

FARM MANAGEMENT PROGRAM POLICY FOR THE LAKE COUNTY FOREST PRESERVE DISTRICT

I. INTRODUCTION

The Lake County Forest Preserve District (District) desires to promote the ecological integrity of its preserves and actively conserve, restore and manage its natural resources, including populations of native species and their habitats, so visitors to the District's preserves can enjoy their scenic beauty and diversity. In addition to natural resource conservation, the District provides for innovative education, recreation and cultural opportunities, and for visitor safety when pursuing these opportunities.

The rapid urbanization of Lake County has converted a predominantly agricultural and natural landscape into a mosaic of suburban and urban developments mixed with agricultural and remnant natural areas. Many parcels of land, when acquired by the District, are in agricultural production. During the time period after purchase of such a parcel, and prior to the implementation on such parcel of a permanent District use (such as public access, facility improvement, or restoration projects), continued agricultural use of the parcel is often an economical interim management strategy. Therefore, it is in the District's best interest to continue to operate a Farm Management Program (Program) to provide, where appropriate, for the interim farming use of such parcels until they are ready for permanent District uses. The benefits of the Program including a) providing for interim management of the parcel, b) generating revenue for the District, and c) allowing the District time to generate plans and funds for permanent District uses on such parcels.

This Farm Management Program Policy (Policy) implements the Program and establishes Policy Objectives (identified below) that will help the District achieve the Program's objectives. Collectively, the Policy Objectives promote a) implementation of farmland management standards that ensure adequate protection and conservation of natural resources and b) equitable and efficient assignment of farm licenses to farmers. The District will achieve the Policy Objectives through implementation of "Farm Management Program Procedures" (Procedures). The District's Finance and Administrative Committee (F&A Committee) is authorized and directed to prepare, approve, amend, and implement the Procedures.

II. POLICY OBJECTIVES

A. LAND ACQUISITIONS WITH EXISTING FARM LEASES

Objective:

- Provide a consistent and fair course of action for newly acquired parcels purchased by the District that are subject to existing farm leases.

It is not uncommon for the District to acquire a parcel that is subject to an existing farm lease. In that situation, the District will follow the policy outlined in the then-current Land Preservation and Acquisition Committee Rules approved by the Land Preservation and Acquisition Committee and Board of Commissioners.

B. PUBLIC BID PROCESS

Objectives:

- Implement a fair, responsible and effective public bid process for farm licenses.
- Implement a public bid schedule that will complete selection of parcels for bid, advertise for public bids, open public bids, and award farm licenses by December 31 of each year
- Award bids to the highest, responsible bidder.

By September 1, District staff will notify Licensees with farm licenses due to expire on December 31st of the current year of such expiration. Generally, the Program will include only parcels that are subject to existing farm licenses or farm leases that the District inherited when it purchased the parcels. However, the F&A Committee may include other parcels in the Program. By October 15 of each year, District staff shall review the parcels that are subject to licenses or leases that are due to expire in or at the end of the current year and recommend to the Executive Director which District parcels, for the following year, should be (a) included in the Program, (b) retired from the Program, and (c) partially included and partially retired (as provided in Section II.E below). During November and December, the Executive Director shall determine which District parcels will be recommended to the F&A Committee for including in the Program and cause advertisements and competitive public bidding to occur for farm licenses for such parcels. The term for a farm license generally will be four years; however, restoration or development opportunities may arise that require shorter license terms. Even if the District places advertisements for bids only in newspapers published in Lake County, any interested party may submit a bid. By December 31st of each year, District staff will open the bids and the F&A shall make any award of farm licenses based upon such bids.

If it awards a farm license for a parcel, the District's F&A Committee will make such award to the highest, responsible bidder. Bidders will be evaluated based on their price per acre bid, their farming experience, and their past performance, including their performance pursuant to any previous farm licenses with the District. The District may request that a bidder provide references. Unless the F&A Committee specifically finds otherwise, the F&A Committee shall deem a bidder who owes outstanding license fees to the District or who has less than five years of farming experience to be not responsible.

The above bid schedule is intended to allow (i) each licensee ample time to provide the District with the necessary documentation described in Section II.C, and order all necessary materials for spring planting and (ii) the District to prepare a Conservation Plan (CP) in accordance with Section II.C and II.F.

C. FARM LICENSE AGREEMENT AND REQUIRED DOCUMENTATION

Objectives:

- Ensure that each Licensee performs farming activities in accordance with a standard District agreement and applicable laws, including State and County laws.
- Ensure that each Licensee maintains adequate insurance coverage for the District, which must be named as additional insured, and all parties that work on the farmed parcel.
- Ensure that each Licensee follows a CP that helps it reduce potential negative impacts to natural resources on the farmed parcel.
- Encourage communication among the Licensee, the District, and the Natural Resource Conservation Service (NRCS).

Upon award of a farm license to the highest responsible bidder (Licensee), the Licensee must execute a District “Farm License Agreement” in a form approved by the F&A Committee. The Licensee may use the property subject to the Farm License Agreement (Licensed Property) only for the purpose of farming in accordance with the Farm License Agreement. To ensure that the Licensed Property is actually being managed, the Farm License Agreement will (i) require that the Licensee actually farm the Licensed Property and (ii) provide for termination of the Farm License Agreement by the District if the Licensee does not farm the Licensed Property as provided in the Farm License Agreement.

In addition to signing a Farm License Agreement, the Licensee shall provide the following documentation to the District before beginning work on the Licensed Property: a) State of Illinois Pesticide Applicators License for each person employed by Licensee or any subcontractor who will apply pesticide on the Licensed Property; b) a list of all persons that will work on the Licensed Property; c) proof of insurance as required by the Farm License Agreement; and d) up-to-date contact information of the Licensee. Licensee shall notify the District in writing of any changes to the information in the above required documentation. After the Licensee has executed the Farm License Agreement and has provided all of the above required documentation to the District, the District will provide the Licensee with information regarding NRCS technical assistance programs that will, among other things, foster Licensee's compliance with the CP, as provided in Section II.F.

D. FARM REVENUES

Objective:

- Provide a clear process for each Licensee to submit annual license fees timely, as required in its Farm License Agreement.

Each Licensee shall pay its annual license fee in full no later than December 31st of each year during the Farm License Agreement term by sending payment to:

Lake County Forest Preserve District
Accounting Department
Attention: Principal Account Clerk – Receivable
1899 West Winchester Road
Libertyville, Illinois, 60048

A Licensee's failure to timely pay license fees may result in termination of its Farm License Agreement. Each Licensee should direct questions regarding payment to the District Accounting Department and all other questions related to its Farm License Agreement to the District Planning, Conservation and Development's Natural Resource Division.

The Licensee, and not the District, shall be responsible for any and all real estate taxes or other taxes levied or assessed against the Licensed Property during the term of the Farm License Agreement.

E. FARM LICENSE RETIREMENTS, REDUCTIONS, AND TERMINATIONS

Objective:

- Provide a consistent, fair, and efficient course of action for the retirement, acreage reduction, and termination of Licensed Properties from the Program.

1. Annual Review by District

Prior to awarding farm licenses each year, the F&A Committee shall review District staff's recommendations and determine whether each Licensed Property should (a) be retired from the Program, (b) remain in the Program and be included in the public bidding process for farm licenses, or (c) be reduced in acreage, so that it is partially retired from the Program and partially included in the public bidding process.

2. Termination or Reduction by District Before Expiration of Farm License Agreement

In addition, the F&A Committee may retire or reduce a Licensed Property during the term of a Farm License Agreement, as provided in such Agreement. If the F&A Committee approves the retirement or acreage reduction of a Licensed Property during the term of the Farm License Agreement applicable to the Licensed Property, it shall terminate the Farm License Agreement (in the event of a retirement) or amend the Farm License Agreement (in the event of an acreage reduction) by sending written notice of the termination or amendment to the Licensee at least 30 days in advance of such termination or amendment. If the District terminates or amends a Farm License Agreement, it shall equitably adjust the license fee and make certain reimbursements to the Licensee for chemicals, fertilizers, or loss of un-harvested crops, all as provided in the Farm License Agreement.

3. Termination by Licensee

A Licensee may request in writing that a Farm License Agreement be mutually terminated if natural conditions on the Licensed Property or other circumstances beyond the Licensee's control cause extreme economic hardship for the Licensee. Any such written request must be submitted to the District by February 1st of the year in which the Licensee desires to terminate the Farm License Agreement. The Licensee's written request must describe the hardship experienced by the Licensee and the reasons for the hardship. The F&A Committee may approve termination of a Farm License Agreement if it determines, in its sole discretion, that the Licensee did not cause the hardship and that the hardship justifies termination of the Farm License Agreement.

If the F&A Committee approves a mutual termination, it may award, in such manner as it deems appropriate, a new Farm License Agreement for the Licensed Property through December 31 of the year in which the Farm License Agreement was terminated.

4. Reasons for Retirement or Reduction

The F&A Committee may retire a Licensed Property or reduce the acreage of a Licensed Property (a) because of immediate opportunities or implementation plans for site development or restoration, (b) if retirement or reduction from farming will protect restoration areas or habitat that support rare, threatened or endangered species, (c) if necessary or appropriate for the District to comply with tax covenants made by the District in its ordinances authorizing the issuance of tax-exempt bonds, or (d) for any other reason related to the management and operation of the District's properties and affairs.

F. NATURAL RESOURCE CONSERVATION

Objective:

- Improve the conservation and protection of soil resources, water quality, plant communities, wildlife, wildlife habitat and cultural resources on District lands.

With assistance from NRCS, the District will prepare a CP for each Licensed Property. The Licensee shall not commence work on the Licensed Property until the District approves a final CP for the Licensed Property. The Licensee shall conduct all work on the Licensed Property in accordance with the CP. Each CP will (a) include a Resource Management System Plan (RMS) designed by the USDA with technical support provided by NRCS and (b) incorporate the District's Conservation Guidelines set forth in the District Farm Management Program Procedures approved by the F&A Committee.

The RMS will:

- (a) include guidelines for application of pesticides and fertilizers to the Licensed Property,

- (b) include a nutrient management plan requiring the Licensee to (i) account for all sources of Nitrogen (N), Phosphorus (P), and Potassium (K) that add nutrients to the soil, to help reduce the potential for over-application of fertilizer, (ii) provide for the timing of fertilizer application to ensure fertilizer is applied when plants require it and to limit nutrient loss by surface water runoff,
- (c) require that Licensed Property adjacent to wetlands to have a grassy or forested buffer between the Licensed Property and the wetlands,
- (d) require the use of grassy waterways within the Licensed Property to prevent or limit erosion, when the District determines this use is necessary, and
- (e) to the extent required by the District and not addressed above, address control of soil erosion, conservation of soil quality, maintenance of water quality, management of runoff, use of buffers and grassy waterways, nutrient management, pesticide management, wildlife habitat, and adjacent land use.

The incorporation of the District's Conservation Guidelines is intended to achieve a higher standard of natural resource conservation than would be accomplished by the RMS alone and to increase the protection of any wetlands and wildlife habitat adjacent to the Licensed Property.

Before a license for a Licensed Property expires, and before the District awards a new license for the property pursuant to the competitive bidding process set forth in Section II.B, the District will, with assistance from NRCS, develop a CP for each property that will govern the next license term. Therefore, all Licensed Properties (except for new land acquisitions with pre-existing leases) shall have District-approved CP's

Each CP for a Licensed Property shall be kept on file with the District and delivered to NRCS. Any modifications to a CP during the term of the Farm License Agreement shall require approval by the District, in consultation with NRCS.

G. MONITORING CONSERVATION PRACTICES

Objective:

- Confirm that Licensees are in compliance with the terms of their Farm License Agreements and the CP's.

The District shall monitor each Licensee's compliance with its Farm License Agreement. The District will encourage NRCS to monitor compliance with the CP's, including random or targeted field assessments with the District to determine compliance. Monitoring may include percent residue surveys, field checks, review of CP's, and personnel contact with Licensees.

H. MAINTENANCE AND RESTORATION OF LICENSED PROPERTIES

Objective:

- To ensure that farm license fees are deposited into a special revenue fund for maintenance and restoration of Licensed Properties after they are retired from the Program.

The District shall maintain a special revenue fund (called the Farmland Management fund) into which farm license fees shall be deposited, unless otherwise directed by the District's Board of Commissioners during its annual budget approval process for a given fiscal year. The fund will be used to maintain Licensed Properties (including, without limitation, the installation and maintenance of wetland buffers and grass swales within or adjacent to Licensed Properties) and to restore Licensed Properties after they are retired from the Program (including, without limitation, planting cover crop or native plant species and mowing).

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