

WOODBURY COUNTY BOARD OF SUPERVISORS AGENDA ITEM(S) REQUEST FORM

Date: 12-30-2020

Weekly Agenda Date: 1-5-2021

ELECTED OFFICIAL / DEPARTMENT HEAD / CITIZEN: Supervisors Taylor & Wright

WORDING FOR AGENDA ITEM:

Consideration of Selling the County Farm and Approval of Appraisal using LOST Funds

ACTION REQUIRED:

Approve Ordinance

Approve Resolution

Approve Motion

Public Hearing

Other: Informational

Attachments

EXECUTIVE SUMMARY:

The county farm of approximately 188-200 acres cash rents for approximately \$66,000/year. This could be sold at approximately 30x the annual value \$1.5 - \$2.0 million.

Supervisors may be able to meet in close session as allowable by Code--under advice/consent of County Attorney--to determine a minimal acceptable price and put this land up for auction returning it to private enterprise/tax rolls and dedicating the significant capital injection needed in bridging the gap in a difficult budget year.

This item is informational in terms of the actual authorization to sell the county farm. However, the motion for receiving an appraisal and recommendation from a seasoned farm manager and rural appraiser follows in order for the Board to make the best decision possible.

BACKGROUND:

The county "poor farm" is an antiquated model based on a system dating back between 100-150 years ago in Iowa where mental health patients, the poor/indigent, and others could farm the land.

It was a noble public enterprise started here between 1870-1876. Woodbury County maintains its county farm, a reminder of yesteryear when the old county home, Prairie Hills, was tied to the land and could be worked. We rightly (and finally) shuttered the county home building. For taxpayer efficiency, we built a Sheriff's training center rather than the continual pouring in of new funds in the old wasteful building.

The rent has been \$66,137 (two crop years 2019), \$73,689 (three crop years prior 2016), \$92,592 (three crop years prior 2013), \$98,990 (1 crop year prior). A competitive bidding process would ensure that the county receives maximum value.

The latest we could sell the farm and have it reduce next year's tax askings is around June. We can sell it and drop the taxes down even after certification. Another option is to potentially rent the farm for a term of 6-12 months with the lessee obligation as part of the purchase agreement, e.g. buyer could realize rent revenue until in turn leasing the ground, farming it individually, or doing otherwise.

It has also been suggested that dividing this into 2 or 3 parcels may make good sense for saleability, e.g. more competition for those sizes increases price on free market principle. There may be need to go to subdivision in Planning and Zoning. I believe that this makes more fiscal sense than government holding onto land outside its original purpose or the quixotic idea of land swapping farm ground under a (potential) three-year lease.

This is a tough budget year in which we can close the gap in the two-year interim (hopefully) without raising taxes due to revenues which will come once the new county jail is built. Even if this is an only one-year stop gap, it may represent a significant downpayment (3%) on the building. Whether or not the money is dedicated for this purpose, we are of the ideological belief that it is not in the best interest of local county government to own farmland on an antiquated model.

In order for the Board to make the best decision, the best first logical step is to have a sound farm appraisal and advice on parcel.

FINANCIAL IMPACT:

\$1,800 from local option sales tax (LOST) funds.

IF THERE IS A CONTRACT INVOLVED IN THE AGENDA ITEM, HAS THE CONTRACT BEEN SUBMITTED AT LEAST ONE WEEK PRIOR AND ANSWERED WITH A REVIEW BY THE COUNTY ATTORNEY'S OFFICE?

Yes No

RECOMMENDATION:

Move to have the county farm appraised by Dennis Reyman (Stalcup Ag Inc) who is President of the American Society of Farm Managers and Rural Appraisers and resides here in Woodbury County. Work to gain information so that the Board can make the best informed decision moving forward regarding closed session meeting on price, review of the appraisal and recommendations for parcelling, and any previous sale-of-county-farm study.

ACTION REQUIRED / PROPOSED MOTION:

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