

THE PRESERVATION OF AGRICULTURAL OPEN SPACE  
ON THE METROPOLITAN FRINGE

BY

CARLTON FRANCIS BECKSTEAD  
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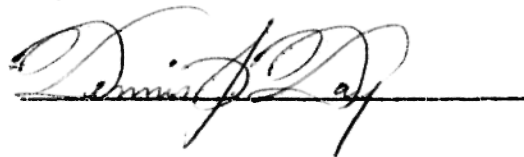
Department of Landscape Architecture  
College of Architecture and Design

KANSAS STATE UNIVERSITY

Manhattan, Kansas

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Major Advisor

A handwritten signature in dark ink, appearing to read "Dennis J. Dwyer", is written over a horizontal line.

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I would like to thank my family, who supported me, my friends who encouraged me; and my graduate faculty advisors: Dennis Day, Alton Barnes and Robert Page, who offered wisdom and guidance.

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## TABLE OF CONTENTS

CHAPTER	PAGE
I PROBLEM STATEMENT AND BACKGROUND	1
II PROPOSED SOLUTION: THE FARM COLONY CONCEPT	16
III PUBLIC INCENTIVES TO PROMOTE FARM COLONIES	35
IV FARMCOLONY I CASE STUDY AND FEASIBILITY STUDY	44
V SUMMATION AND CONCLUSIONS	56
REFERENCES	58
APPENDIX A	61
APPENDIX B	90

## CHAPTER I

### PROBLEM STATEMENT AND BACKGROUND

One of the problems associated with the expansion of large urban centers is the loss of agricultural open space in rural-urban fringe areas. The purpose of this thesis is to develop an understanding of the problem, where and why it occurs, and to investigate the "farm colony" concept of development as an alternative solution.

'Agricultural open space' is a vague term which can be defined as any land which is capable of supporting the production of food or fiber. This broad classification covers a range from prime agricultural land to marginally productive agricultural land. In this study, however, the productivity of the land will not be the major consideration because it is not the only value of agricultural open space, as will be shown.

There are several reasons why it is important to preserve agricultural open space on the metropolitan fringe. First, because productive agricultural land is a limited resource which must meet the undeterminable demands of the future. Second, open space in urbanized areas is considered essential to maintain the ecological balance of the area. Third, open space adds to the aesthetic enjoyment of the people living in proximity to it. An explanation of each of these motives for preserving agricultural open space follows.

Of perhaps greatest economic importance associated with the loss of agricultural open space is the ability of agriculture to meet future demands. The United States agricultural output during the past 40 years has been more than able to adequately meet foreign and domestic needs. But, over the last 20 years, there has been a gradual switch



from "surplus to scarcity". Since 1972, foreign demands for food have greatly increased because of changes in monetary exchange rates, bad weather abroad, and decisions to upgrade dietary conditions.<sup>(2)</sup> Increased domestic populations, coupled with increased per capita consumption, have raised some doubts concerning the ability of United States agricultural lands to meet food production demands of the future.<sup>(3)</sup>

During the 1950's it was recognized, in this country, that agricultural land is a limited resource and that, if not protected, the result would be inevitably catastrophic. In 1950, Jack Lessinger, a land use economist, foresaw the problem in this light: "the fall of other civilizations has been associated with the non-conservation of agriculture".<sup>(4)</sup> Although our civilization does not appear to be at its end, the problem is receiving more and more concern. This heightened concern has been brought on by the great increases in farm exports during 1972 to 1974, high commodity prices, inflation, the increased cost of energy, and the realization of the food needs of under-developed countries.<sup>(2)</sup>

In the 1950's and 60's, government programs diverted 40 to 60 million acres of cropland from production in order to prevent very low commodity prices caused by oversupply. Reserves, however, were kept high because of accumulated stocks and good productive capacity.<sup>(2)</sup> Cropland under cultivation in 1949 was as high as 387 million acres. By 1972, 54 million acres had been kept out of production, leaving 333 million acres. Greater efficiency and increased energy inputs had kept abreast of demands until the early 70's.<sup>(1)</sup>

Since 1972, there has been a 50% increase in farm exports, grain reserves have been reduced, and energy costs have skyrocketed. Federal programs to keep land out of production were reduced in 1972 and then

completely halted in 1974. By the end of 1974, total cropland in production was back up to 361 million acres. The weather, though, has not been favorable and reserves are still low. (1)

The impact of the population explosion on agriculture has been dramatic. "From 1950 to 1972, total farm output has increased 50%, while productivity per acre advanced 67%". (1) With this prodigious increase in productivity, a commodities shortage would appear inconceivable. However, the United States population has increased 40% since 1950. Also, United States food exports have increased 50% since 1972. (1) In light of these figures, the question of whether or not agricultural technology can keep up with demand becomes increasingly relevant.

Whether or not United States agricultural production will be able to meet future demands is questionable. There are arguments on both sides of the issue. Out of an estimated 470 million acres of arable land in the continental United States, only about 361 million acres are now being used. This leaves over 100 million acres in reserve. On the other hand, the best land is already in production. (5) New land brought into production at this point will generally be marginal from either a productive or an environmental point of view.

The extensive use of commercial fertilizers and pesticides is required to bring new land into production or increase the yield of current farm land. Considering the rising cost of energy to produce these products, commodities prices must be raised substantially just to break even with production costs. The environmental impact of chemical pesticides has not been fully determined, but most sources do not recommend increased use. (5) Increases in the cost of energy and the use of energy-intensive agricultural methods promises to be an ever increasing issue concerning the financial feasibility of agricultural operations. The ecological effects of pesticide use will also be a major issue

facing agricultural operations in the near future.

Although much of today's agricultural land base relies heavily on high energy inputs into farming methods to boost productivity<sup>(2)</sup>, there is doubt that productivity can be raised much beyond the present rate.<sup>(6)</sup> It has been noted that "we are irresponsibly optimistic if we depend on technology for salvation".<sup>(4)</sup>

Irrigation is another method of bringing more land into production or increasing the production of current farmed land. Over 400,000 acres of land brought into production in the last few years alone are dependent on man-made reservoirs, canals or deep wells for irrigation. There are now indications of the possibility of extreme drought conditions in the not too distant future. While very productive at this time, irrigated cropland in the central and northern great plains could be forced to return to less productive dryland farming by poor water quality and short supplies. Any increases in irrigation of those regions greatly affects the water table in the southern great plains.<sup>(2)</sup> It appears that reliance on irrigation as a means of keeping abreast of demand is not dependable over the long range.

According to Farmland: Will There Be Enough?, an Economic Research Service publication of the United States Department of Agriculture, the chances of meeting increasing agricultural demands are dependent on two factors: (1) "continued increases in per acre productivity" and (2) "development of more cropland".<sup>(1)</sup> Slight increases in per acre productivity will probably be seen. Increased production or development of new cropland are, as has been shown, often costly both economically and environmentally.<sup>(7)</sup> Both of these factors would seem to suggest the preservation of existing productive lands.

The ultimate answer to whether agricultural land shortages will occur is uncertain. The preceding facts, however, suggest such a

possibility. This possibility, alone is justification for research into methods of preserving agricultural open space. "The American faith in limitless land resources must yield to a recognition of the necessity to husband carefully our remaining open space".<sup>(8)</sup>

Agricultural open space on the metropolitan fringe is considered valuable ecologically as well as economically. "If the urban world is to function properly as a suitable living environment for people, then it is logical to expect that in planning the city, either in re-shaping an old one or building a new one, the principles of applied biology and ecology should be taken into consideration".<sup>(9)</sup> Vegetated open space is necessary for the proper function of the carbon cycle (figure I-1) and the hydrological cycle (figure I-2).

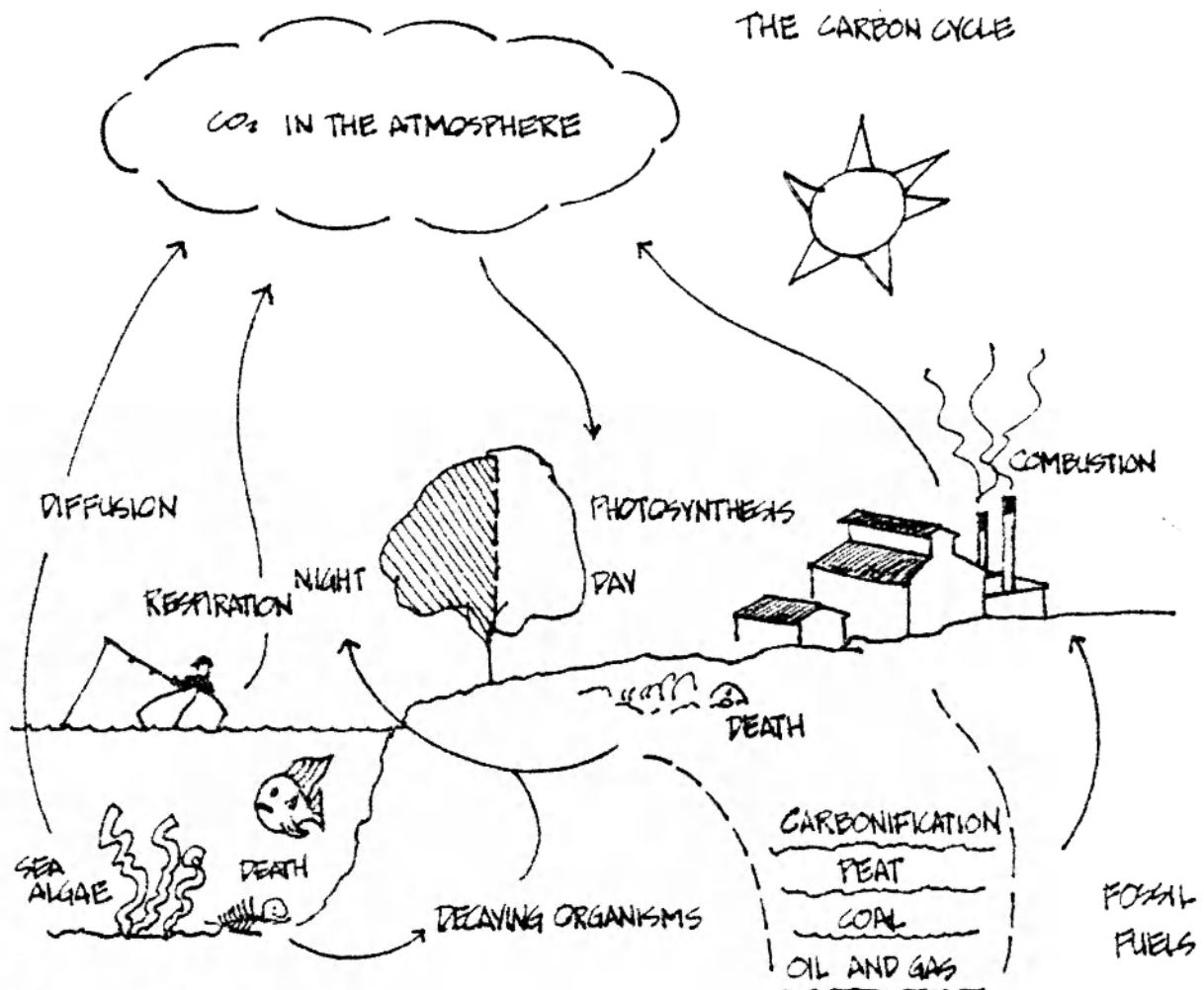


figure I-1

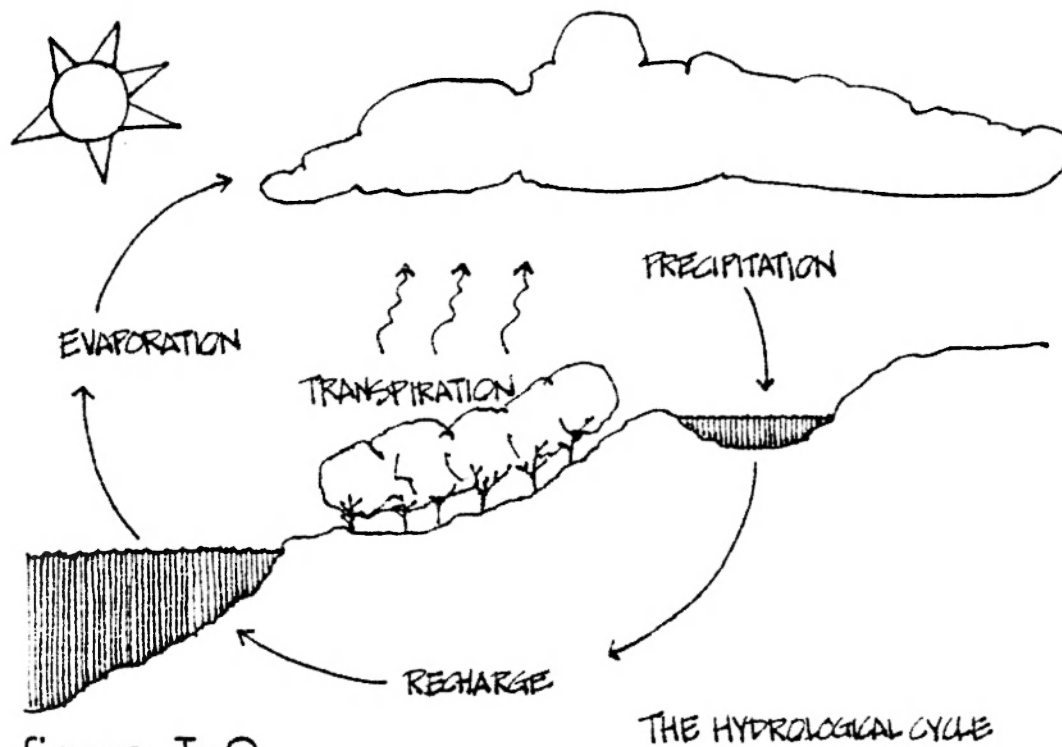


figure I-2

When these cycles are inhibited by man, water and air quality are reduced. Open space within urban areas not only plays a part in cleansing and refreshing the air and water, it also absorbs much of the sun's energy. This can, and does, greatly effect the climate of the city.

Closely associated with the ability of open space to provide a better environment in which man can live, is its ability to enhance the quality of human life. Access to open space is of major psychological and spiritual importance, hard to quantify, yet very real.<sup>(8)</sup> Agricultural open space should be preserved on the metropolitan fringe because it provides those who come in contact with it a close link with the natural systems of which we are all a part.

The metropolitan fringe is the land within the immediate growth pattern of a metropolitan area. Known also as the urban-rural fringe, it is an area which is neither city nor country, but has some characteristics of each. Fringe areas are in transition (although sometimes not visibly) physically, socially and economically.<sup>(2)</sup> Factors from the

urban and rural sectors of the community are combined to effect change on the metropolitan fringe (figure I-3).

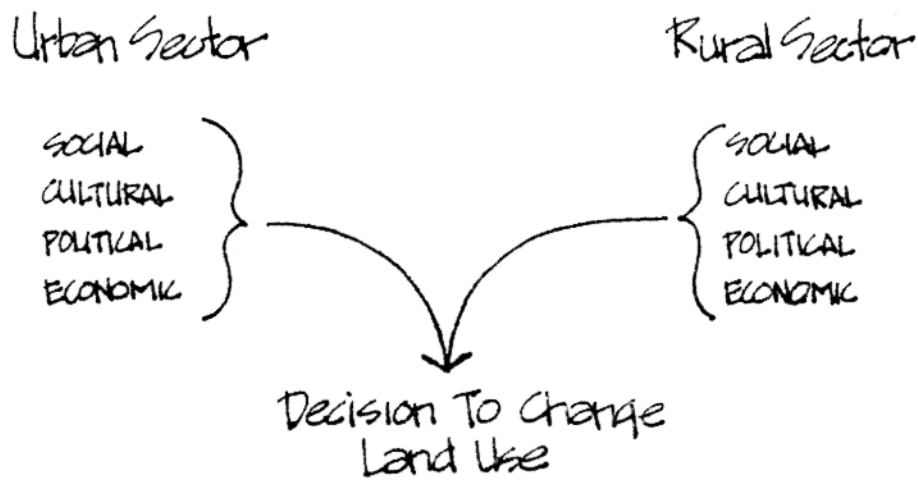


figure I-3

As cities spread out, the rate of change in land use is most intense on the urban fringe, along major transportation corridors, near industrial sites and in rural areas suitable for recreational or second-home communities. This change is caused by vigorous competition for land. It is in these areas that the need to minimize the dimensions of conflict between agricultural and development activities is most apparent. (2)

Because of the pressures put upon land in the metropolitan fringe, agricultural land in those areas is often in jeopardy of being converted to non-agricultural uses. There are several reasons for this occurrence. Urban demands for housing and industry enable developers to offer farmers more for their land than could be made by farming. (10) Increased taxes on farmland also help encourage conversion. With the discouragements from both the public and private sectors, farmers often sell their land even though they might otherwise continue farming.

The private sector, through speculation, demands more growth. Government discourages farming through increased taxation of farmland ripe for development.<sup>(11)</sup>

Speculation is a major contributing factor to the loss of agricultural land. In 1964 agricultural land in Standard Metropolitan Statistical Areas (SMSA) was worth between 892% and 1975% more for development than for agricultural uses. At that time farmers only collected about 12% of this appreciation.<sup>(10)</sup> This would yield a net profit to the farmer of about 165% more than the farmer could make from his land by farming it. Land speculators collected the rest of the profits.

Land on the fringe has two values; its urban, or development, value and its agricultural value. Depending on location, the urban value is usually greater than the agricultural value. Hence, conversion to urban uses. The problem is that much of this land is among the most productive land being farmed. It is clear that the need to minimize the conflict between agriculture and other activities in areas becoming urbanized is important.<sup>(2)</sup> This thesis proposes one method of reducing this conflict.

Real estate taxes on farmland have also helped encourage conversion of agricultural land to other uses. The taxes paid per acre of farmland increased in 41 states in 1974.<sup>(12)</sup> This fact, coupled with the high cost of farm operations and no equal rise in commodity prices, is forcing many farmers out of business.

Phoenix, Arizona is typical of the current conversion of agricultural open space on the metropolitan fringe. Although the long growing season and irrigation make it some of the most productive farmland in the world, "over 80% of the people in the Phoenix area live on land that was once farmed". The Salt River

Irrigation Project at Phoenix once served 148,000 acres of farmland. Now it serves 88,000 acres. The rest has been lost to urbanization. (13) This type of occurrence is typical of much of the development of the post World War II development boom. The time has come to do something about it.

Various means of protecting agricultural open space on the metropolitan fringe have been devised both in the United States and abroad. These means involved government control of land use through measures ranging from outright bans to purchase of development rights. The scope of some of the schemes testifies to the seriousness of the problem.

There are many approaches being used abroad to solve the problem of loss of agricultural open space. Many involve the use of some sort of zoning. "Zoning consists in allocating the different types of land use among a number of zones, specifying the conditions of each use and implementing a number of restrictive or incentive measures for carrying out the plan". (14) The various schemes to control land use through zoning are complex and too numerous to mention in detail, but some are unique and deserve explanation.

Land use is controlled in the Netherlands by the Land Planning Act of 1962, which took effect in 1965. Land is treated by the act as if it were a natural resource such as minerals or water. The use of the land is determined at 3 distinct levels of government in cooperation with each other. Central government authorities decide where land development should or should not occur in relation to the growth pattern of the entire country. Every 10 years the Provincial Councils draw up regional plans which serve as guidelines for municipal plans. Town councils work out municipal land use plans which specify exactly what land uses are permitted within each area. The plans must then be



approved by the Provincial Council. Cooperation between the authoritative bodies at all levels is at least partially the reason for positive results in controlling development in the Netherlands. (14)

Stringent requirements must be met before development may occur on agricultural land in Germany. Socio-economic, demographic, and environmental impacts and capacities are studied in detail before land use changes may be made. Although final authority for land use plans remains with local planning agencies, land programs have been developed to coordinate land use decisions throughout much larger areas. Local planning authorities draw up land use plans which are the basis for development plans for that area. These municipal zoning ordinances are legally binding. That is, no development may occur which is not prescribed by the zoning laws. By using these municipal plans along with a high degree of cooperation and technical assistance from the federal government, the Germans have been able to not only preserve agricultural open space on the metropolitan fringe, but also to guide development rationally throughout the country. (14)

The United Kingdom employs several methods of controlling land use. One of these is a form of zoning through which land resources and present land uses are identified. A physical plan is drawn up to indicate what changes in land use, if any, will be allowed. Any proposals to change the use of the land must meet with the approval of the municipal council. Every detail of the proposed development must be considered, including design and materials of any structure. Once a permit is granted, it is in effect for only 5 years. After 5 years, a new permit must be obtained. The physical plans are subject to public approval before adoption, but, once adopted, they extend for 10 years. The overall planning strategy for each region is determined by regional planning authorities, but final control is left to the county

planning authorities. This system of land use control is very old and is founded on the principle that every change in land use is subject to approval. (14)

Also used as protection for agricultural open space in England and Scotland is a system of greenbelts. These greenbelts are large bands of land completely surrounding such major cities as London, Oxford and Birmingham. Within these zones, land is set aside from any urban use. These greenbelts are designed to limit the growth of the city, provide open space for recreational and scenic uses, as well as to preserve agricultural open space. (15)

The Canadians have taken a firm grasp of the control of their agricultural land. Out of a total of about 200 million acres of arable land, 170 million acres are already in use. (16) The problem of loss of this limited resource to urban expansion was so great that in December of 1972 British Columbia put into effect a law which temporarily halted all subdivision of prime agricultural land. In 1973, the British Columbia Land Act was passed to take the place of the 1972 law. The new law created a commission to control all sales of prime farmland for urban development. The commission has the power to deny such transactions altogether, or purchase the land with the option of holding, leasing, or selling it as necessary. (13)

In the past decade, a great many methods of land use control have been adopted in the United States. According to a study carried out by the American Institute of Planners for the Department of Housing and Urban Development, 27 of the 50 states had a total of 38 operating general land use programs by the end of 1975. Twenty-four of these give some degree of authority to the state government to coordinate local land use decisions. Nine call for mandatory planning at the county or local level and five had created comprehensive state programs

for states to deal directly with developers for land use permits. Forty-two states have legislation providing for preferential tax assessment of agricultural land in an effort to preserve agricultural open space.(17)

Although authority has been given to the state governments by the federal government, most states delegate their authority to the county or city level of government. Three quarters of the 3,000 counties in the U. S. have been given the power to enact zoning ordinances by their respective states.(14)

In the United States, zoning was first adopted as a means of land use control in 1925. The legislation creating zoning is not one law, but a collection of laws which vary from state to state. Each is unique in its intent and organization; but in general, land use is regulated by development plans which not only specify zones for each use and compliance with that use, but also dictate the location of roads and public utilities.(14)

Lately, there seems to be a trend toward state controlled zoning(14) but there is great opposition to giving regulatory powers, which have traditionally rested with local governments, to the already powerful state governments.(17) However, now some states do have a state zoning agency which approves local zoning plans.(14) The states with the strongest state regulatory power in controlling land use are Hawaii, Florida, Maine, New York, and Vermont.(17)

Hawaii has had state-wide comprehensive zoning since 1960. In the island state, land is divided into four classes; agricultural, urban, rural and conservation. All changes in land use must receive a permit from the State Land Use Commission.(17)

Critically endangered areas such as the Florida Keys and the many swamp areas are protected by the state government in Florida.

The state also has provisions for state review of major land developments through state-run regional commissions and other state authorities. (17)

Maine and Vermont have a system which requires that state permit requirements be met by major residential, commercial and industrial developments. State control is not strong, however, due to the long standing tradition of local home rule which is prevalent in New England and many other areas. (17)

In New York, voluntary agricultural zoning has been responsible for the preservation of valuable agricultural open space. Under a system of voluntary agricultural zoning, landowners give up the rights to development of their property. They are compensated for this loss by reduced tax assessment and other financial benefits. Already, over one quarter of the agricultural land in New York has been entered into this type of agreement. The arrangements last for seven years and are renewable upon expiration. (17)

Florida, Idaho, Maine, Montana, Nebraska, Nevada, Wyoming, Oregon and Virginia each have state laws requiring mandatory local planning. Each county, or city, is required to adopt some type of land use policy. The usefulness of these plans depends on how much state aid is given in their preparation and administration, and in whether or not they are carried out. Although this method is not new in urban areas, it has seldom been used in rural areas. (17)

Various taxation policies have been developed to help influence land use decisions. Forty-two states now have laws that provide for taxing agricultural land at its use value rather than its development value. The states that do not employ preferential assessment are Alabama, Georgia, Kansas, Louisiana, Mississippi, Tennessee, West Virginia, and Wisconsin. Although preferential assessment alone has

not usually been sufficient to guarantee the desired results, this method has been used in conjunction with other measures to evolve useful land policies.<sup>(17)</sup> Preferential assessment will be discussed more fully in Chapter III.

The kinds of taxation policy used to control land use are varied. Connecticut uses a conveyance tax, which is set at 10% of the sale price of the property, to be levied if the land is sold within one year. The tax decreases one percent until it reaches zero after 10 years. Thus, a penalty is provided for quick turnovers of open space, thereby controlling speculation.<sup>(17)</sup>

Since 1973, Vermont has used an increment value tax which only taxes unearned value from property at sale time. Actual improvements to the land are not taxed. The increment value tax helps to curb speculation while considering the risk of land holding as a public service.<sup>(18)</sup>

The Southampton plan, used in Long Island, New York, allows landowners of agricultural land on the fringe to concentrate development rights of a large parcel of land on a small portion of that land. The rest of the land is used only for farming since development rights have been waived. The development portion can be developed or sold, to the landowners advantage. The farmland is taxed at its use value, allowing for continued production. The development portion is taxed at its development value. Through this plan, the landowner is compensated for the loss of his development rights on the agricultural portion by the increase in the value of the development portion.<sup>(19)</sup>

Capital investment planning is a viable method of controlling urban growth. It involves strict review of all allocations of public funds for building development infrastructure (sewers, roads, water lines, etc.). This is an area in which the federal government can

intervene through its matching fund program. The federal government can accomplish this by merely exercising discretion over which programs it supports financially. The states, however, often have control over which communities can apply for federal funds. Maryland, Pennsylvania, and Montana all have requirements stating that development plans must be consistent with community plans to provide water and sewers. Capital investment planning can be coordinated with land use strategies to have a potentially great amount of control over development of almost any kind. (17)

There are many more methods which have been used to preserve agricultural open space. They cannot all be covered here. It appears, however, that there is still a need to explore the possibilities of private control of open space, with a minimum of governmental encouragements. With some effort, the conflicts between urban growth and agricultural land preservation can be reduced. This thesis is an effort to explore the possibility of blending urban development with agricultural open space. The farm colony concept will be introduced, in Chapter II, as a feasible compromise between strict government control and haphazard urban sprawl.

## CHAPTER II

### PROPOSED SOLUTION: THE FARM COLONY CONCEPT

The contention of this thesis is that the preservation of agricultural land in metropolitan fringe areas can be encouraged by the promotion of private developments known as farm colonies. Through development of this type, prime agricultural land is kept in production, while surrounding marginally productive property is used as a housing development base.<sup>(20)</sup> This not only provides housing areas with the attractive amenities of farm life and scenery, but also makes available large amounts of capital required for successful modern farming operations. Each homeowner is part owner of the farmland through his membership in the farm colony homeowners association. The association, in turn, manages the farm with major decisions subject to homeowners' approval and everyday problems handled by its board of directors. Food produced at the farm is sold to residents at cost, with surplus being sold at market. The aim of this thesis is to explain how the farm colony concept works, identify problems foreseeable in the implementation of farm colonies and to propose techniques for solving those problems.

The idea for the farm colony concept was first conceived in 1971 by Gilbert J. Edwards, a real estate businessman from Ft. Lauderdale, Florida. He then hired Michael Redd, a landscape architect also from Florida.<sup>(20)</sup> Together, they worked out the conceptual plan for farm colonies and have now implemented several farm colonies in southern Virginia.

Based upon the almost utopian idea of communal ownership of a farm, the concept was refined and worked out as a viable development

alternative. It seems that farm colony lot owners may enjoy all the benefits of farm life with none of the responsibilities of everyday farm chores.

The farm colony concept is fairly straightforward. A working farm, which meets some essential requirements, is subdivided for housing while valuable agricultural land is kept intact. The portion of the farm that is not suited for agriculture is used for homesites, while the rest of the land is preserved (see figure II-1). An appropriate method for determining which land should be developed or maintained is explained later in this chapter. Included in the sale price of each individual lot is part ownership of the farmed portion of the development. The lot owner has fee simple title to his lot along with ownership, in condominium with the other lot owners, of the farm. He is also automatically a member of the farm colony homeowners association. The farm colony homeowners association hires, through its board of directors, a competent farm manager. The job of the farm manager is to maintain the farm. While many farms may actually turn a profit, any loss incurred can be made up with homeowners association fees to supplement the farm managers salary and pay maintenance costs.



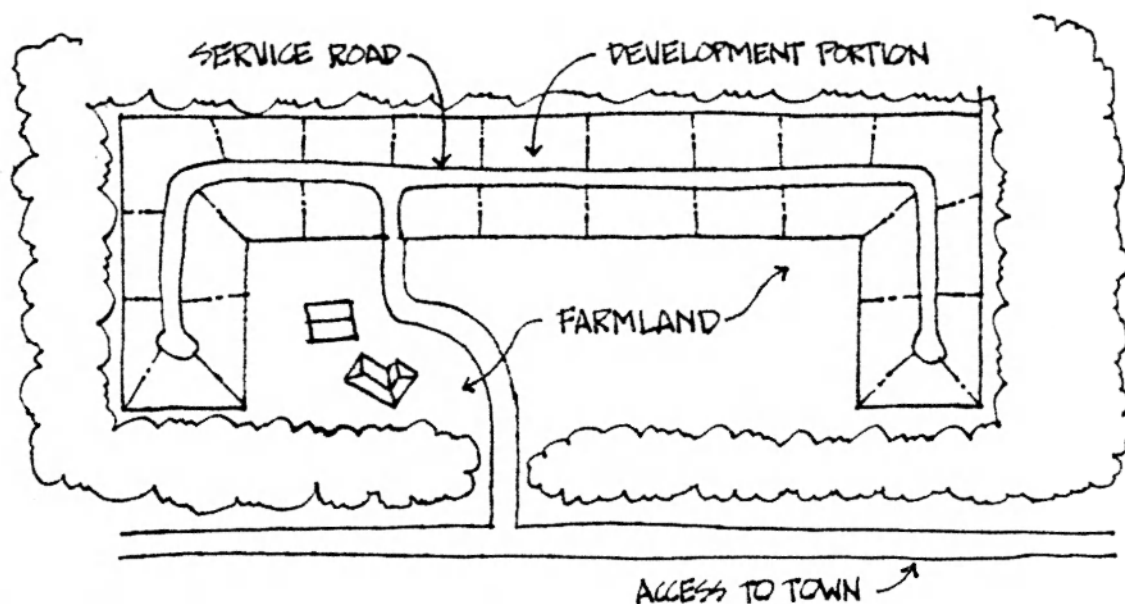


figure II-1

Implementation of the farm colony concept requires several important steps. Each of these will be defined in this study. The steps are:

1. site selection
2. site planning and development
3. establishment of legal instruments
4. marketing

#### SITE SELECTION

Site selection is probably the most important factor in the establishment of a farm colony. The location and character of the farm are of utmost importance to the success of the development. It is imperative that the farm chosen for farm colony development be a working farm, already in operation. Michael Redd has pointed out that it must always be kept in mind that a farm colony is to be a "farm with housing, not housing with a farm".<sup>(21)</sup> An already profitable farm is the best evidence that the agricultural operation of the farm will be successful. Without this base, the feasibility of the farm colony concept is questionable, both practically and philosophically. If the

agricultural operation of the farm becomes unfeasible, both agricultural open space and an attractive amenity are lost.

The most ideal farm for farm colony development is well kept, with a large farmhouse and adequate buildings and equipment in good repair. Good buildings and equipment are necessary for farming. The farmhouse may be used for a community social and recreation center and as a place for would-be owners to stay while their houses are being built.

There are many natural amenities which greatly enhance the desirability of a farm colony site. The farm should have some inherent natural beauty. Forests, interesting topography, or reserve land for wildlife preserve can all add to the quality of the site. Aesthetic quality judgements must be made on-site to estimate whether the farm would be attractive to the buying public. Streams and ponds can also be invaluable for recreation, such as fishing and swimming, or merely as scenic amenities. These features will help to make sales of the homesites and the farm colony concept easier.

Another desirable feature to look for is that the farm be of a non-labor intensive nature. This factor makes it easier for the farm manager to keep the farm up himself without having to hire extra labor, except during certain times of the year. Redd and Gilbert have determined that the production of beef cattle and some vegetables and chickens is one of the lesser labor intensive types of farming. (20)

Besides being a working farm, there must be enough residual land to be readily developed as homesites. This residual land is land which otherwise would not be put to use for major agricultural production. Wooded and steep land are good examples of this type of land. There must be enough residual land to yield sufficient homesite lots at a marketable price and still come out with an attractive profit

margin for the developer.

Mr. Redd has suggested that the number of homesites be limited to 50, for aesthetic and legal reasons.<sup>(21)</sup> This number would, however, depend upon the setting and region of the country. For instance, the optimum size of a farm colony development in the Blue Ridge mountains region of Virginia might be from 200-350 acres, with around 50 homesites.<sup>(20)</sup> In the plains around Denver, a larger farm might support a much larger development. The size could vary greatly even within a given geographic region. The surest way to be certain of the size is to determine whether each homesite has what the farm colony concept is all about. That is, a certain amount of privacy and country life coupled with the ownership and recreational use of a farm. The size of the farm may vary, but benefits to the future owners should be kept in mind. It is advisable to keep the development at a workable size both from the standpoint of a successful homeowners association and efforts to maintain the rural character of the site.

Aside from choosing a site with adequate non-farm land, preferably with good view, the land must also be readily developable. It must, however, be kept in mind that a farm colony homesite will probably be more expensive to develop than traditional suburban homesites. The land used for development will probably be sloping and/or wooded. The farmed portion of the site, because of soil types, drainage patterns and topography, will always be more suitable for development than the more marginal areas of the farm. A compromise must be made in order to preserve the working farm. Development costs will be higher, but may be kept within reason if care is taken in choosing the right farm and comprehensive planning with regard to land planning, engineering and construction economics. Unforeseen soil problems or drainage considerations could result in development losses when construction takes place

if such considerations are overlooked. Special development costs incurred by natural conditions must be taken into account in order to keep the development within feasible limits. These factors must be considered as the site is chosen.

The location of proposed farm colonies, in order to fulfill their purpose within the context of this study, must be as close to the already urbanized area surrounding the city as is economically feasible. That is, it must be on the urban fringe, as described in Chapter I of this thesis. Increases in the land market in the area will have a major impact on how close to the city farm colony development is economically feasible. Public encouragements for preserving agricultural open space, such as use value appraisal and other tax incentives, can make it more feasible to develop farm colonies closer to the urban center. These public encouragements will be discussed in Chapter III.

Distance to urban and cultural centers, the condition of transportation links and the actual driving time to market cities must all be taken into account when selecting a site. These factors clearly effect the sales and success of the farm colony development. Sites within one, or at most two hours drive are desirable for people who must commute via automobile to the city to work. Further distances than one hour's driving time are feasible for the development of farm colonies, but such sites don't help to solve the problem on the metropolitan fringe (see figure II-2).

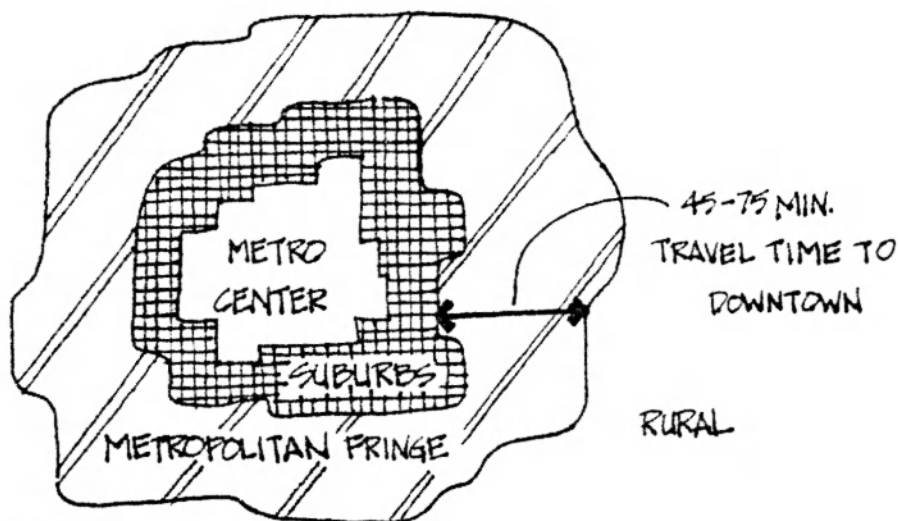


figure II-2

Monetary considerations should come first and last in the site selection process. First, only farms within a reasonable price range should be considered. This price range will be determined by how much front end financial commitment the developer is willing to invest in the venture at the outset.

Before the final decision to purchase the farm, initial acquisition costs for the farm itself are added to the estimated developmental and promotional costs to determine the total cost of development, and the percent of return on investment which could be realized. If this final figure seems to be a marketable one in comparison to local real estate prices, the next step is to acquire the farm and begin site planning of the farm colony. It should be remembered that although the cost of farm colony lots may seem high, this price not only includes lot ownership, but it also includes part ownership in the working farm.

#### SITE PLANNING

Having selected an appropriate site, physical planning of the farm colony should be accomplished with the advice of a competent professional who is experienced in land development and design. The task

of the designer is to fit housing lots into the development portion of the farm with the least disruption to farming operations and site amenities. Perhaps of first priority to the design is that the farm itself remain intact. The final solution should reflect careful consideration of the natural site conditions and provide for the most ecological and economical layout possible.

As with any real estate development, the design process should begin with careful analysis of existing site conditions. Soil samples should be taken to determine what, if any, conditions exist which might require special design techniques. Surface and subsurface drainage patterns should be recognized and altered as little as possible. The design should follow the topography of the land so as to require as little earthwork as possible (see figure II-3). Existing trees and other vegetation should be kept as intact as possible to preserve the scenic quality of the site as well as minimize erosion and runoff problems.

The working portion of the farm should be analyzed to determine which areas are essential to its continued success. These areas should be designated and kept intact as much as possible (see figure II-A). It may not be feasible to keep the areas exactly as designated, but they should serve as guidelines from which decisions can be made about the housing portion of the development. Although the areas are flexible, it is important to remember that the working portion of the farm has to be a workable and financially sustaining entity unto itself. Compromises can be made, but hopefully the housing can be fit unobtrusively into the farm rather than the farm fitting into the housing (see figure II-4).

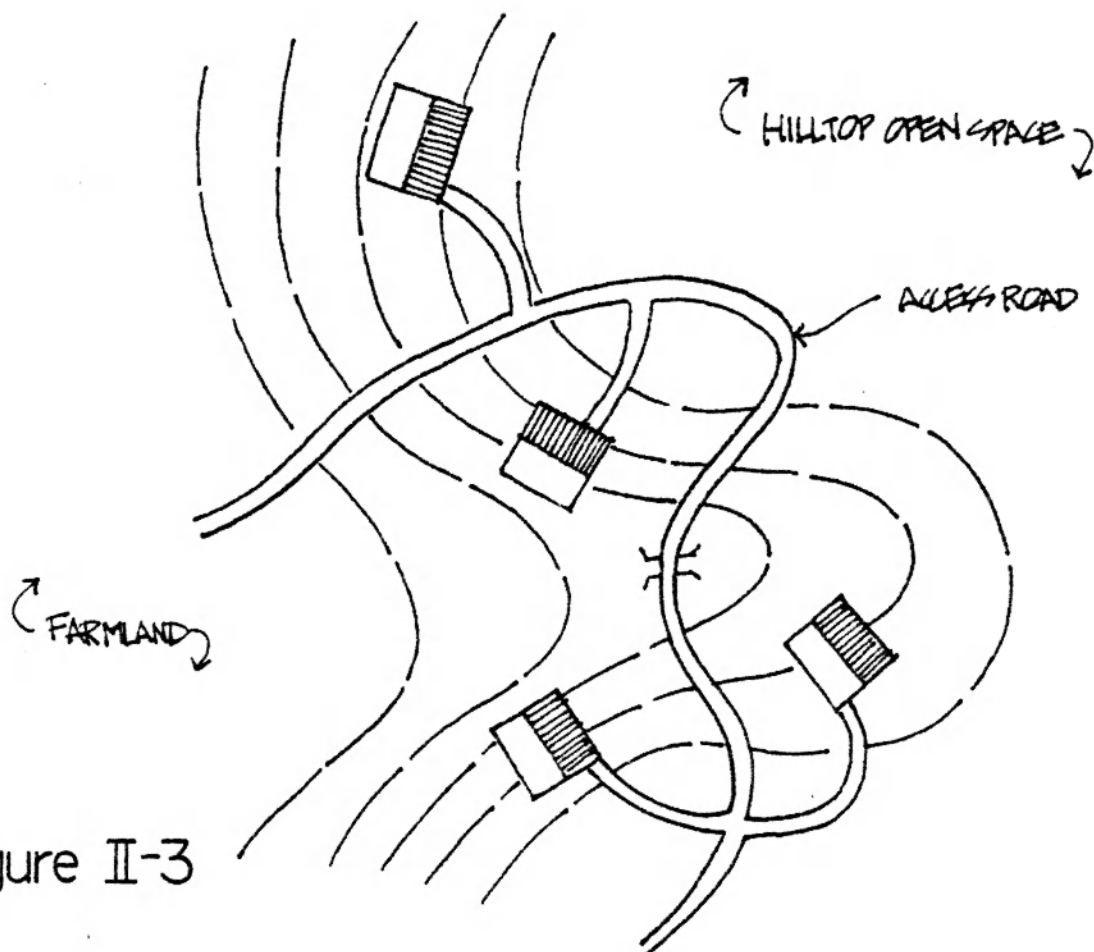


figure II-3

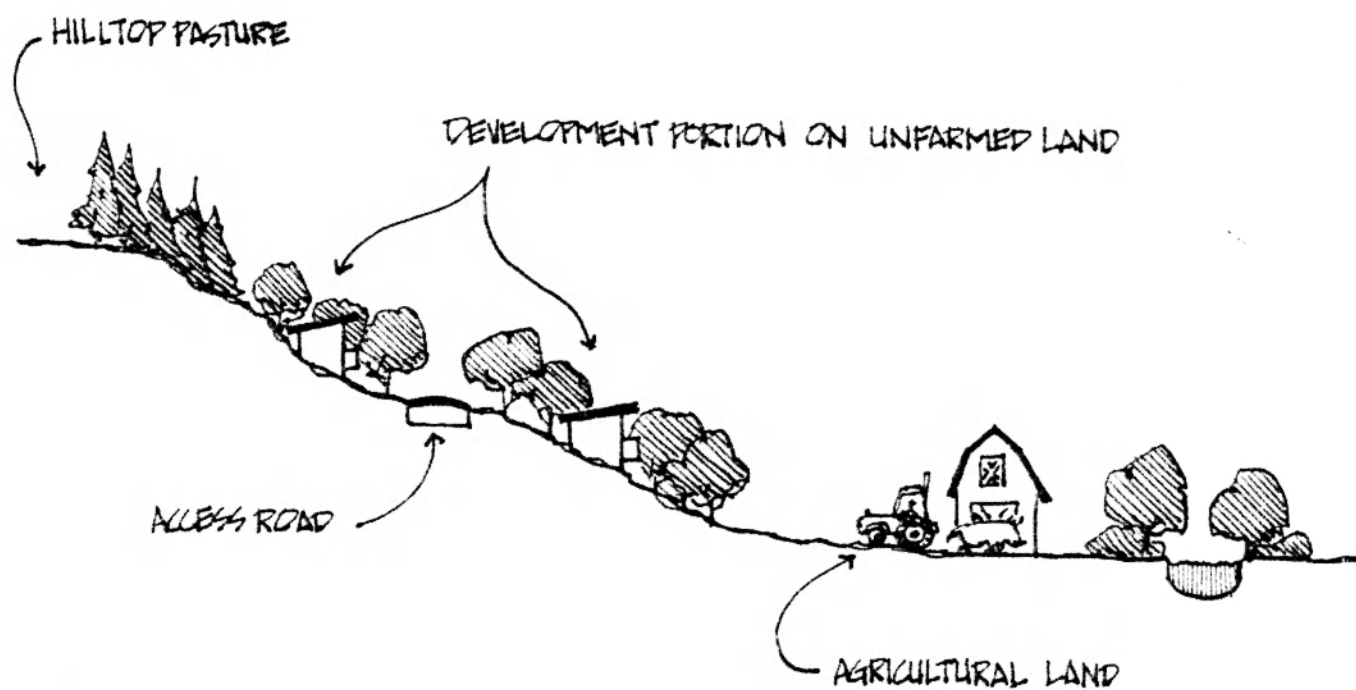


figure II-4

Access roads, to serve the homesite areas, should reflect the contour of the land (see figure II-5). There should be as little interference with the farm operation as possible. Roads must be designed to meet local standards, yet be of minimum length and width to keep costs down and intrusion into the agricultural operations at a minimum. They should also be designed to keep intact, as much as possible, the natural drainage of the site (see figure II-6).

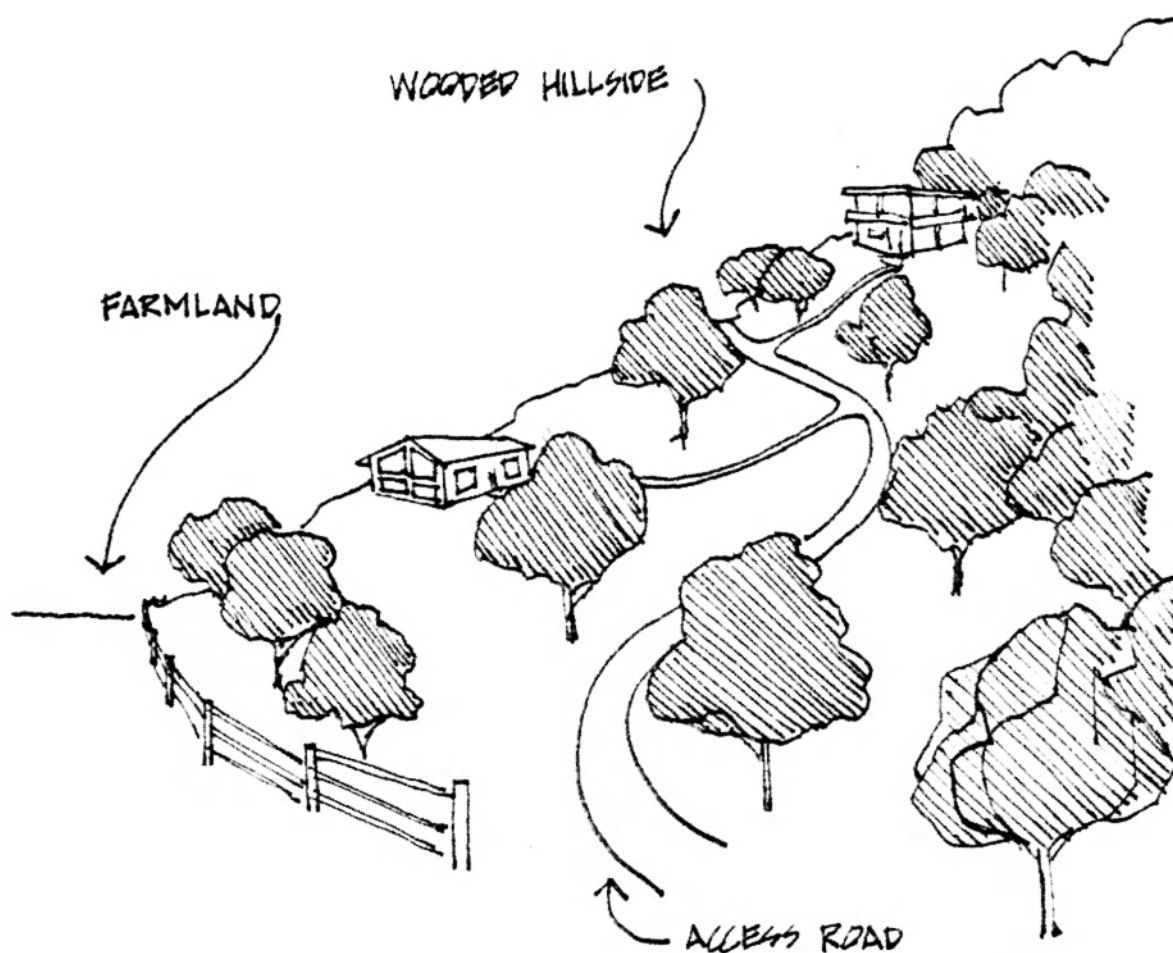


figure II-5



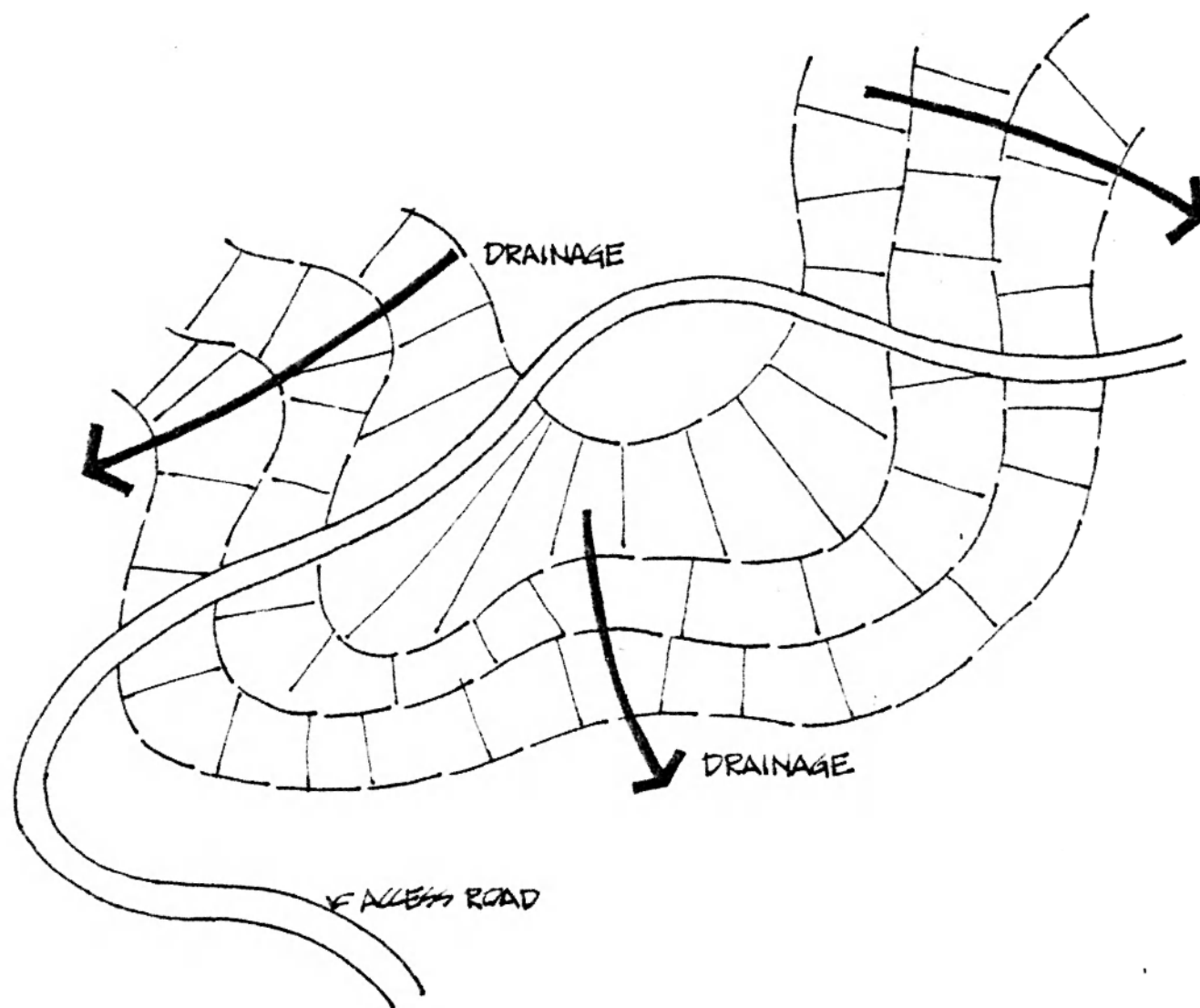


figure II-6

The actual layout of the residential lots is the next step in the planning process. Lot sizes are usually determined by zoning regulations. However, under farm colony circumstances, zoning variances will probably be necessary. The lots should be laid out with effort made to give each site some character of its own. Views, stream or pond frontage, and heavily wooded sites are desirable. All lots should have direct pedestrian access to some type of open space (see figure II-7). The shape of the lots will be determined greatly by the access roads and location of the agricultural area. Each lot should have at least one good buildable location for a house.

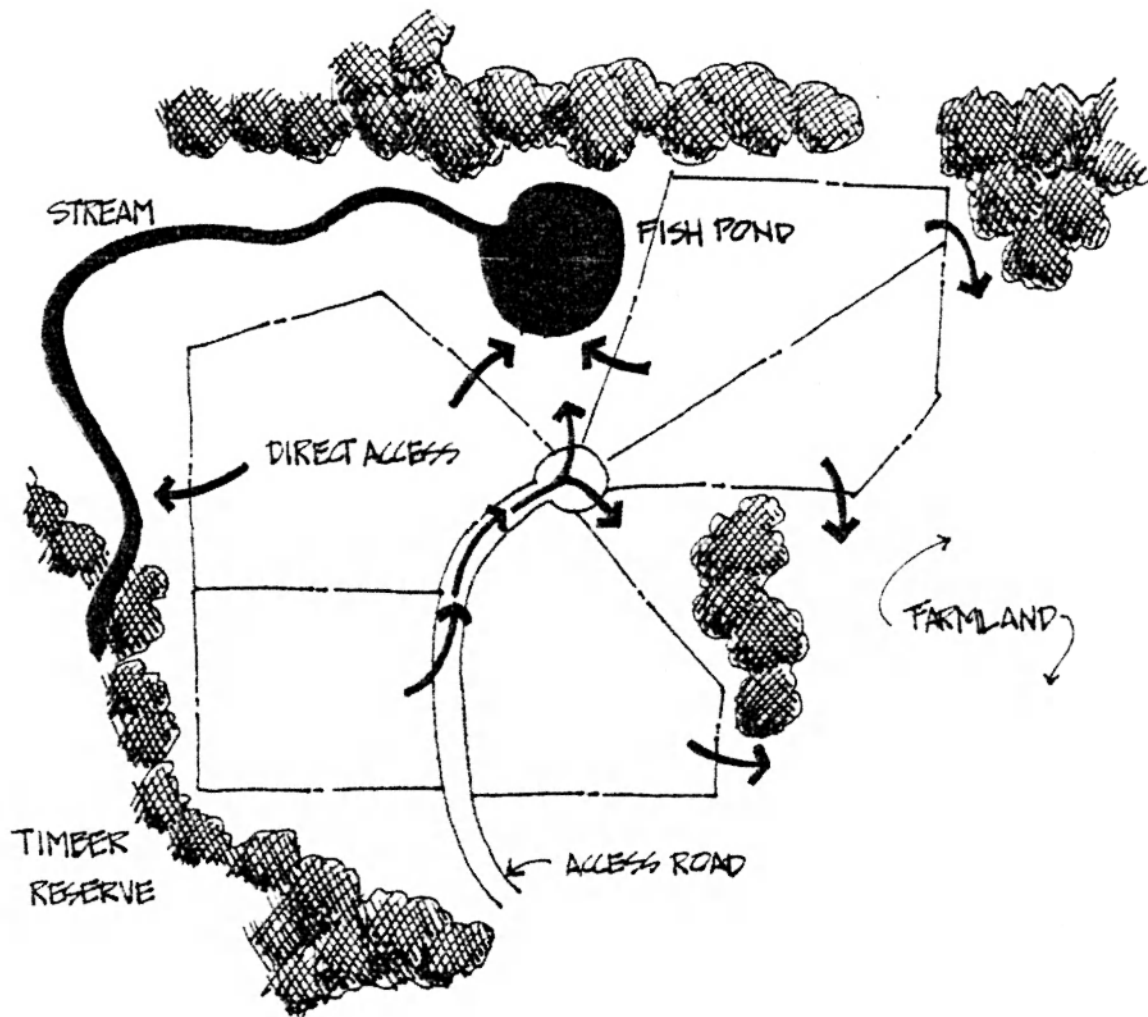


figure II-7

Utility systems are to be considered concurrently with the previously mentioned steps of the planning process. Water, electricity, telephone and sanitary sewers are the main utilities to be considered. Water may be supplied by a nearby municipality (if available); individual wells at each homesite may be undertaken; or an independent water system could be installed. Electricity will probably have been installed at the farm. However, arrangements must be made with the electric company to increase the service. All electric and telephone lines should be located below ground for aesthetic reasons. As with most utility systems, economy and feasibility should be the deciding factors when considering utility options. When laying out the utility system, the minimum possible routing should be followed.

Sanitary sewerage of the farm will require choosing from several types of sewage systems. Soil type and topography are major considerations. Where soil conditions and zoning ordinances permit, septic systems are desirable, while in many cases a pressure collection system may be advisable. The decision of which type of system to employ should only be made after careful analysis of site conditions and housing density to determine which type would be most efficient for the development. Systems which do not conform to rigid standards should not be employed. Failure of inadequate sewage facilities means loss to all concerned.

Final steps in the planning should include preparation of the farm for sale. This would involve repairing and painting fences and buildings, along with general cleanup of the whole farm. The farm should be very well kept in order to remain a major selling point of the farm colony. Some type of entrance feature should be implemented to establish the agricultural character of the farm colony (see figure II-8). Planting masses should be used to screen objectionable views

and enhance good views (see figures II-9 and II-10). The more attractive the farm is, the more desirable it will be as an amenity to aid in sales.

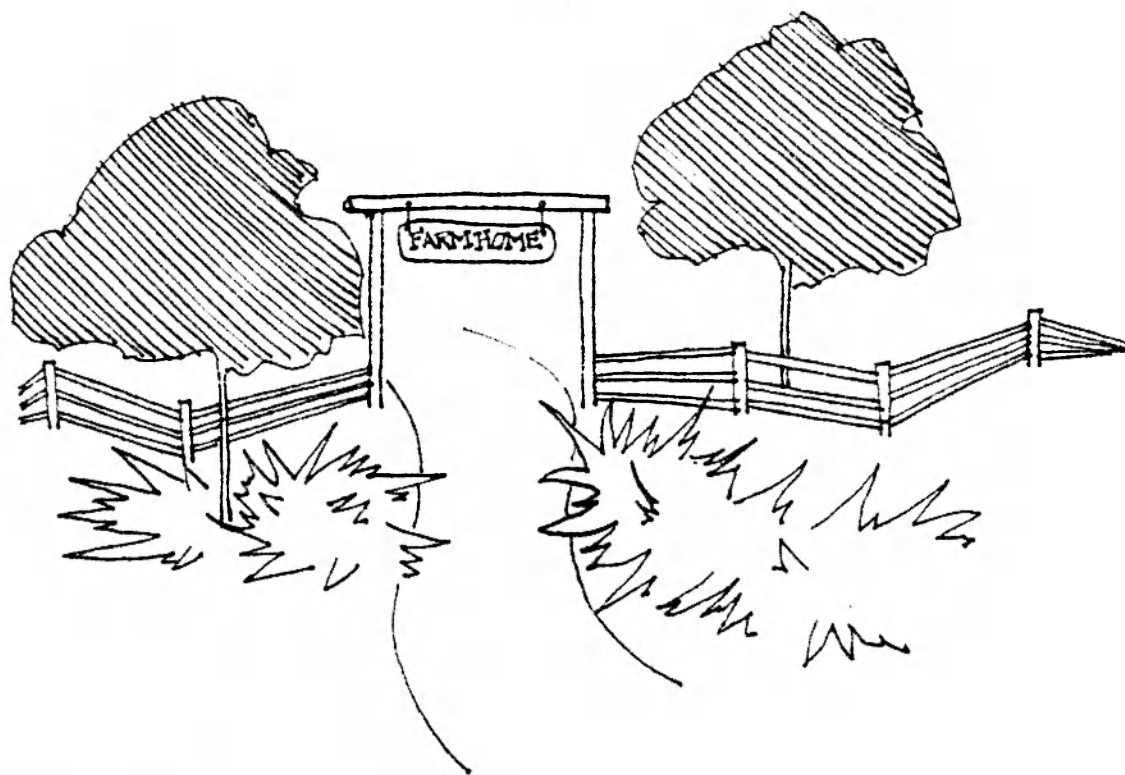


figure II-8

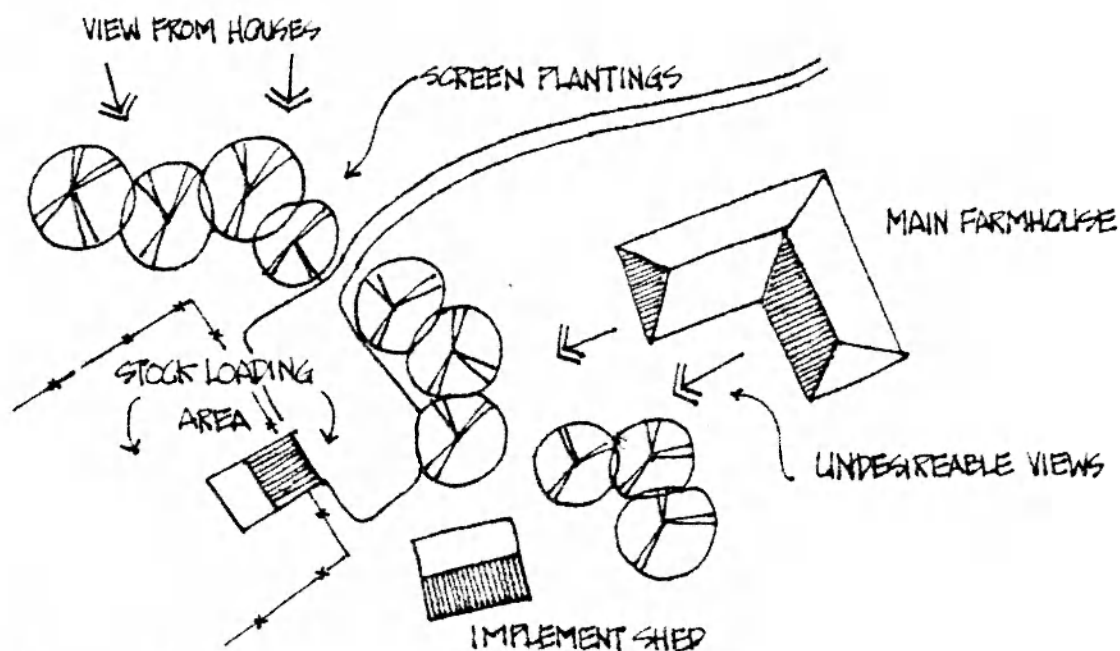
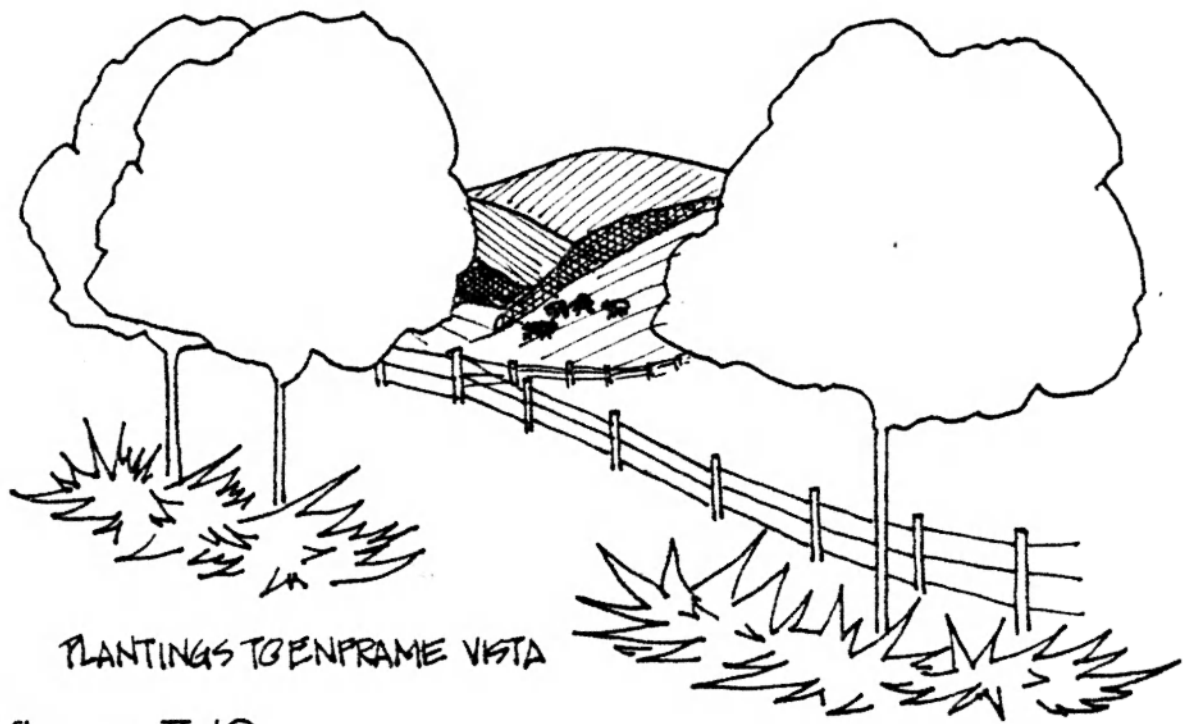


figure II-9



PLANTINGS TO ENFRAME VISTA

figure II-10

#### ESTABLISHMENT OF LEGAL INSTRUMENTS

Concurrent with the site planning of farm colonies should be the investigation of local ordinances which are applicable to the development. Compliance with local statutes in the beginning could save money and time further along in the process. In some cases, zoning variances may be necessary. It is hoped that the farm colony will, once explained, speak for itself as a worthwhile development deserving special consideration. As the master plan is being conceived, it is a good idea to establish a working relationship with the appropriate local governments. Complete understanding of the farm colony concepts by county officials may help to insure its success.

In order to insure the continued success of the development as designed, certain precautions should be taken. What is needed is a workable legal vehicle which establishes the farm colony and maintains its existence. Experienced legal counsel should be sought to develop the group of documents necessary. The goal of the documents should be

to use the simplest possible language to cover some complex legal matters.

Among the documents necessary are purchase agreements between the developer and buyer along with protective covenants placed on the land. A declaration of incorporation establishing the condominium ownership of the farm by the lot owners should also be included among the documents. By-laws are necessary to govern the homeowners association which is the corporate entity which owns the farm and all common land. (See Appendix A for sample forms and clauses of protective covenants, declaration of incorporation of the homeowners association and homeowners association by-laws). The intent of the legal documents as a whole is to allow the homeowners flexibility in operating the farm, while protecting the investment of all concerned.

The purchase agreement between the buyer and developer should provide for the exchange of fee simple ownership of a homesite, automatic membership in the homeowners association, and the right to use the farm in conjunction with all the other owners. Supplementary to the purchase agreement are the protective covenants.

The protective covenants should include conditions, restrictions, and easements to the use of all lands within the farm colony. This document states basically the way in which common areas and private lots may be used. The intent of these restrictions is to insure the enjoyment and protect the investment of all lot owners by prohibiting any offensive activities or other occurrences which could be detrimental to the character of the farm colony. Which covenants to include should be decided initially by the developer to protect his investment and to insure the continued success of the development. As the project is completed and the homeowners association is fully established, the developer will relinquish control of the development.

The developer must, for his own safety, maintain dictatorial control over the project until its completion.

Building restrictions, which apply to all residential lots, should be established and included in the covenants. Any structure built must have previous approval by the homeowners association architectural review committee. This committee should be first established by the developer and then turned over to the control of the homeowners association after the project is completed. At least one professionally qualified architect should serve on the review committee. Size, location, color and all other aspects of construction must be approved in order to maintain a degree of quality in the appearance of the farm colony. In addition, any other physical changes to the environment such as fences and planting plans should also be subject to review.

The developer should establish the homeowners association at the beginning of the project. The association is set up under articles of incorporation and by-laws governing its operation (see Appendix A). As the project is completed, ownership of the farm and responsibility for its upkeep and the upkeep of all other common lands shall be turned over to the homeowners association. Until completion, ownership and control of the farm colony lands should be kept by the developer.

The homeowners association should have a board of directors who hires a competent farm manager to take care of the farm and its buildings. The farm manager should be experienced in the farming type intended. He should, preferably, be from the same area in which the farm is located.<sup>(21)</sup> Since the continued operation of the farm is of utmost importance, selection of the farm manager should be done carefully. A good farmer who is experienced in modern farming techniques and who will also keep the farm attractive is a definite asset.

Marketing of farm colonies should be undertaken along with the

planning phase of the development. Publicity concerning the farm colony concept and its advantages may be employed during the early stages of the project. As the planning is completed, more specific information concerning the actual layout and costs of the farm colony lots can be distributed to the interested public. It is best to employ the services of a professional advertising consultant to identify the specific market to which the farm colony lots might be sold and concentrate on contacting that market.

Samples of the restrictive covenants and the homeowners association by-laws should be made readily available to inform the buyer of how the farm colony is set up. With this understanding, the buyer will hopefully recognize the security of his investment as well as its aesthetic appeal. The idea of living on a farm is appealing to many, so sale of the lots should be little trouble. A brochure with a well delineated plan of the farm colony will help sell the lots (see Appendix B). Sales of the farm colony may either be handled by professional real estate agents or the developer's staff. In either case, personally guided tours of the farm colony would help to display the warmth and friendliness of farm colony life.

The role of the professional in the development of farm colonies cannot be over-emphasized. The services of a professional landscape architect or land use consultant should be engaged from the onset of the project, even before site selection. Their role in site selection is very important because of their insight into land use patterns and development. During the planning stages, landscape architects should be employed to deal with the design problems that arise. Attorneys are necessary to insure the continuity of the farm colony through the necessary legal documents. Advertising of the farm colony should be done with the help of an advertising agency. In general, it is good



business to seek the aid of professionals to help make any major decision involving technical knowledge outside the developer's experience. These decisions, when made by competent people, often save both time and money.

The farm colony concept is a potentially useful tool to help preserve agricultural open space in a practical way. In order for it to succeed, it must first be a profitable venture for the private developer. Full understanding of the concept is essential from the outset. If the farm colony is not planned as a viable farming operation with surrounding housing, the concept could fail. If planned correctly, everyone will profit. The developer would profit from sales of the lots, the homeowner from exposure to farm living, and the public-at-large from the preservation of agricultural open space.

In summary of the development process, the most critical step is site selection. A viable farm operation, with residual land for development, is essential. The developer should undertake an economic analysis to ascertain the desirability of the investment. Site planning of the farm colony is the next step in the process. The important consideration is to keep the working farm as intact as possible. The home sites should blend harmoniously with site conditions and fit unobtrusively into the non-farmland. To assure continued success of the farm colony, a comprehensive set of legal documents must be developed. The documents should establish the farm colony and allow for its continued maintenance. They should be restrictive of undesirable uses, yet not prohibitive of enjoyment. With professional assistance, a good site and good site planning can be combined with a suitable legal system to insure the viability of farm colony developments.

## CHAPTER III

### PUBLIC INCENTIVES TO PROMOTE FARM COLONIES

The success of the farm colony concept as a means to preserve agricultural open space on the metropolitan fringe depends greatly on its economic feasibility. Because of the situation on the metropolitan fringe, seldom will the concept be feasible without public encouragement. Several types of incentives may be used, depending on individual community needs.

Because land on the urban fringe is subject to intense economic pressure, it is not usually possible to develop farm colonies on land which might otherwise be used for traditional subdivision development. The cost of keeping the land open would be too great. That is, a developer could probably profit more by developing the farmland than by preserving it. Public incentives are necessary to reduce the pressures to develop the farmland. If this can be accomplished, the farm colony type of development could become an attractive investment alternative to the developer, and also preserve agricultural open space.

### REVIEW OF PUBLIC POLICY ALTERNATIVES

Many public policy alternatives are available for government to influence land use. These policies may either involve direct or indirect actions. Direct actions include the power of eminent domain, police power, the power to tax, and spending power.<sup>(22)</sup> Indirect actions are also available, though less obvious. The power to act affirmatively, through influencing the availability of information in the market and access and quality of public services, is an indirect action.<sup>(23)</sup> A brief description of each of these governmental powers follows.

Eminent domain refers to the power of the government to take land, for just compensation, and use it for the common good. It is often used for highway right-of-ways and can sometimes be used by railroads and public utility companies. This power is limited because it involves specific decisions effecting the use of a particular site. Its effect on land development historically has been relatively small. (23)

The police power of government is the ability to regulate the use of private property to protect the health, safety and welfare of the public. Zoning laws are the most common example of this type of power. Zoning is usually supplemented by subdivision regulations, environmental controls and standard building codes to provide direct control over the nature, direction, and pace of development. This tool is used principally by local governments. (23)

Originally designed for the provision of revenue, and not as a tool for land use control, the power to tax is a very direct means of influencing land development. By providing penalties and rewards for various land uses, tax systems can be devised to direct development. (23) This power is not only the major source of revenue for government, but it is also emerging as a very powerful method of influencing land use.

Indirect government actions have the effect of making desired uses feasible while discouraging other uses. By making certain information available, such as growth forecasts and community development plans, the uncertainty of land investments and speculation can be curbed somewhat. (22) This reduces the pressure on the land to convert it to urban uses. The services provided by public utilities can have a great impact on development by the government selectively granting access to them. (22) Without the availability of certain utilities, many land uses are prohibited. This is an example of indirect government control.

Various combinations of the aforementioned actions go together to form public policies to control land use. Many of these policies have been discussed in Chapter I. The particular actions used must be adapted to the level of government and specific needs of the area of jurisdiction. Federal and state agencies may work cooperatively with county and city governments to create a meaningful impact on land development of the metropolitan region scale.(22)

#### AGRICULTURAL DISTRICTS

There are several methods by which government can encourage farm colony development. One of these is the creation of special agricultural districts. In 1974, New York enacted legislation that allows for homeowners and the county to form special districts. These are subject to state approval. They may also be formed by direct state action with individual homeowners. Continuation of agriculture is encouraged in these districts by several means. Policies within the districts include the permission for preferential assessment, no excessive local regulation of farming and discouragements to public land acquisition (speculation) by control of information and restrictions on taxation for sewers and water. As discouragement for non-farm development in agricultural districts, it is required that government agencies must prepare a report justifying the extension of any public utilities serving non-farm purposes. They are also required to consider all alternatives before allowing such extensions.(22)

Since the farm colony concept of development does not drastically change agricultural land use, provision could be made in agricultural district legislation that might promote these developments. Once an agricultural district has been established at the perimeter of a metropolitan area, farmland could be retained with all the advantages of the district, but development could still occur, in the spaces that

are not farmed, by land use designation. Creation of agricultural districts is a relatively new concept proposed to preserve agricultural land. When combined with special variances for farm colony developments, it could not only preserve the open space, but also help increase the tax base of the area. This would be accomplished because the developed portion of the farm colony would pay higher taxes, based on fair market value, while the farmland would be taxed only on its use value.

#### DIFFERENTIAL ASSESSMENT

Differential assessment is the taxing of different land uses at different rates. By 1976, 41 states had enacted laws giving preferential treatment to agricultural land.<sup>(23)</sup> Some of these efforts have been more successful than others. Examples have been cited in Chapter I. An explanation of differential assessment and its various ways of encouraging farm colony development follows.

Differential, or use-value, assessment laws have been enacted to accomplish two goals; (1) to reduce apparent inequalities in application of property taxes to farms and (2) to influence land use. The laws are a modification of the real property tax code which provides for certain lands to be valued (for tax purposes) at current use value, rather than fair market value. Differential assessment laws are usually used for farmland, but are also used for forest lands, recreational lands and historic, scenic, or ecologically important lands.<sup>(24)</sup>

Generally speaking, differential assessment laws fall into three categories. They are preferential assessment laws, deferred tax laws, and restrictive agreements.<sup>(13)</sup> The three are used individually or in combination to influence land use. In order to be used effectively, it is necessary to first identify the specific objective of the law, then decide whether some type of differential assessment can

accomplish the objective.<sup>(24)</sup> To do this, an understanding of the three categories of differential assessment laws is necessary.

Preferential assessment laws provide only that the designated land be valued at its current use value, rather than its fair market value. This type of law is effective in reducing tax rates for farmers, but does little to deter later conversion of the land to urban uses. No penalty is enforced on the landowner for converting from farm use. Nine states now have this type of differential assessment law in effect.<sup>(24)</sup>

Deferred tax laws also tax land at its present use value, but there is a penalty tax for converting the land to another use. This penalty usually involves paying the difference between use value and market value taxes for a given number of years. In most states there is not enough penalty to substantially influence land use. In some states, however, stiffer penalties, such as the payment of roll-back taxes, provide limited incentive to keep the land in its original use. Deferred tax laws now exist in eighteen states.<sup>(24)</sup>

Restrictive agreements involve an agreement between the landowner and the local government to restrict the use of land for a set amount of time (usually ten years), in return for preferential assessment. There is usually a substantial penalty for breaking the agreement. It is effective for long-term land use control because of this penalty. Many varieties of this type of differential assessment are in use in ten states.<sup>(24)</sup>

To best meet the objective of preserving agricultural open space, through encouragement of the farm colony concept, restrictive agreements seem to be the most suitable of the forms of differential assessment. These agreements must be made judiciously by the government involved so as not to disturb the orderly conversion of land in

the direction the city wishes to grow. Otherwise, the result will be leap-frog development, increasing the cost of public services to all and handicapping local planning efforts. Local governments should retain the option of where it will enter into restrictive agreements. Local planning agencies should be required to prepare a growth plan to be followed for this purpose.(18)

Side effects resulting from differential assessment are sometimes hard to justify. When tax rates are lowered on some property, revenue is lost. This usually makes it necessary to raise the tax on other property. Some states have partially solved this problem by supplying aid to local governing bodies to offset their loss of income.(24)

Differential assessment places an irregular burden on the tax assessor. Instead of only figuring fair market value, the assessor must also figure use value of all agricultural property. With state programs to provide average values per acre (although subject to exceptions), the laws could be easier to administer. A uniform system of application would make differential assessment laws more efficient in achieving their goals.(24)

The major flaw in the use of restrictive agreements is that they are limited by their voluntary nature. Few farmers are willing to enter into an agreement which would perhaps keep them from realizing capital gains from their property. In many cases this gain is the farmers' form of "pension or retirement benefit".(25) Some feel that: "If restrictive agreements are to effect the rate of conversion of farmland, participation in them must be made mandatory".(23) This could be one method of encouraging farm colony development. Before allowing development permits, local government could require a special long-term restrictive agreement, enforceable by law. In any case, for this tool

to be effective, it must be made more attractive to landowners by increasing the benefits offered in return for development rights or by making restrictive agreements mandatory.

An alternative to differential assessment is the purchase of fee interest in the land. Through this system, governments simply purchase the land outright and maintain it thereafter. Purchase and leaseback for prescribed uses or purchase of the land subject to life tenancy by the owner are often more feasible. This type of land use control is effective, yet usually prohibitively expensive.<sup>(8)</sup> A tool almost as effective as fee purchase but less costly is the open space easement.

An open space easement is the purchase of less than fee interest in a parcel of land. There are "positive easements"<sup>(8)</sup> which give the public certain rights to use the land for some purpose such as hiking or general recreation, and there are "negative easements" which limit the use of the land by the landowner himself. Negative easements are normally used to preserve open space by restricting development of land.

There are generally two types of negative easements; conservation and scenic. Scenic easements are used to preserve the aesthetic beauty of the land. They restrict any development incompatible with this preservation. Conservation easements are oriented toward resource and wildlife protection. They help control flood lands, wildlife preserves, soil erosion and the natural state of the land.<sup>(8)</sup> Because the preservation of agricultural open space on the metropolitan fringe involves both types of negative easements, they will be discussed together in this report.

The use of easements has several advantages over entire fee purchase of the land. They cost less, yet achieve the same end.



Land, also, stays on the tax roles, but if the entire fee interest were purchased, the tax base would be lost. Also, the expense of maintenance stays with the owner. The easement may also serve as an inexpensive method of preserving open space that the public may wish to purchase for a park or other recreational purposes at a later date.<sup>(8)</sup>

To induce landowners to give or sell an easement to the public, a tax advantage can be granted in the form of a deduction from the landowners' taxable income. By this method, tax pressures, which often hasten development, can provide incentive for sale of easements.<sup>(8)</sup> A developer could find that by putting an easement on some portion of his land (say; the farmed portion of a farm colony), that other parts in proximity would raise in value because of the guarantee of open space. This fact, plus the tax deductibility of a gift of an easement, helps encourage preservation of land by this means.

The major drawbacks of easements are their unfamiliarity and the increased financial burden on the community for acquisition of the easements. To overcome their unfamiliarity, the terms of the easement document must be explicit. This clarity helps the landowner to fully understand his position and will save legal problems at a later date. Precise definitions are required to determine the value of the easement.<sup>(8)</sup> With use, these obstacles will be overcome. The financial burden on the community can be eased partially by state and federal aid. Heavy taxation of land that is converted from agriculture could also help.<sup>(8)</sup> There are several other methods by which lost revenues can be recovered. For a more complete discussion of these methods see: Smith, Clyn, Ecology Law Quarterly, "Easements to Preserve Open Space Land", vol. 1:728, p. 740 (Fall, 1971).

Along with differential assessment and the use of open space easements, local governments might consider giving other special

considerations to farm colonies. One such consideration would be to waive the necessity of publically dedicated roadways, provided that they meet minimum township standards and are maintained by the homeowners association. Another consideration would be to not require the usual public park and open space dedication, provided that the private open space within the development is permanent and also is maintained by the homeowners association.(21)

Programs combining restrictive agreements with acquisition of less than fee interest in lands designated to be preserved can relieve the heavy pressure for urban conversion. Along with simple police power regulation (zoning) of land which isn't subject to heavy development pressure, flexibility could be provided.

In summary, the farm colony concept is a viable alternative method of development to accomplish the goal of agricultural open space preservation. Its viability within the urban fringe, however, is subject to question. Public incentives are necessary to help it succeed. These tools are now available. It is hoped that once the problem of loss of agricultural open space is brought to the attention of the public, farm colonies will be perceived as an aid to preservation while still allowing for growth and profit by the private sector. The choice of how encouragements shall be administered is the prerogative of public policy-makers. Some of the tools available have been outlined here. None will solve all of the problem. However, through research, new combinations of old methods and imaginative new approaches can be developed to form new policies which encourage the farm colony concept.

## CHAPTER IV

### FARMCOLONY I CASE STUDY AND FEASIBILITY ANALYSIS

As evidence of the farm colony concept as an alternative development method, this chapter will submit a case study of an already existing farm colony. In addition, the feasibility of farm colony development in the Kansas City metropolitan area will be examined.

#### CASE STUDY

The case study presented here is that of Farmcolony I, a development of the Farm Development Corporation in Stanardsville, Virginia. The Farm Development Corporation is headed by Gilbert P. Edwards of Fort Lauderdale, Florida. He and Michael Redd, the landscape architect and project manager of Farmcolony I, began work on the development in 1973.<sup>(26)</sup>

In May of 1974 Redd and Gilbert visited the Shur farm, just outside Stanardsville, and determined that it met the requirements for farm colony development. In July, they made an offer for the farm and closing took place in November of that same year.<sup>(20)</sup> Preparations for sale of the farm were completed soon after, and the first homesite was purchased in June of 1975.

Farmcolony I is located in Green County, Virginia, just three and one-half miles outside of Stanardsville. It is 22 miles North of Charlottesville (pop. 45,000) and approximately 100 miles to the Southwest of Washington, D. C. (See figure IV-1).

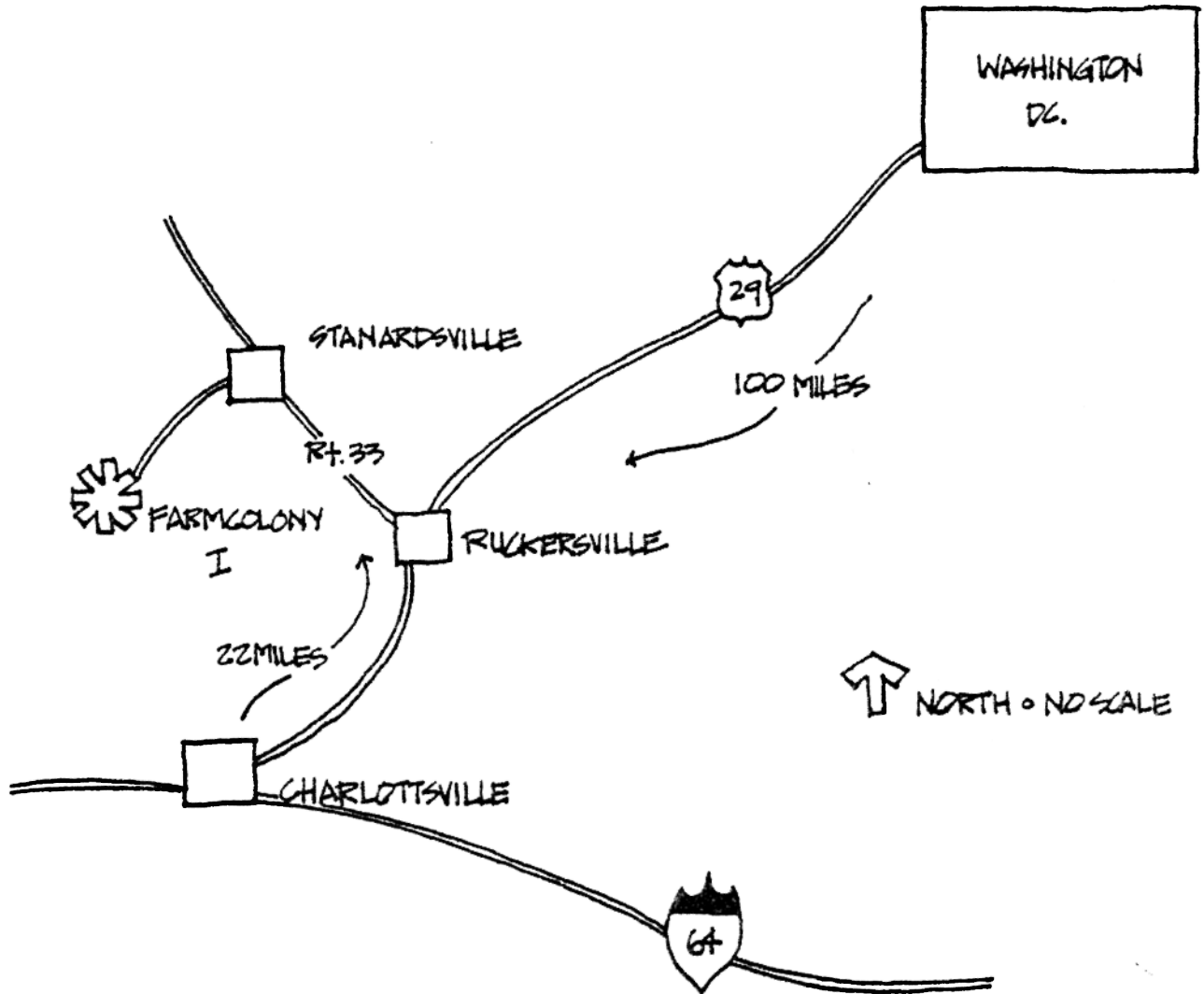


figure IV-1

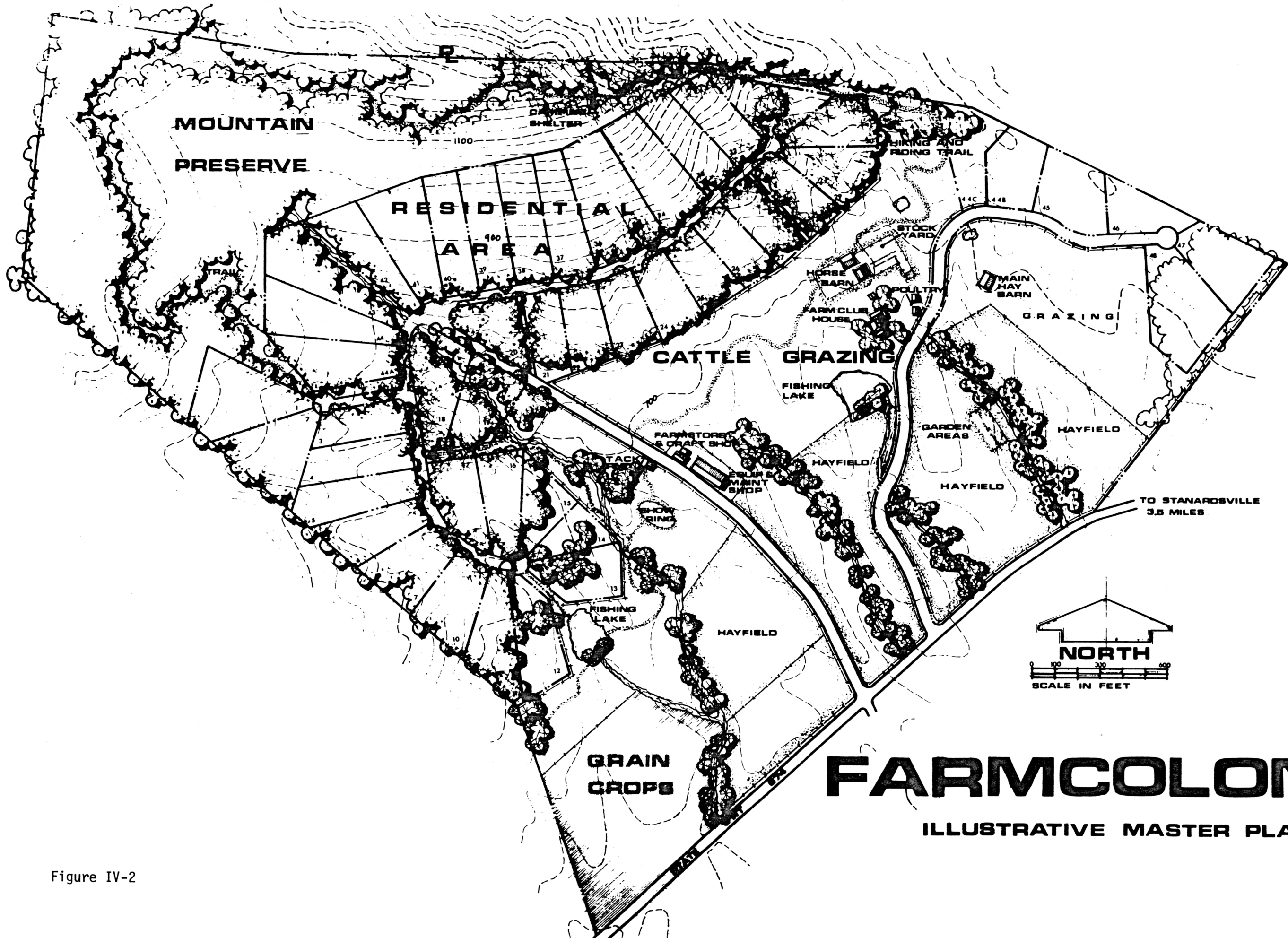
The 285 acre farm was divided into three use areas. There are 150 acres of operating farm, 40 acres of wooded mountain preserve, and 95 acres of residential lots.<sup>(21)</sup> Fifty-three percent of the original property has been kept in agricultural use.<sup>(27)</sup> Almost all of the original agricultural portion of the farm has been maintained. The agricultural portion of Farmcolony I occupies the low lying ground of the site, while the homesite portion is on moderately sloping ground.<sup>(28)</sup> The mountain preserve is on the steep mountainside above the homesites and is heavily wooded.

The residential portion of the development is divided into 48 homesites. Six are serviced by one access road and 42 are serviced by another. (See figure IV-2). Ten lots are open and the 38 remaining are wooded.<sup>(20)</sup> All of the lots are located within unfarmable areas or at the fringe of the farmland itself.<sup>(21)</sup> The majority of the lots are on the lower slopes of the mountain, some with good views of the surrounding area and some with year round streams.<sup>(20)</sup>

Lot sizes vary from 1.4 to 3.5 acres, with the average size around two acres.<sup>(20)</sup> The average price for a homesite, including one forty-eighth (1/48) interest in the working farm is about \$20,000.00. The prices vary from \$14,000.00 to \$26,000.00.<sup>(27)</sup>

Green County zoning laws would have allowed for well over 100 homesites to be developed on the property all with a minimum two acre lot size.<sup>(21)</sup> Because some of the lots on the development plans were under the required two acre minimum, it was necessary for Redd to secure a zoning variance from the county.<sup>(20)</sup> Redd's arguments for the variance were that with only forty-eight lots there would be fewer roads, fewer school children, the promise of permanent agricultural open space and more net tax income for the county.<sup>(21)</sup> The variance was granted.

Farmcolony I's 9460 feet of roads will remain the property of



# FARMCOLONY

ILLUSTRATIVE MASTER PLAN

Figure IV-2

the Farmcolony I Homeowners Association. They were, however, required to meet state specifications and shall be maintained by the Homeowners Association.(20)

The legal documents necessary to establish the Farmcolony I Homeowners Association, and help keep the farm colony going, were drawn up by a law firm in Washington, D. C. The documents establish the Homeowners Association as a Real Estate Trust under Virginia law. The Association owns all common land, all buildings, equipment, livestock, produce and mountain preserve.(20) According to the restrictive covenants, the farmland and mountain preserve must remain in their present use unless a change of land use can be agreed upon by a two thirds majority of the homeowners and also approved by the county.(21)

All lots and common areas are subject to a document known as the "Deed of Dedication and Declaration of Covenants, Conditions, Restrictions and Easements". Various activities are covered in the restrictions. Guns, certain types of vehicles and other "offensive activities" are restricted by the covenants. The lots are to be used only for residential purposes and any structure erected must be approved by an architectural review board, which is part of the homeowners association.(20) The actual documents used by Farmcolony I are privileged and were not available for this study, but example forms for these documents are presented in Appendix A.

Included in the set of documents used by Farmcolony I is an introductory set of questions and answers, samples of the purchase agreement, deeds, bylaws, articles of incorporation and rules and regulations of the Farmcolony I Homeowners Association.(20) This introductory package has been developed in an effort to make the farm colony operation clear to the lot purchaser.

Homeowners Association fees to supplement the income of the farm

itself, are \$15.00 per month per lot<sup>(21)</sup>, but, the farm manager of Farmcolony I says the farm will operate at a profit. Ronnie Schifflet, a farmer whose family has been farming in Green County for three generations, has been hired as the farm manager of Farmcolony I.<sup>(29)</sup> Most of the farm labor will be handled by him except during harvest times when extra help will be hired on. Also, additional equipment, which may sometimes be needed, will be rented from neighboring farmers.<sup>(20)</sup>

The farm is comparatively non-labor intensive.<sup>(20)</sup> They raise black angus cattle along with some corn, oats, wheat and hay.<sup>(29)</sup> Chickens and some vegetables are also raised on the farm. Redd has said that they plan to keep enough cattle, crops, and hay on hand to feed every owner family for a year.<sup>(29)</sup> Farmcolony I also has horses, ponies, and the ponds on the farm are well stocked with fish.

Food produced at Farmcolony I is sold to the lot owners at cost. Examples of food prices in 1976 were: Steaks at \$1.45 a pound, roast at \$1.19 a pound, ground beef at \$.55 a pound and fresh eggs at \$.45 per dozen. Vegetables are also available. Any surplus commodities are sold at market.<sup>(20)</sup>

Preparation of the farm for sale included repairing and painting existing buildings, mending fences and painting them. The Farmcolony I farmhouse was remodeled to serve as a community center and a place for visitors to stay. The kitchen of the farmhouse is stocked with utensils and a washer and dryer. The large, 1200 square foot, living room was carpeted and furnished to serve as a cultural and recreational meeting place. The four bedrooms in the house are used by guests and owners who are in the process of building their homes.<sup>(20)</sup>

Lot sales of Farmcolony I have been good. In less than six weeks, and with a minimum of advertising, 26 of the 48 lots were sold.<sup>(27)</sup> By September of 1976, 39 lots had been sold.<sup>(28)</sup> The majority of the



lot owners are from the Washington, D. C. area but some of them come from as far away as Florida, New York, Pennsylvania and Connecticut. Some plan to make Farmcolony I their permanent home. Others will use their lot for a second home. (29) As of September 1976, a dozen lot owners were building homes at Farmcolony I, the least expensive of which cost \$50,000.00. (28)

Farmcolony lots have attracted middle to upper level income people. (21) Redd describes the purchasers as "Front Edge", that is, affluent and sophisticated enough to go ahead and buy the lots even though the idea is new. (28) Redd gives personal tours of the development on horseback and apparently has had little difficulty selling lots.

There was not much advertising of the project, but Farmcolony I had the advantage of being the first of its kind; a novelty. As such, it was covered by several Washington, D. C. newspapers and even had television coverage in the news. (28) A brochure was also developed as a sales aid. (See Appendix B)

Farmcolony I is "the first recreational project in the U. S. where a housing subdivision has been added to a farm without materially altering the pre-existing agricultural use of the land." (28) Being a pilot project, Farmcolony I has met with the kind of problems often encountered by new ideas. (28) These problems can be financial, political or may concern marketing of the development. With any new idea, finding lending institutions, which are willing to finance the idea, is often difficult. Public agencies who are unfamiliar with the farm colony concept could be troublesome when it comes to the granting of zoning variances and approval of development plans. Unfamiliarity with the farm colony concept may cause unnecessary reluctance on the part of the buyer. Despite the problems of being first, the financial success of Farmcolony I is indicated not only by its rapid sales, but

also by the fact that several other farm colonies have been started by the Farm Development Corporation.

#### ECONOMIC FEASIBILITY ANALYSIS

A study of the economic feasibility of actual farm colony development in a metropolitan area was conducted to test further the viability of the farm colony concept. The metropolitan Kansas City area was chosen for convenience and availability of reliable information. To accomplish this study, several agencies were contacted for information. Actual land and development costs were analyzed and a theoretical farm colony development was created using these costs.

The hypothetical farm used in this study is assumed to be a 250 acre farm near Kearney, Missouri. Kearney is located about 25 miles from downtown Kansas City, Missouri, in Clay county. (See figure IV-3). This area was chosen because it is on the rural-urban fringe of Kansas City.

Actual undeveloped land costs in the area range from \$1,100.00 to \$1,500.00 per acre.<sup>(30)</sup> Assuming the farm chosen to be generally equivalent to Farmcolony I in Virginia, about 250 acres of land would need to be purchased. Using an average price per acre of \$1,300.00, \$325,000.00 would be needed as the base purchase price of the theoretical farm colony. Fifty thousand dollars is added to this base price to cover the cost of a farmhouse which could be converted to a clubhouse for the development.

County zoning ordinances in Clay county set a 3 acre minimum on lots to be developed using septic sewerage.<sup>(30)</sup> Therefore, the hypothetical farm colony will have 30 - 3 acre lots on 90 acres of development land instead of the 48 - 2 acre lots of Farmcolony I. There are however, 150 acres of agricultural land to be preserved as a working farm.

The costs of developing the farm into a marketable real estate development were estimated as close as possible using actual development costs prevalent in the area. These costs are presented in Table IV-A. A contingency of 25% was added in anticipation of unforeseen costs encountered during actual construction of the project.

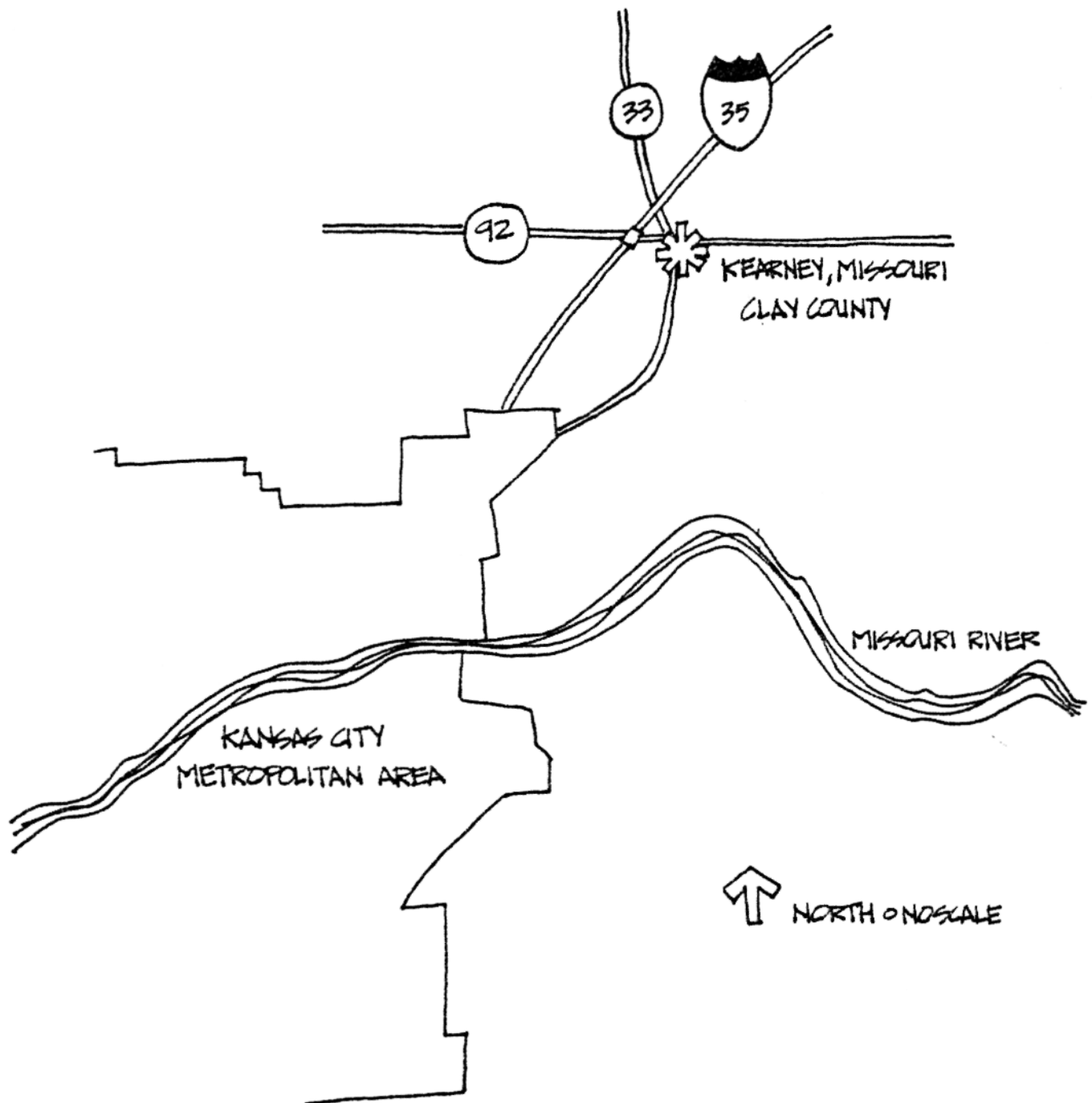


figure IV-3

TABLE IV-A

## THEORETICAL PROJECT COSTS

<u>ITEM</u>	<u>COST</u>
Land <sub>30</sub>	\$300,000.00
Farmhouse (remodelling)	50,000.00
Road (9,500 ft. @ \$15.00/ft.) <sub>31</sub>	142,500.00
Water (10,000 ft. @ \$2.00/ft.) <sub>31</sub>	20,000.00
Gas (10,000 ft. \$1.50/ft.) <sub>30</sub>	15,000.00
Electric (30 lots @ \$500.00/lot, deposit only) <sub>33</sub>	15,000.00
Site Planning and Engineering (20% of Construction Cost) <sub>32</sub>	48,500.00
Miscellaneous Development Costs (10% of construction cost)	24,250.00
Sub-total	\$615,250.00
Contingency (25%)	\$153,812.00
	<hr/>
TOTAL PROJECT COST	\$769,062.00

Capitalization of the project would require 30% of the total project cost as initial cash investment. Straight amortization of a five year loan of the remaining 70%, to be borrowed, would require payment of 9.25% interest per annum. A profit to the developer of 100% return on investment was used in the example as adequate incentive for the risk involved in a real estate development of this type. An investment analysis follows in Table IV-B.

TABLE IV-B

## INVESTMENT ANALYSIS

Total Project Cost	\$ 769,062.00
Interest (a)	149,390.18
Taxes (b)	4,395.00
Subtotal	<u>922,847.18</u>
Profit	230,718.60
Subtotal	<u>1,153,565.70</u>
Return of Deposit for Electrical	-150,000.00
Total Development Cost	<u>1,003,565.70</u>
	÷ 30 lots
Cost per Lot	<u>\$ 33,452.19</u>

- (a) Interest on Loan-- Interest is based on 9.25% annual interest paid on a principle of \$538,343.00 (70% of Total Project Cost). Assuming a project duration of five years, with the principle reduced by one fifth each year, interest paid the first year would be \$49,796.73; the second year, \$39,837.38; the third, \$29,878.04; and so on until the principle reaches zero after the fifth year. Total interest paid would be \$149,390.18.
- (b) Real Estate Tax-- Current assessed valuation of undeveloped land in Clay County is \$100.00 per acre, with a tax of \$5.86 on each \$100.00 of assessed valuation. Using these figures and assuming that one fifth of the land is sold per year, tax the first year would be \$1,465.00; \$1,172.00 the second; \$879.00 the third, and so on until all the land is sold after five years. Total real estate tax paid would be \$4,395.00.

Average lots in the Kearney area, with minimum utilities, are now selling for between \$10,000 and \$12,000 per 3 acre lot. Although the cost of an example farm colony lot is higher, it is not prohibitively so when the benefits of farm colony lot ownership are concerned.

Thus it has been shown that the farm colony concept of development is not only attractive from an ecological point of view, but also from the point of view of the land developer. The concept is not only attractive as an investment alternative because of its conceivable return on investment potential. Moreover, the concept, itself, is a valuable marketing and public relations tool. There is also an advantage to the developer when dealing with the many agencies which must be dealt with when developing real estate. Zoning variances and other favorable dispositions may be afforded through explanation of the farm colony concept and its relationship to the goals of the county and metropolitan region.

In the past, land developers have tended to consider all too briefly the ecological balance of the areas they develop. It is hoped that as the farm colony concept is further explored and publicized, developers will respond in a positive way.

## CHAPTER V

### SUMMATION AND CONCLUSIONS

#### SUMMATION

Agricultural open space may be considered to be valuable for three major reasons: it is valuable aesthetically, ecologically and for agricultural production. So far, the loss of such land has not reached critical proportions. The possibility of such an occurrence in the immediate future appears to be small, however, even the most remote possibility is justification for research into the various methods of agricultural open space preservation.

Agricultural land on the urban fringe is subject to intense pressure for development. It is the author's feeling that an effective way of preserving agricultural space should be beneficial for all concerned, including the farmer and the land developer. The farm colony concept, as presented, is such a means.

When properly planned and implemented, farm colonies could be profitable both in a monetary and ecological sense. All parties involved benefit - the developer, the homeowner, and the community as a whole, and the valuable resource of agricultural open space is preserved.

#### CONCLUSION

It is not the intent of this thesis to encourage scattered, leap-frog development which is both cost and energy intensive. It is hoped, rather, that farm colony development will occur in rural areas which would otherwise be over-run by urban development. Planned buffer zones around the development would allow the farm colony to become completely surrounded by urban uses yet retain its site integrity. This would work much the same way as many golf course developments in the center of developed areas.



When used extensively in the growth ring surrounding the metropolitan area, farm colonies could form a sort of transitional greenbelt between the city and the country. Greenbelt areas of this kind are found in many areas of Europe where precious farmland and woodland is interspersed with many small villages developed on non-farm land. While not inferring that the Europeans set a perfect example, it is felt that there is much to be learned from their thousands of years of land use experience.

The potential of the farm colony is great, especially because of its' adaptability to many situations. Only one of its adaptations, preservation of agricultural open space, has been discussed here. The role of the concept as a future land development tool remains to be seen. Hopefully, it will be the subject of further thought and experimentation.

Government encouragement of the concept is deemed essential to its success. Public information and education systems should be employed to enlighten the public about the farm colony alternative. Legislation providing tax incentives which encourage, rather than discourage, implementation of the concept would make it more appealing to developers. With publicity and legislative incentives, the feasibility of the farm colony concept as a tool to conserve agricultural open space is greatly enhanced.

Summarily, this thesis has defined the problem of loss of agricultural open space on the metropolitan fringe. The farm colony concept has been introduced as a possible solution to that problem. The feasibility of the concept has been shown and recommendations have been made to further increase its chances of success. It is, therefore, concluded that the farm colony concept of development is a viable means of preserving agricultural open space on the metropolitan fringe.

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APPENDIX A

SAMPLE LEGAL DOCUMENTS

(Reprinted from The Community Builders Handbook,  
By the URBAN LAND INSTITUTE, Wash., D. C., 1968,  
pp. 471-491)

PROTECTIVE COVENANTS

Conditions, Covenants, Restrictions, and Easements Affecting Property  
of the \_\_\_\_\_ Corporation.

THIS DECLARATION, made this \_\_\_\_\_ day of \_\_\_\_\_, by the  
\_\_\_\_\_ Corporation, hereinafter called the Declarant,

WITNESSETH:

WHEREAS, Declarant is the owner of the real property described  
in Clause I of this Declaration, and is desirous of subjecting the  
real property described in said Clause I to the restrictions, covenants,  
reservations, easements, liens and charges hereinafter set forth, each  
and all of which is and are for the benefit of said property and for  
each owner thereof, and shall inure to the benefit of and pass with said  
property, and each and every parcel thereof, and shall apply to and  
bind the successors in interest, and any ownership thereof;

NOW, THEREFORE, \_\_\_\_\_ Corporation hereby de-  
clares that the real property described in and referred to in Clause I  
hereof is, and shall be, held, transferred, sold and conveyed subject  
to the conditions, restrictions, covenants, reservations, easements,  
liens and charges hereinafter set forth.

Definition of Terms

Building Site shall mean any lot, or portion thereof, or any  
two or more contiguous lots, or a parcel of land of record and in a  
single ownership and upon which a dwelling may be erected in conformance  
with the requirements of these Covenants.

Corporation shall mean the \_\_\_\_\_ Corporation.

Association shall refer to the Homes Association of the tract covered by these Covenants or any extension thereof as herein provided.

#### CLAUSE I.

##### Property Subject to This Declaration

The real property which is, and shall be, held and shall be conveyed, transferred and sold subject to the conditions, restrictions, covenants, reservations, easements, liens and charges with respect to the various portions thereof set forth in the various clauses and subdivisions of this Declaration is located in the County of \_\_\_\_\_, State of \_\_\_\_\_, and is more particularly described as follows, to wit:

(Insert legal description.)

No property other than that described above shall be deemed subject to this Declaration, unless and until specifically made subject thereto.

The declarant may, from time to time, subject additional real property to the conditions, restrictions, covenants, reservations, liens and charges herein set forth by appropriate reference hereto.

#### CLAUSE II

##### General Purposes of Conditions

The real property described in Clause I hereof is subjected to the covenants, restrictions, conditions, reservations, liens and charges hereby declared to insure the best use and the most appropriate development and improvement of each building site thereof; to protect the owners of building sites against such improper use of surrounding building sites as will depreciate the value of their property; to preserve, so far as practicable, the natural beauty of said property; to guard against the erection thereon of poorly designed or proportioned structures, and structures built of improper or unsuitable materials; to

obtain harmonious color schemes; to insure the highest and best development of said property; to encourage and secure the erection of attractive homes thereon, with appropriate locations thereof on building sites; to prevent haphazard and inharmonious improvement of building sites; to secure and maintain proper setbacks from streets, and adequate free spaces between structures; and in general to provide adequately for a high type and quality of improvement in said property, and thereby to enhance the values of investments made by purchasers of building sites therein.

A All Building sites in the tract shall be known and described as residential building sites, except \_\_\_\_\_

(Describe areas to be designated in separate covenant for retail business, schools, churches, etc.)

No structures shall be erected, altered, placed, or permitted to remain on any building site other than one detached single-family dwelling not to exceed two and one-half stories in height, a private garage for not more than three cars, guest house, servants' quarters, and other out-buildings incidental to residential use of the premises.

B No building shall be erected, placed, or altered on any premises in said development until the building plans, specifications, and plot plan showing the location of such building have been approved in writing as to conformity and harmony of external design with existing structures in the development, and as to location of the building with respect to topography and finished ground elevation by an architectural committee composed of \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_, or by a representative designated by a majority of the members of said committee. In the event of death or resignation of any member of said committee, the remaining member, or members, shall

have full authority to approve or disapprove such design and location, or to designate a representative with like authority. In the event said committee, or its designated representative, fails to approve or disapprove such design and location within 30 days after said plans and specifications have been submitted to it or, in any event, if no suit to enjoin the erection of such building or the making of such alterations has been commenced prior to the completion thereof, such approval will not be required and this Covenant will be deemed to have been fully complied with. Neither the members of such committee, nor its designated representative shall be entitled to any compensation for services performed pursuant to this Covenant.

C No building shall be located on any building site less than \_\_\_\_\_ feet from the front lot line for all sites covered by these covenants, nor less than \_\_\_\_\_ feet from any side street line. No building shall be located less than \_\_\_\_\_ feet from any side lot line or \_\_\_\_\_ feet from any building on the same site, except a detached garage or other outbuilding on the same site, except a detached garage or other outbuilding located in the rear yard may be placed \_\_\_\_\_ feet from the side line. No residence shall be so located as to reduce the rear yard of the plot on which it is located to less than \_\_\_\_\_ feet.

D No residential structure shall be erected or placed on any building site, which has an area of less than \_\_\_\_\_ square feet or a width of less than \_\_\_\_\_ feet at the front building setback line for interior lots, and less than \_\_\_\_\_ feet for corner lots.

E No noxious or offensive trade or activity shall be carried on upon any building site nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.



F No trailer, basement, tent, shack, garage, barn or other out-building other than guest houses and servants' quarters erected on a building site covered by these Covenants shall at any time be used for human habitation temporarily or permanently, nor shall any structure of a temporary character be used for human habitation.

The keeping of a mobile home or travel trailer, either with or without wheels, on any parcel of property covered by these covenants is prohibited. A motor boat, house boat or other similar water borne vehicle may be maintained, stored, or kept on any parcel of property covered by these covenants only if housed completely within a structure which has been architecturally approved by provisions of paragraph B hereof.

G No main residential structure shall be permitted on any building site covered by these covenants, the habitable floor area of which, exclusive of basements, porches, and garages, is less than \_\_\_\_\_ square feet in the case of a one-story structure or less than \_\_\_\_\_ square feet in the case of a one and one-half, two, or two and one-half story structure.

H An easement is hereby reserved over the rear five feet of each building site for utility installation and maintenance.

I No animals or poultry of any kind other than house pets shall be kept or maintained on any part of said property.

J The premises hereby conveyed shall not be occupied, leased, rented, conveyed or otherwise alienated, nor shall the title or possession thereof pass to another without the written consent of the Grantor, except that the Grantor shall not withhold such consent if and after a written consent is given to permit such occupation, leasing, renting, conveyance or alienation by a majority of the owners of the fifteen (15) building sites included within these covenants most

immediately adjacent to the said premises, and which adjoin or face said premises for a distance of five (5) building sites from the respective side lines of said premises, and also the five (5) building sites which are most immediately adjacent thereto and across any street upon which said premises front; except transfer of title by way of devise or inheritance, in which case the devisee or heir shall take such property subject to the restrictions herein imposed, and except that said property may be mortgaged or subjected to judicial sale, provided, in any such case, that no purchaser of said premises at judicial sale shall have the right to occupy, lease, rent, convey or otherwise alienate said premises without the written consent of the Grantor first had and obtained in the manner above stated.

In the event there is a total of less than fifteen (15) building sites which meet the consent requirements of this Section, then a sufficient number of the most immediately adjacent building sites included within these covenants and lying to the rear of said premises shall be included to obtain the required fifteen (15) building sites.

It is understood, however, that the rights hereby reserved to the Grantor shall apply with equal force and effect to its successors and assigns, but in the event the ownership and control of the rights hereby reserved, pass from the hands of the Corporation, either by reason of the appointment of a Receiver, assignment for the benefit of creditors, bankruptcy, by sale under legal process of any kind, by the transfer of the ownership of a majority stock to other than the Corporation's interest, or otherwise, the provision for consents by the Grantor in this Section J, provided for, shall be deemed to be sufficiently obtained when obtained only from a majority of the owners of the said adjoining and facing building sites, as specified in Section J herein, and thenceforth the right to enforce the restriction in this

Section J of this deed contained shall immediately pass to the said owners of the said adjoining and facing building sites.

K No fence, wall, hedge, or mass planting shall be permitted to extend beyond the minimum building setback line established herein except upon approval by the architectural committee as provided in Section B.

L Oil drillings, oil development operations; refining, mining operations of any kind, or quarrying shall not be permitted upon or in any of the building sites in the tract described herein, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any of the building sites covered by these Covenants.

M The owner of each building site to which these covenants apply shall be entitled to one membership in a Homes Association and to participate in the operation of the Association in accordance with the bylaws of the said Association filed herewith.

N These Covenants are to run with the land and shall be binding on all parties and all persons claiming under them until January 1, 19\_\_, (twenty-five year period), at which time said Covenants shall be automatically extended for successive periods of 10<sup>1</sup> years unless by vote of a majority of the then owners of the building sites covered by these covenants it is agreed to change said covenants in whole or in part.

If the parties hereto, or any of them, or their heirs or assigns, shall violate or attempt to violate any of the Covenants herein, it shall be lawful for any other person or persons owning any real property situated in said tract, or the Homes Association as provided in Section

<sup>1</sup> Some developers recommend as high as a 40 year initial period with successive extensions of 25 years.

M, to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such Covenant, and either to prevent him or them from so doing or to recover damages or other dues for such violation.

0       Invalidation of any one of these Covenants or any part thereof by judgments or court order shall in no wise affect any of the other provisions which shall remain in full force and effect.

DECLARATION OF INCORPORATION  
OF  
FARM COLONY HOMES ASSOCIATION

This declaration made on this \_\_\_\_\_ day of \_\_\_\_\_,  
19\_\_\_\_, by \_\_\_\_\_, a corporation  
of the State of \_\_\_\_\_, the owner of property set op-  
posite its name below, and those individuals whose names are sub-  
scribed hereto as the owners of the lots set opposite their respective  
names.

WITNESSETH: That whereas, \_\_\_\_\_ Corporation is  
now developing parts of said \_\_\_\_\_ for high class  
residential purposes, and it is the desire to continue the development  
(Subdivision)  
of certain parts of such land and other land in this vicinity for such  
purposes, and for the creation and maintenance of a residential commu-  
nity possessing features of more than ordinary value to a residential  
community, and

WHEREAS, In order to assist it and its grantees in providing  
the necessary means to better enable it and its grantees to bring this  
about, the parties hereto do now and hereby subject all of the property,  
described below to the following covenants, charges and assessments.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, have this day voluntarily associated  
ourselves together for the purpose of forming a non-profit corporation  
under the laws of the State of \_\_\_\_\_, and we do hereby  
certify:

SECTION 1. That the name of this corporation is:

" \_\_\_\_\_ " HOMES ASSOCIATION

SECTION 2. That this corporation, hereafter referred to as the Associ-  
ation, is a corporation which does not contemplate pecuniary gain or

profit to the members thereof, and that the purposes for which it is formed are:

(a) To exercise its powers and functions on the following described real property situated in the Town of \_\_\_\_\_, \_\_\_\_\_ County, State of \_\_\_\_\_, and more particularly described as follows:

All of the real property shown on that certain map entitled, " \_\_\_\_\_ ", \_\_\_\_\_ County, \_\_\_\_\_, filed in the office of the Town Clerk of the Town of \_\_\_\_\_ on \_\_\_\_\_, \_\_\_\_\_.  
(Date)

Together with any and all other real property which may hereafter, through the operation of conditions, covenants, restrictions, easements, reservations or charges pertaining to the same, be placed under or submitted to the jurisdiction of this Association, and be accepted as within the jurisdiction of this Association by resolution of the Board of Directors of this Association (which said real property hereinabove specifically described, together with the property hereafter within the jurisdiction of this Association as above provided, is referred to as "said property").

(b) To care for vacant, unimproved and unkempt lots in said property, remove and destroy grass, weeds and rodents therefrom, and any unsightly and obnoxious thing therefrom, and to do any other things, and perform any labor necessary or desirable in the judgment of this Association to keep the property, and the land contiguous and adjacent thereto neat and in good order.

(c) To pay the taxes and assessments, if any, which may be levied by any governmental authority upon roads and parks in said property, and any other open spaces maintained, and lands used or

acquired for the general use of the owners of lots or building sites within said property, and on any property of this Association, or which may be held in trust for this Association.

(d) To enforce charges, restrictions, conditions and covenants existing upon and created for the benefit of said property over which this Association has jurisdiction; to pay all expenses incidental thereto; to enforce the decisions and rulings of this Association having jurisdiction over any of said property; to pay all of the expenses in connection therewith; and to reimburse any declarant under any declaration of conditions, covenants, restrictions, assessments or charges affecting said property, or any part thereof, for all costs and expenses incurred or paid by it in connection with the enforcement, or attempted enforcement, of any of the conditions, covenants, restrictions, charges, assessments or terms set forth in any declaration.

(e) To provide for the maintenance of tennis courts, playgrounds, water areas and other community features on land set aside for the general use of the members of said Association, and to maintain and operate the country club and golf course in proportion to its percentage of membership therein.

(f) To do any and all lawful things and acts which this Association at any time, and from time to time, shall, in its discretion, deem to be to the best interests of said property and the owners of the building sites thereon, and to pay all costs and expenses in connection therewith.

(g) Any powers and duties exercised by said Association relating to maintenance, operation, construction or reconstruction of any facility provided for herein may be contracted for with the \_\_\_\_\_ Corporation or other qualified contractor as agent.

(h) To fix the rate per square foot of the annual charges or

assessments to which said property shall be made subject; to collect the charges or assessments affecting said property; to pay all expenses in connection therewith, and all office and other expenses incident to the conduct of the business of this Association and all licenses, franchise taxes, and governmental charges levied or imposed against said property of this Association; such charges or assessments shall become a lien on said property as soon as due and payable. Settlement of such lien shall be made as determined by the Directors of this Association.

(i) To acquire by gift, purchase, or otherwise to own, hold, enjoy, lease, operate, maintain, and to convey, sell, lease, transfer, mortgage, or otherwise encumber, dedicate for public use, or otherwise dispose of real or personal property in connection with the business of this Association.

(j) To expend the money's collected by this Association from assessments or charges and other sums received by this Association for the payment and discharge of all proper costs, expenses and obligations incurred by this Association in carrying out any or all of the purposes for which this Association is formed.

(k) To borrow money; to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, and to do any and all things than an association organized under said laws of the State of \_\_\_\_\_ may lawfully do, and generally to do and perform any and all other acts which may be either necessary for, or proper or incidental to the exercise of any of the foregoing powers, and such powers as are granted by the provisions of the laws of the State of \_\_\_\_\_ to a nonprofit corporation.

(l) To do any and all lawful things which may be advisable,



proper, authorized or permitted to be done by this Association under and by virtue of any condition, covenant, restriction, reservation, charge, or assessment affecting said property, or any portion thereof, and to do and perform any and all acts which may be either necessary for or incidental to the exercise of any of the foregoing powers, or for the peace, health, comfort, safety, or general welfare of the owners of said property, or any portion thereof, or residents thereon.<sup>1</sup>

SECTION 3. That the town in this state where the principal office for the transaction of the business of this Association is to be located is the Town of \_\_\_\_\_, \_\_\_\_\_ County, \_\_\_\_\_.

SECTION 4. That the number of directors of this Association shall be five; that the names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are as follows:

#### NAMES

#### ADDRESSES

That the number of directors, as hereinabove set forth, may be changed by a by-law duly adopted pursuant to authority contained in this Declaration of Incorporation, and authority is hereby granted to change the number of directors by an amendment to the by-laws of this Association which by-laws shall be adopted in accordance with the terms of this declaration.

SECTION 5. The members of this Association shall be:

(a) All persons who are owners of record of any building site in said property, provided that no person or corporation taking title as security for the payment of money or the performance of any obliga-

<sup>1</sup> An additional clause may be added giving the Association general authority to cover other matters as the need may arise.

tion shall thereby become entitled to membership.

(b) All persons who reside on a building site in said property, and who are purchasing such building site under a contract or agreement of purchase.

Such ownership or such residence and the purchasing of such building site under a contract or agreement of purchase shall be the only qualifications for membership in this Association.

When a building site is owned of record in joint tenancy or tenancy in common, or when two or more residents are purchasing a building site under a contract or agreement of purchase, the membership as to such building site shall be joint and the right of such membership (including the voting power arising therefrom) shall be exercised only by the joint action of all owners of record of such building site, or of all purchasers under said contract or agreement of purchase, respectively.

Membership in this Association shall lapse and terminate when any member shall cease to be the owner of record of a building site, or upon any member ceasing to be a resident on a building site in said property or a purchaser thereof under a contract or agreement of purchase.

A building site for the purpose of this Declaration of Incorporation shall be taken to be and mean a building site as defined in the protective covenants covering the portion of said property in which the building site is located.

The voting power of members of this Association shall be limited to one vote for each building site, as defined in the covenants

covering said property, owned or under purchase contract by such members.<sup>1</sup>

Each member of this Association shall have such interest in all the property owned by this Association as is represented by the ratio of the number of votes in this Association. Such interest is and shall be appurtenant to the building sites which qualify such person for membership in this Association.

IN WITNESS WHEREOF, for the purpose of forming this Association under the laws of the State of \_\_\_\_\_, we, the undersigned, constituting the incorporators of this Association, including the persons hereinabove named as the first directors of this Association have executed this Declaration of Incorporation this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

Signed: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

The above clauses are designed to fit areas in which municipal authority furnishes most or all of the municipal services. If the

<sup>1</sup> Certain difficulties may arise from this method of representation. Some developers advocate giving only one vote to each owner, including the developer, regardless of the amount of land or number of sites he may hold. This is probably a more democratic method and subject to less misinterpretation. Each developer should decide this question on the basis of his own project and experience.

development lies in an area where municipal services are not provided, or plan approval is to be included, additional clauses similar to the following should be added under Section 2:

(1) To improve, light, provide for, beautify, and maintain streets, parks, and other open spaces, including all grass plots, park strips, other planted areas and trees and shrubs within the lines of said streets in and bordering upon said property as shall be maintained for public use, or for the general use of the owners of lots or building sites in said property, but only until such time as such services are adequately provided by public authority.

(2) To sweep, clean and sprinkle the streets within and bordering upon and adjacent to said property; to collect and dispose of street sweepings, garbage, rubbish, and the like from said property, and to construct, maintain and keep in repair fire hydrants and mains, sewers, and any sewage disposal systems, but only until such time as such services are adequately provided for by public authority.

(3) To pay for the examination and approval, or disapproval, of plans, specifications, color schemes, block plans and grading plans for any building, outhouse, garage, stable, fence, wall, retaining wall, or other structure of any kind which shall be erected, constructed, placed or maintained on said property, or any part thereof, and for any alteration, condition, changing, repairing, remodeling, or adding to the exterior thereof, and for such supervision of construction and inspection as may be required to insure compliance therewith, including the services of architects and other persons employed to examine and advise upon such plans, specifications, color schemes, block plans, and grading plans.

Sample Form  
BY-LAWS  
OF  
FARM COLONY HOMES ASSOCIATION

ARTICLE I

Definitions

Section 1 - The words "said property" as used in these By-Laws shall be deemed to mean the following described real property situated in the County of \_\_\_\_\_, State of \_\_\_\_\_, and more particularly described as follows:

All of the real property shown on that certain map entitled, " \_\_\_\_\_ " filed in the office of the County Recorder of the County of \_\_\_\_\_, State of \_\_\_\_\_, on \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, in Map Book \_\_\_\_\_.  
(Date)

Together with any and all other real property which may hereafter, through the operation of conditions, covenants, restrictions, easements, reservations or charges pertaining to the same, be placed under or submitted to the jurisdiction of this Corporation and be accepted as within the jurisdiction of this corporation by resolution of the Board of Directors of this corporation.

Section 2 - The words "building site" wherever used in these By-Laws shall be deemed to mean a building site as defined in any declaration of conditions, covenants, restrictions, easements, reservations or charges affecting the portion of said property in which the building site is located.

## ARTICLE II

## Membership

Section 1 - The members of this corporation shall be:

(a) All persons who are owners of record of any building site in said property, provided that no person or corporation taking title as security for the payment of money or the performance of any obligation shall thereby become entitled to membership.

(b) All persons who reside on a building site in said property, and who are purchasing such building site under a contract or agreement of purchase.

Such ownership or such residence and the purchasing of such building site under a contract or agreement of purchase shall be the only qualifications for membership in this corporation.

When a building site is owned of record in joint tenancy or tenancy in common, or when two or more residents are purchasing a building site under a contract or agreement of purchase, the membership as to such building site shall be joint and the right of such membership (including the voting power arising therefrom) shall be exercised only by the joint action of all owners of record of such building site, or of all purchasers under said contract or agreement of purchase, respectively.

Any person claiming to be a member in this corporation shall establish his right to membership to the satisfaction of the Secretary of this corporation. No membership or initiation fee shall be charged, nor shall members be required to pay at any time any amount to carry on the business of this corporation, except to pay annually the charges or assessments set forth in the declaration of conditions, covenants, restrictions, easements and charges dated the \_\_\_\_\_ day of \_\_\_\_\_, executed by \_\_\_\_\_ Company, and recorded

on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, in the office of the County Recorder of the County of \_\_\_\_\_, State of \_\_\_\_\_, in Volume \_\_\_\_\_ of Official Records at page \_\_\_\_\_ thereof, or as set forth in any other declaration affecting any portion of said property.

Membership in this corporation shall lapse and terminate when any member shall cease to be the owner of record of a building site, or upon any member ceasing to be a resident on a building site in said property and a purchaser thereof under a contract or agreement of purchase.

### ARTICLE III

#### Voting Rights

Section 1 - In all matters which shall come before the members of this corporation, and in all corporate matters, the voting power of the members of this corporation shall be unequal, according to the following rules:

(a) Except as provided in (d) of this section, each member of this corporation shall have at least one vote.

(b) Except as provided in (d) of this section, each member of this corporation owning of record one or more building sites shall have the right to the number of votes equal to the total number of building sites of which he is the owner of record.

(c) Except as provided in (d) of this section, each purchaser who is a resident on a building site and is purchasing it under a contract or agreement of purchase shall be entitled to one vote.

(d) When a building site is owned of record in joint tenancy or tenancy in common, or when two or more residents are purchasing a building site under a contract or agreement of purchase and residing thereon, the several owners or purchasers of said building site shall collectively be entitled to one vote only therefor.

## ARTICLE IV

## Property Rights

Section 1 - Each member of this corporation shall have such an interest in all of the property owned by this corporation as is represented by the ratio of the number of votes to which said member is entitled to the total number of votes in this corporation. Such interest is and shall be appurtenant to the building sites in all said property which qualify such person for membership in this corporation.

## ARTICLE V

## Corporate Powers

Section 1 - The corporate powers of this corporation shall be vested in, exercised by, and under the authority of, and the business and affairs of this corporation shall be controlled by a board of five directors. The directors, other than those named in the Articles of Incorporation shall be members of the corporation. Three of said directors shall constitute a quorum for the transaction of business.

## ARTICLE VI

## Election of Directors

Section 1 - The directors named in the Articles of Incorporation of this corporation shall hold office until the next annual meeting thereafter and until their successors are elected, either at an annual meeting or at a special meeting called for that purpose, unless otherwise provided by the By-Laws of this corporation.

Section 2 - Unless otherwise provided by the By-Laws of this corporation, the Directors, other than those named in the Articles of Incorporation, shall be elected at the annual meeting of the members, and shall hold office until their successors are elected.

Section 3 - Unless otherwise provided by the By-Laws of this corporation, the term of office of any director shall begin immediately



after election. The term of office of members of the Board of Directors of this corporation may be determined by a majority of the members of this corporation and may, from time to time, be changed if demanded in writing by a majority of the members of this corporation.

Section 4 - Upon the sale of fifty-one per cent (51%) of the building sites shown on that certain map entitled, \_\_\_\_\_  
 \_\_\_\_\_ filed in the office of the County Recorded  
 of the County of \_\_\_\_\_, State of \_\_\_\_\_ on  
 \_\_\_\_\_, in Map Book \_\_\_\_\_ at pages \_\_\_\_\_ in-  
 (Date)  
 clusive, as said building sites are defined in that certain Declaration  
 of conditions, covenants, restrictions, easements and charges dated the  
 \_\_\_\_\_ day of \_\_\_\_\_, executed by \_\_\_\_\_  
 Company as Declarant, and recorded in the office of the County Recorder  
 of the County of \_\_\_\_\_, State of \_\_\_\_\_,  
 on the \_\_\_\_\_ day of \_\_\_\_\_, in Volume \_\_\_\_\_ of Official  
 Records at page \_\_\_\_\_ thereof, the terms of office of all members  
 of the Board of Directors of this corporation shall cease and terminate  
 at the date of the first annual meeting of the members thereafter, and  
 thereupon a new board of directors shall be elected by the members of  
 this corporation at a special meeting of the members called for that  
 purpose.

## ARTICLE VII

### Powers of Directors

Section 1 - The Board of Directors shall have power:

(a) To call special meetings of the members whenever it deems it necessary, and it shall call a meeting at any time upon written request of the members who have the right to vote at least one-third of all of the votes of the entire membership.

(b) To appoint and remove at pleasure all officers, agents

and employees of the corporation, prescribe their duties, fix their compensation, and require from them security or a fidelity bond for faithful performance of the duties to be prescribed for them.

(c) To conduct, manage and control the affairs and business of this corporation, and to make rules and regulations not inconsistent with the laws of the State of \_\_\_\_\_ or the By-Laws of this corporation for the guidance of the officers and management of the affairs of the corporation.

(d) To establish, levy and assess, and collect the charges or assessments referred to in Article II hereof, and to fix the rate per square foot for such charges or assessments within any proper limitation.

(e) To exercise for the corporation all powers, duties and authorities vested in or delegated to this corporation or which it may lawfully exercise.

## ARTICLE IX

### Duties of Directors

Section 1 - It shall be the duty of the Board of Directors:

(a) To cause to be kept a complete record of all of their minutes and acts, and of the proceedings of the members, and present a full statement at the regular annual meeting of the members, showing in detail the assets and liabilities of this corporation, and generally the condition of its affairs. A similar statement shall be presented at any other meeting of the members when required by members who have the right to vote at least one-third of all the votes of the entire membership.

(b) To supervise all offices, agents and employees of this corporation, and to see that their duties are properly performed.

## ARTICLE X

### Directors' Meetings

Section 1 - The annual meeting of the Board of Directors shall be held on the second Monday in February of each year at the hour of 9:00 o'clock P.M.

Section 2 - A regular meeting of the Board of Directors shall be held on the second Monday of each month at 2:30 o'clock P.M., provided that the Board of Directors may, by resolution, change the day and hour of holding such regular meetings.

Section 3 - Notice of such annual meeting and such regular meeting is hereby dispensed with. If the day for the annual or regular meeting shall fall upon a holiday, the meeting shall be held at the same hour on the first day following which is not a holiday, and no notice thereof need be given.

Section 4 - Special meetings of the Board of Directors shall be held when called by the President, the Vice-President, or Secretary or Treasurer, or upon the written request of any two directors. Written notice of each special meeting of the Board of Directors shall be delivered personally to the directors, or given or sent to each director, at least three days before the time for holding said meeting, by letter, postage thereon fully prepaid addressed to the director. Each director shall register his address with the Secretary, and notices of meetings shall be mailed to him at such address.

Section 5 - The transactions of any meetings of the Board of Directors, however called and noticed, or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum be present, and if either before or after the meeting each of the directors not present sign a written waiver of notice, or a consent to holding such meeting, or an approval of the minutes

thereof. All such waivers, consents or approvals shall be filed with the corporate records and made a part of the minutes of the meeting.

Section 6 - Every act, or decision, done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors. In the absence of a quorum, the majority of the directors present may adjourn from time to time until the time fixed for the next regular meeting of the Board.

## ARTICLE XI

### Meetings of Members

Section 1 - The regular annual meeting of the members shall be held on the second Monday of the month of February in each year, at the hour of 8:00 o'clock P.M. If the day for the annual meeting of the members shall fall upon a holiday, the meeting shall be held at the same hour on the first day following which is not a holiday.

Section 2 - Special meetings of the members for any purpose may be called at any time by the President, the Vice-President, the Secretary, the Treasurer, or by the Board of Directors, or by any two or more members thereof, or upon written request of the members who have the right to vote at least one-third of all of the votes of the entire membership.

Section 3 - Notices of annual and special meetings shall be given in writing to the members by the Secretary. Notice may be given to the members either personally, or by sending a copy of the notice through the mail, postage thereon fully prepaid to his address appearing on the books of the corporation. Each member shall register his address with the Secretary and notices of meetings shall be mailed to him at such address. Written notice of each meeting shall, at least three days before the time for holding said meeting, be given or sent

to each member by letter, postage thereon fully prepaid addressed to the member. Notice of each annual or special meeting of the members shall specify the place, the date, and the hour of the meeting, and the general nature of the business to be transacted.

Section 4 - The transactions at any meeting of the members however called or noticed shall be as valid as though had at a meeting duly held after regular call and notice if a quorum be present, in person or by proxy, if either before or after the meeting each member entitled to vote not present signs a written waiver of notice, or a consent to the holding of such meeting, or approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and made a part of the minutes of the meeting. The presence in person or by proxy of a majority of the members of this corporation shall constitute a quorum for the transaction of business. In the absence of a quorum any meeting of the members may be adjourned from time to time by a vote of a majority of the members present, but no other business may be transacted. Members present at any duly called or held meeting at which a quorum is present in person or by proxy may continue to do business notwithstanding the withdrawal of enough members to leave less than a quorum.

## ARTICLE XII

### Officers

Section 1 - The officers of this corporation shall be a President, a Vice-President, who shall at all times be members of the Board of Directors, and a Secretary, and a Treasurer, and such other officers as the Board of Directors may, from time to time, by resolution, create.

Section 2 - The officers of this corporation, except such officers as may be appointed in accordance with Sections 3 or 5 of this Article, shall be chosen annually by the Board of Directors, and each

shall hold his office for one year unless he shall sooner resign or shall be removed, or otherwise disqualified to serve.

Section 3 - The Board of Directors may appoint such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Directors may, from time to time, determine.

Section 4 - Any officer may be removed from office either with or without cause by a majority of the Directors at time in office at any annual, regular or special meeting of the Board. Any officer may resign at any time by giving a written notice to the Board of Directors, or to the President, or the Secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice, or at any later time specified therein, and unless otherwise specified therein the acceptance of such resignation shall not be necessary to make it effective.

Section 5 - A vacancy in any office because of death, resignation, removal, disqualification, or other cause shall be filled in the manner prescribed in the By-Laws for regular appointment to such office.

Section 6 - The offices of Secretary or Assistant-Secretary, and Treasurer may be held by the same person.

### ARTICLE XIII

#### President

Section 1 - The Board of Directors shall at their first regular meeting elect one of their number to act as President, and shall also at said meeting elect a Vice-President.

Section 2 - If at any time the President shall be unable to act, the Vice-President shall take his place and perform his duties.

If the Vice-President, for any cause, shall be unable to act the Board of Directors shall appoint some member of the Board to act, in whom shall be vested for the time being all the duties and functions of the President.

Section 3 - The President, or the Vice-President, or in the absence or inability to act of both the President and the Vice-President, the Director appointed as above provided.

(a) Shall preside over all meetings of the members and of the Board of Directors.

(b) Shall sign as President all deeds, contracts and other instruments in writing which have been first approved by the Board of Directors.

(c) Shall call the Directors together whenever he deems it necessary and shall have, subject to the advice of the Board of Directors, general supervision, direction and control of the business affairs of the corporation, and generally shall discharge such other duties as may be required of him by the Board of Directors.

#### ARTICLE XIV

##### Vice-President

Section 1 - All duties and powers required by law, or by these By-Laws of, and all powers conferred by law or by these By-Laws upon, the President shall, in his absence, inability or refusal to act be performed by the Vice-President.

#### ARTICLE XV

##### Secretary and Assistant-Secretary

Section 1 - The Board of Directors shall elect a Secretary, and it shall be the duty of the Secretary

(a) To keep a record of all meetings and proceedings of the Board of Directors, and of the members.

(b) To keep the corporate seal of the corporation, and to affix it on all papers requiring the seal of the corporation.

(c) To keep proper books.

(d) To serve notices of meetings of the Board of Directors and the members required either by law or by the By-Laws of this corporation.

(e) To keep appropriate records showing the members of this corporation together with their addresses as furnished him by such members.

Section 2 - The Board of Directors may appoint an Assistant Secretary who, in case of the absence, inability or refusal to act of the Secretary shall perform the duties of the Secretary.

Section 3 - The Assistant-Secretary shall also perform such other duties as may be required of him by the Board of Directors.

## ARTICLE XVI

### Treasurer

Section 1 - The Treasurer shall receive and deposit in such bank or banks as the Board of Directors may, from time to time, direct, all of the funds of the corporation, which funds shall be withdrawn by such officer or officers as the Board of Directors shall, from time to time, designate.

## ARTICLE XVII

### Books and Papers

Section 1 - The books, records and such papers as may be placed on file by the vote of the members or the Board of Directors shall at all times, during reasonable business hours, be subject to the inspection of any member.



## ARTICLE XVIII

## Proxies

Section 1 - At all corporate meetings of members, each member may vote in person or by proxy.

Section 2 - All proxies shall be in writing, and filed with the Secretary.

## ARTICLE XIX

## Corporate Seal

Section 1 - This corporation shall have a seal in circular form having within its circumference the words

" \_\_\_\_\_ " HOMES ASSOCIATION

Incorporated \_\_\_\_\_

\_\_\_\_\_  
(State)

## ARTICLE XX

## Amendments

Section 1 - By-Laws may be adopted, amended, or repealed

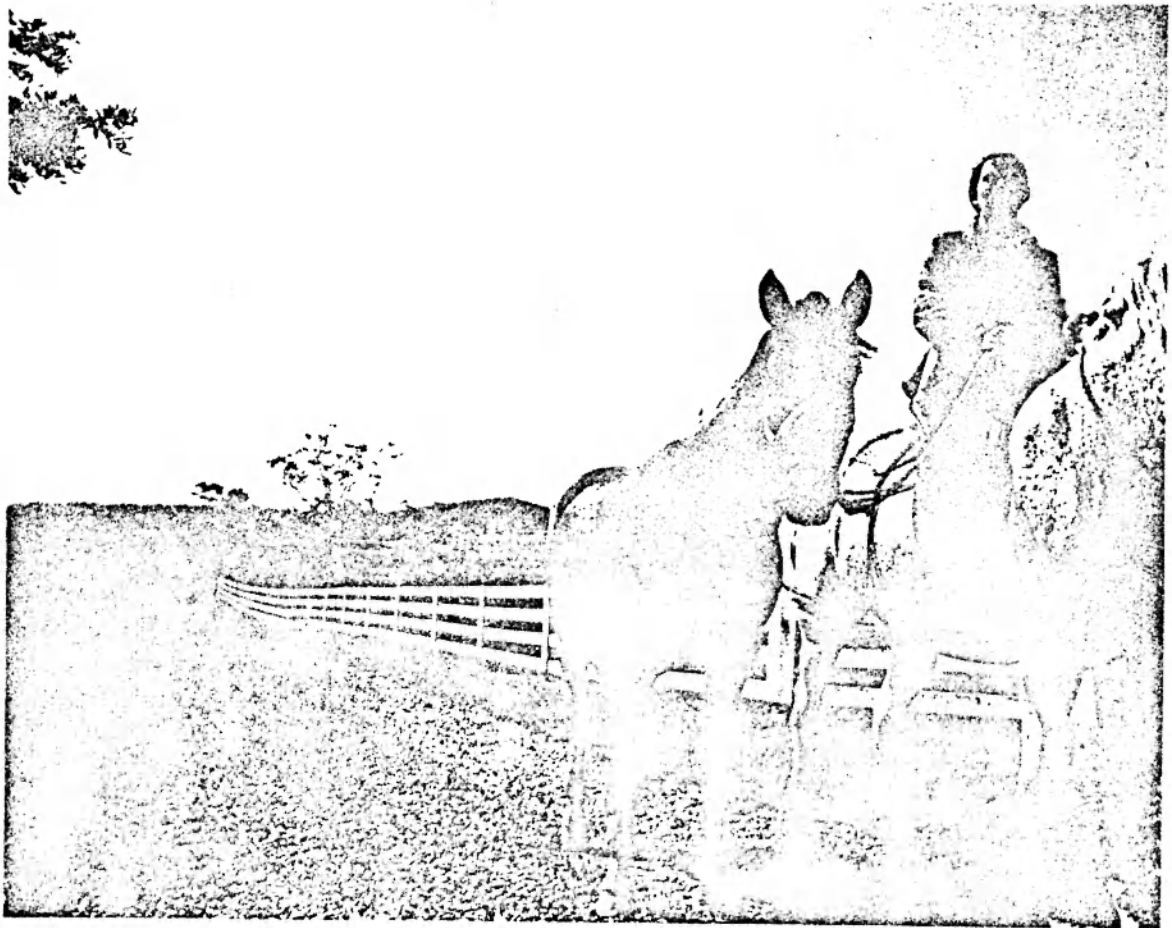
(a) By the Board of Directors, subject always to the power of to change or repeal such By-Laws; or

(b) By the vote or written assent of a majority of the members entitled to vote, or the vote of a majority of a quorum at a meeting duly called for such purpose.

Above By-Laws prepared by Mason-McDuffie Company, Inc.  
Berkeley, California.



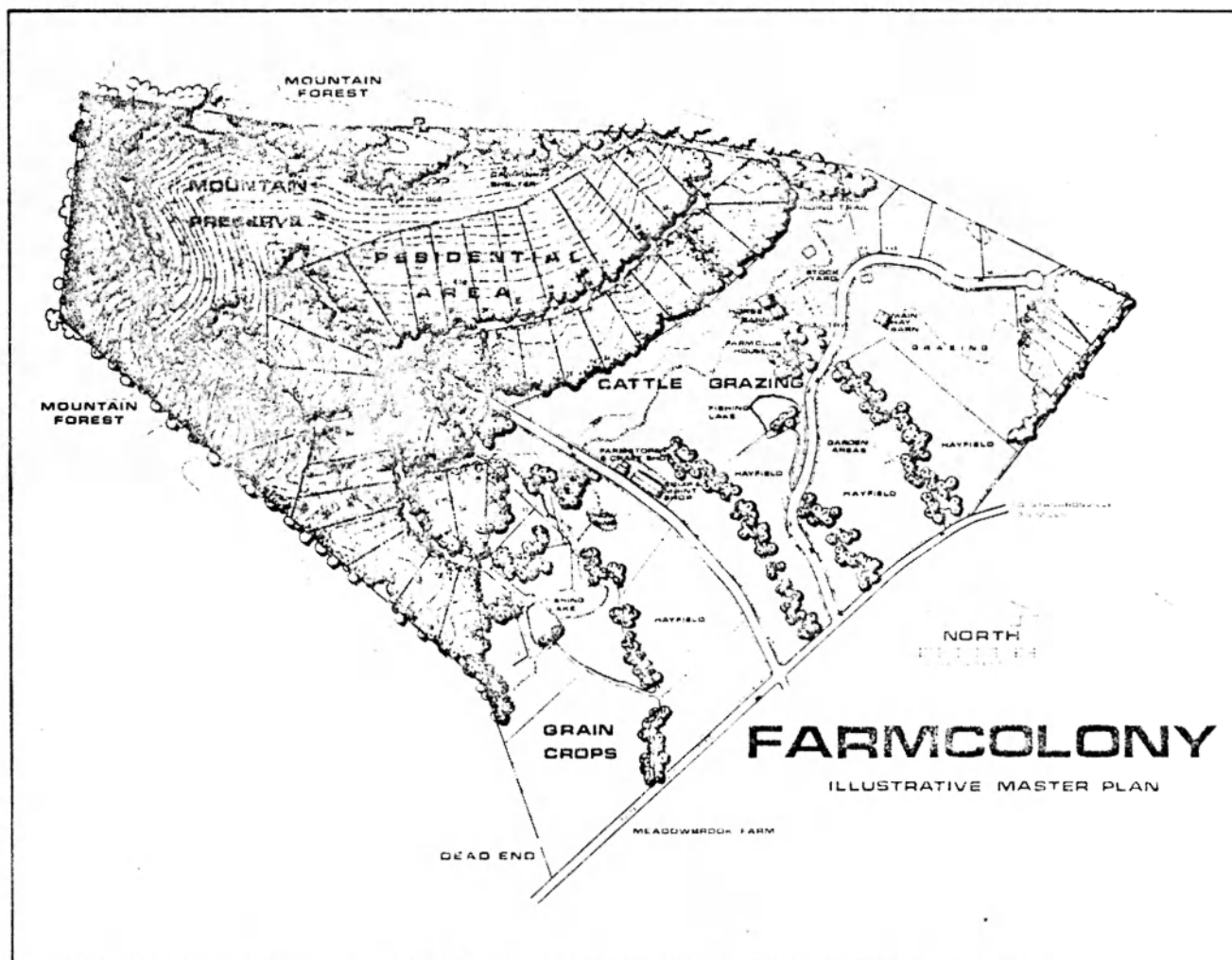
# FARMICOLONY



FARMCOLONY, in the Blue Ridge foothills, offers you an opportunity to enjoy all the benefits of living on a farm without the usual worries or responsibilities, and at far less cost than buying a farm individually. FARMCOLONY IS THAT SIMPLE.

Most fine communities feature an amenity of some sort. A golf course, tennis courts, lake, common green area or other type of visual or aesthetic enhancer to make the surrounding living area a more pleasant place to live. Instead of the usual golf course, or tennis courts, the amenity at FARMCOLONY is an incredibly beautiful farm — and your own forests, mountain and streams on its almost 300 acres.

Ownership of the farm is included with the purchase of your own building site. And cattle, horses, chickens, ducks, pastures, streams, ponds, walking and horse trails, camping shelters, barns, poultry house, workshops, sheds and even a huge farmhouse now used as a meeting place for the owners. And the fertile farm is completely equipped with operating machinery. For over two hundred years FARMCOLONY land has raised abundant crops of vegetables and healthy animals.



(All pictures taken at FARMCOLONY)

Nestled in the Blue Ridge Mountains, FARMCOLONY is so picturesque an environment words cannot describe it. The following photographs do all the talking . . .

Perched in the woods on the side of a gently sloping mountain overlooking the farm and valley are forty-eight single family homesites averaging two acres each. Some homesites have streams running through them or border on a pond. Most are surrounded by tall dense forest. Some have spectacular views of the rolling Virginia countryside. The total investment in your own homesite and share of all the other things ranges from \$14,000 to \$24,000. Financing is available.



View of FARMCOLONY.

With ownership of a building site comes joint ownership of the farm through the FARMCOLONY Homeowners' Association. Only you as a homesite owner can belong to this association. This association holds title to the common farm areas, the mountain preserve, twelve buildings, livestock, machinery and equipment. This common ownership is simple and workable. Simpler actually than belonging to a country club. Through an elected five member executive committee all decisions relating to the farm operations are handled according to the desires of the homeowners themselves. The actual day to day operation of the farm is handled by a FARMCOLONY full-time professional farm manager who also operates his own farm, as did his father and grandfather and great-grandfather before him. Everything is taken care of. Owners at FARMCOLONY only need to relax and enjoy all the benefits of farm living with none of the disadvantages.

Besides beautiful scenery, healthful environment and an enjoyable living situation, there are also many additional benefits such as being able to gather freshly laid eggs, buy fresh beef from your own farm and delicious vegetables untouched by harmful chemicals or middlemen - - at a fraction of the cost at stores. The prices paid by FARMCOLONY owners will vary from time to time but are roughly one-half of retail outlet prices.

The focal center of social activity on the farm is centered around the farm clubhouse. This recently restored nineteenth century structure has a large living room where parties, meetings, lectures and other cultural events take place. In addition, there are private bedrooms where owners and their guests are welcome to stay and there are complete kitchen and laundry facilities. This clubhouse allows property owners to enjoy their purchase in comfort before building a home and is always a warm and friendly gathering spot for everyone. It is not unusual to find several owners spending a

weekend at the farmhouse eating fresh farm produced food and really enjoying life.

The location of FARMCOLONY is ideal. Three and one-half miles from Stanardsville, a wonderfully quaint and small town still bound in "down home" traditions. Traditions like storekeepers and bankers knowing you by first name and being able to leave your car unlocked; traditions like farmers and mountain men gathering at the general store to talk crops, politics and the weather. Close by (20 to 25 minutes) is Charlottesville with its wonderful health and education facilities, large regional shopping centers and cultural events of every type. Other facilities are available close by such as golf and tennis (10 minutes), skiing (25 minutes), and of



One corner of living room in farmhouse.

course, the famous Skyline Drive entrance is only 10 minutes away from FARMCOLONY.

Farm living is what people have always dreamed about but have never been able to do. Watching your children or grandchildren ride a pony, or play in a barnful of sweet smelling hay used to be just a dream, or at best an expensive venture. Watching your own food grow, fresh eggs, beef that hasn't been "treated" with additives and garden-fresh vegetables are now a reality. Taking a hayride through the crisp fall air is a unique experience and is just a small part of what farm life is all about. FARMCOLONY for the first time makes this a practical reality at a modest cost.

FARMCOLONY, of course, cannot be compared to anything else because there is nothing else like it. There is no comparing a completely equipped operating farm with just a lot in the woods, you can't compare vegetable gardens grown and tended by a professional farm manager with any other type of development. The security and peace of mind at FARMCOLONY lets you enjoy a lifestyle devoid of the tensions and fear found in city life.



Entrance to FARMCOLONY



Pond near farmhouse and homesites in the woods.

In summary, FARMCOLONY has everything. Food, security, peace of mind, and value in a world where these aspects come dear or are not available at all. Few people will buy at FARMCOLONY just because it is a good investment. Most are interested in life as it should be lived, in a truly civilized environment — where health, peace, vigor, and community spirit is a way of life, not a distant dream.



For an invitation to visit or stay overnight at FARMCOLONY, call the farm manager at (804) 985-2408. Or, if you wish additional information, write: FARMCOLONY, Rt. 1, Box 97, Stanardsville, VA 22973.

#### References:

Virginia National Bank — Stanardsville, Virginia  
Chamber of Commerce — Charlottesville, Virginia

Directions: From the Washington area take I-66 to Warrenton and U.S. 29 South through Madison, Virginia, and turn right on 230 to Stanardsville. In Stanardsville, take left on State Road 622 for approximately 4 miles and look for FARMCOLONY signs.

THE PRESERVATION OF AGRICULTURAL OPEN SPACE  
ON THE METROPOLITAN FRINGE

BY

CARLTON FRANCIS BECKSTEAD  
B.A., Westminster College, 1974  
Fulton, Missouri

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AN ABSTRACT OF A MASTER'S THESIS

submitted in partial fulfillment of the  
requirements for the degree

MASTER OF LANDSCAPE ARCHITECTURE

Department of Landscape Architecture

KANSAS STATE UNIVERSITY  
Manhattan, Kansas

1979

## ABSTRACT

### Introduction

The problem dealt with in this thesis is the conversion of agricultural open space to non-agricultural uses. Agricultural open space is a valuable natural resource which should be preserved for several reasons. It is valuable aesthetically, ecologically and for crop production. Although at the present time losses of agricultural land have not reached critical proportions, the possibility of such an occurrence is present. Research into the various means of agricultural open space preservation is justified by this possibility.

One area in which agricultural land is put under intense pressure for conversion to non-agricultural use is on the metropolitan fringe. Within fringe areas, pressure to develop is exerted by both the public and private sectors. Private investors are usually able to pay more for the land than it would be worth for agricultural production. Agricultural land is often assessed for taxation at its market value rather than its use value. This taxation provides further incentive to force the farmer on the urban fringe to sell his land for development.

There have been numerous land use policies implemented to control the loss of agricultural open space. A review of many of these may be found within the thesis. It is apparent, however, that further research is needed. It is in response to this need, that the ensuing study was undertaken.

### Scope and Objectives of Study

The scope of this study involves a discussion of the nature of agricultural open space and the current situation on the metropolitan

fringe. A study of land use policy was conducted to determine a direction toward which new solutions to the problem might aspire.

It is the contention of the author that developmental growth and agricultural landuse can co-exist, with mutual benefits to all concerned. This preservation of agricultural open space can be encouraged by the promotion of private developments known as farm colonies. The farm colony calls for prime agricultural land to be kept in production, while the surrounding marginally productive property is used as a housing development base. This not only provides housing areas with the attractive amenities of farm life and scenery, but also makes available large amounts of capital required for successful modern farming operations.

Each homeowner is part owner of the farmland through his membership in the farm colony homeowners association. The association, in turn, manages the farm with major decisions subject to homeowner approval and everyday problems handled by its' board of directors.

The objective of this study is to develop site planning criteria to serve as guidelines for the implementation of the farm colony concept. Suggestions are also made for the formation of a comprehensive set of legal documents necessary to insure the perpetuity of the development.

It is further proposed that the feasibility of the farm colony concept as a means of preserving agricultural open space on the metropolitan fringe be enhanced by legislative incentives. A study of alternative legislative incentives is presented as a guide for governmental action.

The thesis is not meant to serve as a set of "hard and fast" rules for the development of farm colonies. It is meant to propose a feasible method through which agricultural open space may be preserved through the public encouragement of private development practices.



The solution proposed is not intended as a method of preserving all agricultural open space on the urban fringe. It is only a small part of an over-all land use policy which is necessary at this time and will become more so in the future.