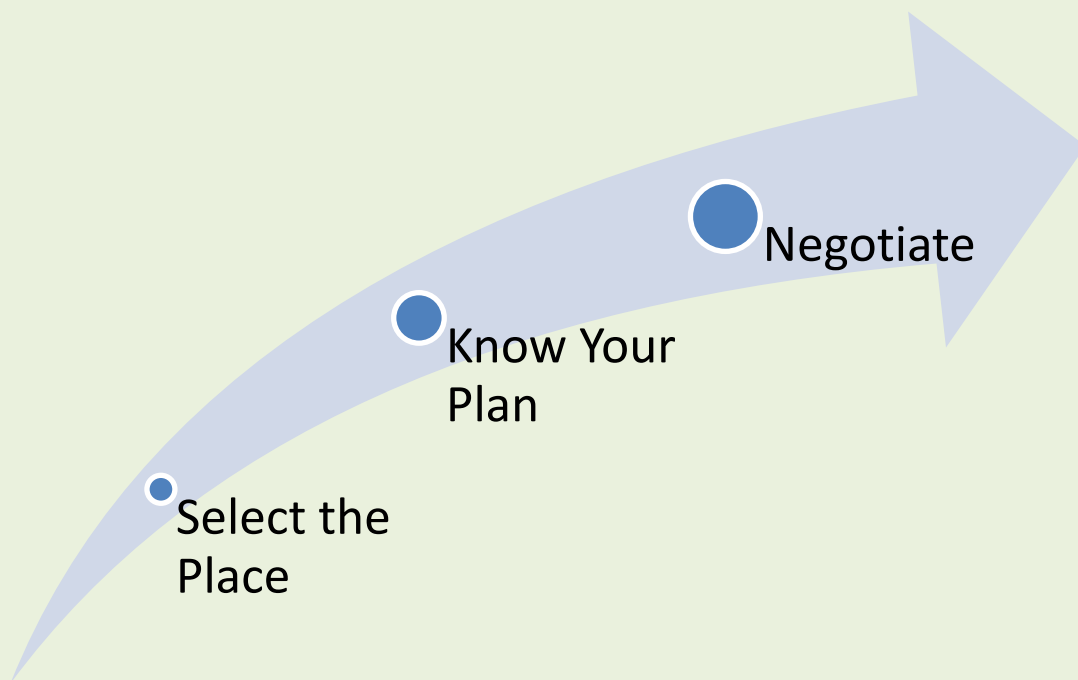




Publicly Owned Land Negotiation Checklist

Directions: Have business plan, financial records, and any key partners involved in working through this checklist. Look to have access to Land Inventory and Resources Inventory as well.

For assistance in working through this checklist, contact Tom Monson at Community & Economic Development Associates at tom.monson@cedausa.com or (507) 413-2500.



Checklist

1. Location Selection

- a. How far is the drive from your home?
- b. How far is the drive to your primary markets?
- c. Are there new markets nearby available for access?
- d. How near is space for equipment storage?
- e. How near is product storage?
- f. What are the microclimate characteristics?



2. Parcel Selection

- a. Accessibility
 - i. Is there a public right of way connecting to the land?
 - ii. Will the entrance allow for coming and going of farming equipment?
 - iii. Fencing?
- b. Soil Quality
 - i. Are there soil samples or can they be obtained?
 - ii. How well does soil composition match your primary crops?
- c. Water & Irrigation
 - i. Does the site have adequate water access?
 - ii. Appropriate water quality (potable, irrigation, livestock)
 - iii. Does the site flood? How often?
- d. Telecommunications
 - i. Does the site have cell phone reception?
 - ii. Does the site have broadband?
- e. Current Tenant Relations
 - i. Are there current tenants on the property?
 - ii. What has their experience been like?
- f. Facilities
 - i. Are there buildings on the parcel?
 - ii. Is new construction allowed in the agreement?
 1. Are there restrictions on the types or uses of facilities?
 2. What are requirements in the building permit approval process?
 - iii. Is there a well?
 - iv. Is there a septic, sewer, or drain field system?
- g. Power Supply
 - i. Are there electrical hookups?
 - ii. Natural Gas?
 - iii. Renewable energy options?
 - iv. Who are the providers?
- h. Neighbors
 - i. How many neighbors border the site?

- ii. What are the attitudes of the neighbors?
- iii. How much influence will they have on the success of your operation?
- iv. Where are the property borders?
- v. How do property lines affect accessibility?
- i. Property Records
 - i. Are there any issues with the abstract, property lines, or other legal issues on record with the County Recording office?
- j. Topography
 - i. Is the lay of the land easily farmable?
 - ii. Are portions of the property cutoff by natural barriers?
- k. Vegetation
 - i. What's being grown around the parcel both naturally and intentionally?
- l. Other
 - i. Are there any other considerations to note for the parcel?

3. Know Your Budget

- a. Current Budget
 - i. Do you have historical financial records personally and/or for the farming business?
 1. Balance Sheet
 2. Profit & Loss Statement
 3. Cash Flow Statement
 4. Audits
 5. Tax Returns
 6. Bank Statements
 - ii. Subtracting your current debt payments from your total income, how much can you afford in additional annual payments?
 - iii. How much cash can you contribute to this project without dipping below balance equal to 1-6 months of normal expenses?
- b. Financial Projections
 - i. Budget Operations
 1. What crops will be planted and how much of each?
 - a. How much land does this require?
 2. What percentage is expected to be sold?
 3. What are the prices of each crop at a typical sale?
 4. Will there be livestock?
 5. What will be expenses related to continuing farm operations?
 6. Will additional equipment need to be purchased?
 7. Will facilities need to be built?
 - a. Maintenance Expenses?
 - b. Utilities?
 - c. Property taxes?
 8. How much space will you need?



9. Subtracting the expected expenses from the farm income, how much is left?
- ii. Farm Development
 1. Finance needs
 - a. Equipment
 - b. Buildings
 - i. Acquisition
 - ii. Construction
 - iii. Renovation
 - c. Land
 - d. Working Capital
 2. What are the lending terms offered?
 - a. Length of Term
 - b. Interest Rate
 - c. Amount
 - d. Payments
 - i. Frequency
 - ii. Amount
 - iii. Form (Auto-pay, check, etc.)
 3. Subtracting the loan payments due in 1 year from the profits from your existing income and the farm operations, how much is left?

4. Know Your Needs

- a. Will the above plans support your goals?
- b. Does the amount of land you need fit into the parcel you've identified?
 - i. If not, how will your plans change?
 - ii. How much money will be left after existing income and farm operations subtracting the expenses and loan payments in this new plan?
- c. How much can you afford for land payments based on the above plan?
- d. What type of help will you need to complete this plan?
 - i. Farming
 - ii. Marketing
 - iii. Financial
 - iv. Legal
 - v. Political

5. Know Your Partners

- a. Identify someone that can help within each of the areas that are needed to help make this plan possible.
 - i. Refer to the Resources Inventory for some possible partners that can help.
- b. Set up a meeting with the partners you would like to work with, explain your needs, and how they can help.

6. Contacting Public Owners

- a. Identify the owner of the parcel and which city or township it's located in.

- b. Ask partners if they have experiences or insights with the owner or community.
- c. Call contact using the Land Inventory
 - i. Describe interest in parcel
 - ii. Identify which parcel by either street address or parcel identification number
 - iii. Ask how to inquire about purchase or lease
- d. Schedule time to meet with relevant staff and bring at least one identified partner

7. Negotiating with Public Owners

- a. Negotiations with public land owners will most often require several steps:
 - i. Meet with staff person:
 - 1. Bring at least one identified partner
 - 2. Describe interest/proposal
 - 3. Bring written summary of proposal:
 - a. Clearly identify type of transaction (lease or purchase)
 - b. Identify price
 - c. Identify length of term for lease
 - i. Include guarantee of length of lease in agreement
 - ii. Ask if they have insurance policy or other legal requirements (if a public owner is concerned about liability, describe any liability insurance policies to be acquired and offer to add them as a certificate holder)
 - 4. Identify parcel of interest
 - 5. Explain benefits to community/owner (such as)
 - a. Revenue from lease or sale
 - b. Property taxes
 - c. Local food supply
 - d. Less maintenance costs
 - e. Local business customers
 - 6. Ask who approves proposal
 - 7. Write down any suggestions or problems identified by staff person
 - a. Discuss notes with partner after meeting
 - ii. Meet with relevant committee or sub-committee:
 - 1. Bring at least one identified partner
 - 2. Describe interest/proposal
 - 3. Identify parcel of interest
 - 4. Explain benefits to community/owner (such as)
 - a. Revenue from lease or sale
 - b. Property taxes
 - c. Local food supply
 - d. Less maintenance costs
 - e. Local business customers
 - 5. Send written proposal to staff person to send to committee ahead of meeting for review

6. Expect meeting to be an Open Public Meeting
 7. Write down any suggestions or problems identified by the committee
 - a. Discuss notes with partners after meeting
 8. Ask for recommendation of final approval to council/committee
 - a. Ask for date of consideration and any suggestions or requirements related to that meeting
- iii. Final Decision
1. Expect Open Public Meeting (may also require public hearing depending on local ordinances)
 2. Bring at least one identified partner
 3. Describe interest/proposal
 4. Identify parcel of interest
 5. Explain benefits to community/owner (such as)
 - a. Revenue from lease or sale
 - b. Property taxes
 - c. Local food supply
 - d. Less maintenance costs
 - e. Local business customers
 6. Send written proposal to staff person to send to committee ahead of meeting for review
 7. In the event of approval, ask for steps to close on purchase or lease
- iv. Closing
1. Work with staff person(s) to complete closing
 2. Make sure relevant agreements are notarized, include a legal description of the parcel, and recorded at the local county Recorder's Office

8. Farm!