

# Town of Windham

Office of the Tax Assessor  
8 School Road  
Windham, ME 04062

Elisa A. Trepanier, CMA  
Assessor/GIS Coordinator  
maps@windhammaine.us

voice 207.894.5960 x 3

fax 207.892.1916

## MEMORANDUM

DATE: March 15, 2016

TO: Windham Town Council

THROUGH: Tony Plante, Town Manager

FROM: Elisa Trepanier, Assessor/GIS Coordinator

RE: Voluntary Municipal Farm Support Program (VMFSP)

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### Summary:

Following the direction of the Council from their meeting of March 7, 2017, I have prepared draft VMFSP documentation for your review and consideration. This documentation is designed as a starting point to gauge the Council's interest in establishing a VMFSP and would need to be refined before implementation. All documentation has been prepared based upon the program recently adopted by the Town Winslow. The documents included are:

- Program Description
- Application
- Easement
- Ordinance

Also included are Agricultural & Forest Resources Map and a Farmland Soils Map. Both maps are taken from the Comprehensive Master Plan 2017. Of interest are the three attached news articles related to the development of farmland in the cities of Portland and Westbrook.

### Voluntary Municipal Farm Support Program (VMFSP)

This program was developed by the 123<sup>rd</sup> Legislature in 2011 “in order to protect and support local farms, preserve farmland and reduce the tax burdens from new development....” The program is designed to offer communities a broad range of options and flexibility to customize the program to best fit the community.

Provided the Town meets the core requirements in the rules established by the State of Maine, the Town can completely customize the program to suit its goals and objectives. The options are so broad that it may be best to focus on the Development document which in many ways is the “ruling document” for how the Town chooses to administer the Program. I have highlighted *some* of the areas where the Town can customize its administrative options. For example, in

*How the VMFSP Works*, on Page 2 of the Description document, the Town may stipulate alternate dates for application submission; create a completely different review processes, adjust the percent of exemption offered; and determine if an application fee is appropriate.

The Payment Mechanism (on Page 6 of the Description document) can also be modified. Winslow has chosen to have the property owner pay all property taxes when due and then reimburse the exemption amount. If property taxes beyond the exemption amount are not paid, the Town will withhold and suspend all payments under the agreement until the property taxes are paid. Withdrawal penalties were also created by Winslow and outlined in the Description document on Page 8.

Some potential options include:

1. Only allowing full-time working farms;
2. Only farms within a specified geographic area i.e. west of Route 202;
3. Only farms that are in a current use program thereby reducing the exemption amount;
4. Set a gross income limit so that very large commercial farms would not qualify;
5. Set the percent of exemption to be used;
6. Limit the number of farms or applications per year or cap the total value exempted within the Program.

Other actions that could be taken by Windham include conducting a second survey that includes a specific outline of the parameters of a Windham program to gauge community interest. We could collect more information to give direction to staff to points of flexibility and vote on it at a future meeting or we could do nothing.

The Conservation Easement sample has been reviewed by the Attorney General's Office and Winslow's town attorney. This document also allows the Town to customize the terms and conditions.

**Who benefits?** The farms that would benefit the most are those that are not in a current use program or; have a large tract of land (40+ acres); or have large farm buildings. Calculations were run based on farms that returned the survey and indicated that they were interested in the program. A local farm that has its 20ish acres of land in the Tree Growth Program would only benefit \$150 per year by putting their land into the VMFSP. However, a larger farm with many farm buildings and well over 100 acres in a current use program could be exempt from \$6,500+ in taxes if participating in the VMFSP. Not all farms would see a financial benefit from the program that would necessarily make it worth the 20 year commitment. And lastly, the Town of Windham benefits by the program's intent to "protect and support local farms, preserving farmland and reducing the potential tax burden of from new development."

**Town of Winslow update:** According to the Winslow Assessor Judy Mathiau, the Town of Winslow has approved two applications and will be refining the Conservation Easement language as well as finding ways to strengthen the program.