

Land Opportunity to Support the Farm & Learning Center

We seek a social investor.

We seek a social investor to act immediately to purchase 130 acres of farmland next to Angelic Organics and hold it on our behalf for up to five years. The benefits to the social investor include the value of the rental income from the farmland and potential land appreciation. The investor will hold the land until we are able to raise the funds to acquire it and ideally place it into a land trust or easement that pulls the land out of the speculative market and guarantees in perpetuity its use for sustainable agriculture. This parcel, if acquired, will form nearly one-third of the total land base needed to reach our long-term vision for the farm and learning center (see Vision 2030).

Time is of the essence.

The opportunity to acquire adjacent high quality farmland like this comes up perhaps once every several generations. Our elderly neighbor passed away in Fall 2007 and her daughters intend to sell the property as soon as possible. We'd like to make them an offer they can't refuse before it goes out on the market.

We have the social and legal framework ready to go.

In January 2007, at our request, a family foundation successfully purchased a 70-acre parcel adjacent to the northeast corner of Angelic Organics farm and is holding it on our behalf. The family has stated that it is not interested in making money off the property – rather, they are acting as “social investors”. Under our lease agreement, they are holding the land for five years with a provision that we can buy it at any time. In essence, this family is gifting us time to thoughtfully plan, together with all our stakeholders, how to place the land into a trust or easement that removes farmland from the speculative market and guarantees that it is used in perpetuity for sustainable agriculture and education.

Here are the basic terms.

The offer should be at an appraised market rate. The 130 acres comes in two parcels – 50 acres of bare farmland and 80 acres with an old farmhouse (there are 120 tillable acres). We contracted an appraisal in October 2007 and the estimated total value of the 130 acres of farmland and farmhouse is \$985,000. While appraisers vary in their estimates, this does give us a general range of the value of the land. Here's how it breaks out:

- * The 80-acre parcel with farmhouse is appraised at \$665,000.
- * The 50-acre parcel is \$320,000.
- * The home on 5 acres is valued at \$185,000.
- * The farmland is valued at \$6,400 per acre.

The benefits to the social investor.

1. Rental income. Until we are ready to use the land, the social investor receives the market rate rental income (approximately \$15,000 annually) from the continued farmland lease to a neighbor farmer. Also, if investments are made in the farmhouse, additional rental income may be possible.
2. Potential land appreciation. Until we are ready to use the land, the investor may gain from land appreciation.
3. Additional tax benefits may be available in the future. Once we move to place the land into a land trust or easement, the social investor may have the opportunity to donate all or a portion of the development value of the land (placing a conservation easement on the land that restricts use to sustainable agriculture). This may allow the social investor to take significant tax deductions, up to 50% of the development value that is donated.

The benefits to Angelic Organics and Angelic Organics Learning Center.

Under a similar lease agreement to the 70-acre parcel, a social investor holds the land for up to five years and provides Angelic Organics and Angelic Organics Learning Center with the right to purchase the land at any time within the five years at market value. Holding the land allows us time to plan with diverse stakeholders for how to take the land out of the speculative market and place the land into a long-term land trust or easement. This parcel, if acquired, will form nearly one-third of the total land base needed to reach our long-term vision for the farm and learning center (see Vision 2030).

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