V.S.A. § 4413(5), to regulate "regional solid waste management facilities" would not apply to "composting facilities" under these new rules unless the facility is part of a certified landfill operation.

To increase the number of composting facilities in Vermont, and realize the significant benefits of on-farm siting, necessary infrastructure must be provided. Legislation passed in 2012 captured interest in the diversion of organic materials away from landfills and the demand for compost, which will require new facilities to handle and process the increasing volume and availability of diverted organic waste for composting. This demand can create a market niche for Vermont farmers to utilize the agricultural value<sup>77</sup> of compost.

Aside from farmers, communities, and indeed the entire state of Vermont, can benefit from the use of compost products in, for example, stormwater management, construction, and run-off, erosion and flood control. With the passage of H. 485 in 2012<sup>79</sup>, compost is sure to play a larger role in agricultural, industrial, and commercial uses. Supporting and promoting innovative compost products, uses, and facilities is critical to meeting the growing community and environmental need in Vermont.

<sup>&</sup>lt;sup>75</sup> ANR's Solid Waste Working Group, The Composting Association's *Legal Compost* Project, the legislatively mandated Compost Study Committee, and the Farm to Plate Initiative.

<sup>&</sup>lt;sup>76</sup> see final rules: http://www.anr.state.vt.us/dec/wastediv/solid/documents;SWRule.final.pdf

<sup>&</sup>lt;sup>77</sup> "Agricultural value" means creating a valuable product from a place with excess nutrients (e.g., a diversified farm) that can be sold and used by those in need of soil amendments.

<sup>&</sup>lt;sup>78</sup> For example, the EPA recommends compost blankets as part of the Clean Water Act's National Pollutant Discharge Elimination System:

 $http://cfpub.epa.gov/npdes/stormwater/menuofbmps/index.cfm?action=factsheet\_results\&view=specific\&bmp=118$ 

<sup>&</sup>lt;sup>79</sup>H.485 requires phased-in organic waste diversion from landfill disposal. Yard waste must be collected separately by July 1, 2016, and food residuals by 2017. Certified landfills will not be able to accept food residuals in the mixed waste stream after 2020. The many benefits of composting food scraps instead of adding them to a landfill include reducing Vermont's impact on global climate change. When all food scraps in Vermont are composted, a carbon offset of not burning 12 million gallons of gas will be reached.



"Compost socks," or mesh tubes filled with compost, that help improve water quality by filtering sediments out of runoff, as well as preventing erosion across a slope or channel.

#### Other States' Compost-Specific Performance Based Standards

THERE ARE PRESENTLY THREE STATES—CALIFORNIA, OREGON AND WASHINGTON—THAT HAVE ENACTED LEGISLATION TO REGULATE THE PRODUCTION AND USE OF COMPOST. ALL THREE STATES IMPOSE A GENERAL PERMITTING REQUIREMENT ON COMPOSTING OPERATIONS, WITH EXEMPTIONS PROVIDED TO THOSE FACILITIES THAT SATISFY CERTAIN CRITERIA. WHILE EACH STATE ADOPTS THEIR OWN UNIQUE APPROACH TO REGULATION, THEY ARE SIMILAR IN THEIR USE OF PERFORMANCE STANDARDS AND SITE REQUIREMENTS FOR REGULATION OF COMPOSTING FACILITIES.

In California, most composting operations require a state permit, however many exemptions exist. 80 Operations that are pose a higher risk of environmental damage are required to either notify the enforcement agency of apply for a full permit. All facilities applying for a permit must comply with various site specific performance based standards. 81 For example, there are rules that regulate the location and design of a facility, as well as the development of specific plans to minimize odor and pathogen production.

Oregon recently revised their composting regulations in 2009. Under the new rules, composting facilities are screened to evaluate the degree of environmental risk posed by

<sup>80</sup> See Title 14, Division 7, Chapter 3.1, Article 2, § 17855

<sup>81</sup> See id. at Article 6, § 17867.

the facility. <sup>82</sup> Facilities deemed to be low-risk operate under a registration permit, while higher-risk facilities are required to submit an operations plan for approval prior to receiving a composting permit. <sup>83</sup> Conditional exemptions are provided to small-scale and agricultural composting facilities. <sup>84</sup> The new rules also adopt performance standards that clearly describe the environmental standards that every composting facility, including exempted ones, must meet. <sup>85</sup> The performance standards are applied based on the size and potential environmental consequences of the material being composted, <sup>86</sup> which is accomplished by separating various types of compost into three tiers. <sup>87</sup>

In Washington, all composting facilities must comply with specific performance standards. Like Oregon, Washington's regulations vary depending upon the type of material being composted, which are separated into four tiers. 88 All non-exempt facilities or sites that treat solid waste by composting are required to participate in solid waste handling permitting and comply with various performance criteria. 89 Also like Oregon, several types of composting operations are conditionally exempted from permitting requirements. Exempt composting facilities must comply with various performance standards in order to maintain their exempt status. 90

# APPENDIX C: Example Municipal Language to Incorporate Commercial On-Farm Composting

Goal statement pursuant to [state statutory cite]:

The development of composting facilities that support Vermont's goals for waste recycling, nutrient redistribution, farm viability, and sustainable food systems should be encouraged.

Revised - from Charlotte Town Plan

#### **AGRICULTURE**

<u>General Policies</u>: The community understands the importance of agriculture to the Town and recognizes that agricultural practices may create conditions, such as noise and odors that can affect neighbors. It is understood that reasonable agricultural practices, which are defined by State policy and rule, benefit farming operations and contribute to a working landscape, in harmony with neighbors and community pride.

<sup>82</sup> OREGON DEPT. OF ENVIL. QUALITY, FACT SHEET: NEW RULES REGULATING COMPOSTING FACILITIES (2009).

<sup>83</sup> Id.

<sup>84</sup> See O.A.R. 340-096-0060.

<sup>85</sup> See O.A.R. 340-093-0030.

<sup>86</sup> O.A.R. 340-096-0070.

<sup>87</sup> Supra.

<sup>88</sup> WAC 173-350-100.

<sup>&</sup>lt;sup>89</sup> WAC 173-350-220 (1)(b).

<sup>&</sup>lt;sup>90</sup> *Id.* at §§(c).

The Town will seek to protect the Town's agricultural soils for agricultural use in the following priorities:

- High potential agricultural soils will be given priority for protection;
- Medium potential agricultural soils will be protected where possible;
- Low potential agricultural soil will be protected when they support an existing agricultural operation.

### Agriculture Diversification

The Town recognizes and supports a diversity of agriculture enterprises as an important part of our Town culture and prosperity. The Town supports the statewide Farm to Plate goals for growing and diversifying Vermont's agriculture sector. Diversified agriculture may include but is not limited to: LIST

## **On-farm Composting**

[The Town] supports the shift to a resource management model for organic residuals\* that encourages on-farm composting because [the town] recognizes that:

- 1) Even though some feedstocks for composting are regulated as 'solid waste,' (eg. foodscraps) they are a valuable resource we can recycle in our community and regionally;
- 2) Diverting organic residuals from landfilling and recycling them locally is a step residents can take to reduce global warming;
- 3) Composting provides a mechanism for livestock farmers to export excess phosphorus, thereby helping to protect our surface waters;
- 4) The use of compost provides many benefits to farmers including fertility, improved plant health and disease resistance, improved soil health, increased moisture availability, and erosion control. These benefits directly contribute to farm viability;
- 5) The use of compost can benefit the town, and help property owners to conserve water; improve water quality; reduce erosion; decrease the use of fertilizers and pesticides; and reduce the amount of material they send to the landfill;
- 6) The production and use of compost is integral to a sustainable community model.

## Sample Zoning Language

The following composting activities are considered agriculture and are permitted as an accessory use provided that farm structures added to support the composting activity are not located in a floodplain, and meet the following performance measures:

The facility meets one of the commercial composting exemptions in [statutory cite...], or complies with:

- ANR solid waste facility siting and operations standards, and
- Site plan approval pursuant to section [ ] or
- AAFM AAP standards
- Or meets the following traffic, noise and smell standards...

# APPENDIX D: VHCB Guidelines for Rural Enterprises on Conserved Farmland

#### **Summary**

With the changing farm economy and technology in Vermont and across the country, many new agricultural land uses are beginning to surface, many of which have no effect on conserved agricultural resources. Allowing these other uses helps extended families remain together on the farm and contributes to the success of agriculture, even though these other uses are unrelated to farming.

While agricultural uses and structures are permitted under a conservation easement, there are three general categories of rural enterprises that are not considered to be agricultural: (1) uses and structures related to agriculture such as agri-tourism; (2) processing or sales facilities that fall beneath the 51% threshold to be within the definition of agriculture; and (3) all other commercial activities unrelated to agriculture. Each of these categories fall within these guidelines, but are applied on a sliding scale based on the extent to which the activity is removed from the agricultural practice, as well as the scale of the activity. The guidelines are applied lightly for uses related to agriculture, and moderately for uses that could be considered agriculture (primarily requiring that the facility is located in a designated complex). For all other commercial uses, the guidelines will be applied to their full extent.

The values that VHCB uses to determine the consistency of the proposed rural enterprise with the purposes for which the farm was conserved, and the effect on these purposes, are as follows:

- a. To preserve the agricultural use of conserved farms and buildings.
- b. To allow, within some reasonable limits, farmers that need non-farming income to supplement their primary farming enterprise.
- c. To support a diversity of agricultural enterprises, including value-added processing.
- d. To allow, within some reasonable limits, additional on-farm income through the use of vacant farm buildings for rural enterprises that help support the farm activity.
- e. To ensure that rural enterprises are conducted within these limits and at a scale that preserves the land and buildings for future agricultural uses. The core enterprise on the conserved farm must be an agricultural enterprise, and cannot be secondary or incidental to the rural enterprise. VHCB expects that all rural enterprises will be subordinate to agricultural activities, in direct proportion to the extent of the agricultural activity.

VHCB identifies two primary reasons for allowing rural enterprises on conserved farms:

- 1. Enhance economically viable agricultural, forestry and resource-neutral commercial uses of the conserved farm in ways and at a scale that does not detract from the purposes for which the farm was conserved and which enable the owner or operator of a conserved farm to supplement their agricultural or forestry income;
- 2. Support educational, recreational, and open space uses of the conserved farm that are not inconsistent with the purposes for which the farm was conserved.