

Vermont Housing and Conservation Board
GUIDELINES FOR RURAL ENTERPRISES ON CONSERVED FARMLAND

I. INTRODUCTION

- A. Small rural enterprises are a traditional way of life in Vermont and an element of the working landscape that VHCB and its conservation partners support. As the farm economy evolves over time, and new technology emerges, new types of rural enterprises are also appearing in the state. Many of these have little to no adverse effect on agricultural, forestry, or scenic resources. Allowing them on conserved farms helps extended families remain together on the farm and contributes to the overall success of agriculture even though the rural enterprise may be unrelated or only indirectly related to the farm or forest operation.
- B. The purpose of these Guidelines is to add clarity and specificity to how, when, and where rural enterprises on conserved farms may be allowed under the standard farm conservation easement by VHCB and its primary farmland conservation easement co-holders – hereinafter referred to as “Holders”.

VHCB’s template farm easement has evolved over the decades that the Holders have been protecting farmland. To the extent that they are not inconsistent with specific easement terms, these guidelines are intended to apply to all farm easements. Requests for approval of rural enterprises on conserved farms will be evaluated both by the specific language in that easement (which could require input from another entity, such as the Natural Resources Conservation Service (NRCS), for compatibility with any required conservation plans), as well as by the criteria contained in these guidelines. Most farm easements state that non-agricultural industrial or commercial uses are prohibited except for some enterprises related to or compatible with agriculture or forestry. Since 2003, the standard easement also contains language allowing certain structures related to these allowed enterprises. Farm easements also contain a “future uses” clause, providing for activities not contemplated when the property was conserved, that are consistent with the easement purposes. These Guidelines provide detail not contained in the easement.

- C. For the purposes of these Guidelines, “rural enterprises” are defined as commercial enterprises on farms that are: (1) small businesses completely unrelated to agriculture or forestry; or (2) selling products or offering services that are indirectly related to agriculture or forestry; or (3) engaged in processing or sales of agricultural or forestry products where less than 50% of the raw product originates on the farm.

The on-site storage, preparation and sale of agricultural or forestry products principally produced on the conserved property (that is 51% or more of the agricultural or forestry products being processed on the property) is considered a permitted agricultural use, and so does not fall under these guidelines. “On-farm accessory businesses”, as defined by statute in 2018, (see 24 V.S.A. 4412) may or may not need approval under the easement; rural enterprises that meet the 2018 statutory definition are more likely to be approved under these guidelines, providing they are not inconsistent with the easement and meet the criteria in these guidelines.

D. VHCB's rationale for allowing rural enterprises on conserved farms is as follows:

1. If appropriately scaled, these enterprises can enhance the economic viability of the agricultural and forestry activities on the farm without detracting from the purposes for which the farm was conserved; and
2. They may be able to support educational, recreational, and open space uses of the conserved farm that are not inconsistent with the purposes for which the farm was conserved; and
3. Value-added processing of agricultural or forestry products is a diversification strategy that makes sense for many producers who are looking for ways to increase the net income from their farming or forestry activities.

The Holders will not approve rural enterprises that are inconsistent with the easement purposes and/or would have a significant impact on the property's natural resources. Examples of these may include commercial activities that displace agriculture and forestry, such as: golf courses; campgrounds; event venues that permanently and/or completely displace agricultural and/or forestry uses.

II. RURAL ENTERPRISE APPROVALS

- A. When evaluating a landowner's request for a rural enterprise on a conserved farm, the Holders use the following guidelines to assess impact and consistency with the purposes for which the farm was conserved:
 - a. The requested activity is not inconsistent with the easement purposes, and will not unduly impact the natural resources protected by the easement, such as rated agricultural soils, surface waters, and any particular ecological, historic, archeological or other attributes of the property.
 - b. Impact on availability of land and buildings for agricultural and forestry purposes. Adaptive re-use of existing buildings is preferred over new construction. New construction will generally be within a designated building complex.
 - c. Of a nature, scope and scale that will not overwhelm or interfere with the agricultural or forestry uses and resources of the property.
 - d. Improvements related to the rural enterprise will not make the property unaffordable to a future farm buyer.
- B. The Holders may condition a rural enterprise approval to ensure consistency with the easement purposes. Conditions may include, as applicable:
 - a. Compliance with all applicable local, state and federal rules and regulations;
 - b. The approval may be granted for a limited time, for a limited number of occurrences (such as events), and automatically terminate upon the sale of the conserved farm, unless renewed in writing.
 - c. Parking may be limited to a location and scale consistent with the use.
- C. Recognizing that farms may need to scale up enterprises related to agriculture to remain viable, the Holders seek to be proactive in helping farmers assess when a rural enterprise

should move to a more suitable, non-conserved location. VHCB's Farm & Forest Viability program may be able to assist in this evaluation, providing business planning and technical expertise.

- D. The Holders may approve a new structure for a rural enterprise if an existing structure is not suitable, and the new structure is:
- a. Located in a manner consistent with the conservation easement (generally in a designated complex)ⁱ, and in a way that minimizes negative impact on future operations, and does not interfere with current agricultural operations;
 - b. Generally no more than 1,500 square feet;
 - c. Does not significantly impact primary agricultural soils, if outside of a designated complex
 - d. Within impervious surface limits, if applicable.

III. MINOR STRUCTURES

Commercial or recreational structures anywhere on the conserved farm of fewer than 400 square feet and without any plumbing or utilities may be permitted with the written approval of the Holders, as a rural enterprise. No such structure shall be located or constructed in a manner so as to be inconsistent with the Purposes of the Grant. Examples of minor structures are tent platforms, adirondack shelters, warming huts, gazebos, boardwalks and hunting stands.

IV. CAMPS

Many farm easement have a standard camp clause, allowing a rustic camp, typically limited to 600 square feet in size, for personal use. Use of this camp for periodic rustic overnight stays, including those for which a fee is charged, may be permitted with the written approval of the Holders, provided it is consistent with local and state regulations.

V. EVENTS

Farms are increasingly looking to one-time or periodic events to bring members of the public to the property, to learn about the operation, and purchase or otherwise partake of products produced on the farm. In some cases, proposed events on conserved farms may have little or no connection to the operation (i.e. concert, fair or recreational/celebratory/wedding event held on the property). The Holders will review requests for approval of one-time or periodic events for which fees are charged using the criteria in these guidelines. Approvals may be conditioned on such factors as availability of suitable parking, and procurement of adequate liability insurance.

¹ See VHCB Renewable Energy Guidelines for renewable energy installations on conserved farms