

# **Thompson Finch Farm Transition Opportunity**

## **Request For Proposals**

The Columbia Land Conservancy, Inc. (CLC), in conjunction with the owners of Thompson-Finch Farm, LLC, seeks a farmer or farmers to transition Thompson Finch Farm in 2024. Below is additional information about the farm, the ground lease, and the transition timeline for interested farmers.

### **Background and Farm Description**

Thompson-Finch Farm is a 196-acre property located in Ancram, NY. Known widely throughout several states for its organic Pick Your Own strawberries that draw more than 10,000 customers per year. The farm also produces potatoes, tomatoes, and other crops sold through regional venues. This 5th generation family farm has been managed with careful stewardship of its certified organic soils by Don and Marnie MacLean since 1982.

In March 2019, in collaboration with the MacLean family, farmers, and with support from more than 300 community members, organizations and foundations, CLC purchased this beloved property to protect it from being sold and developed through a conservation easement and agricultural ground lease. This is a unique and collaborative arrangement established between CLC and the farmers. It allows an incoming farmer or farm business to purchase both the business and the farm infrastructure at agricultural value, including housing, from Don and Marnie. Over the past three years, the farm has grossed \$111,740 on average per year, with 6.5 acres in production (4.5 acres of strawberries, 1 acre of blueberries, and 1.5 acres of apples). It also includes the acquisition of a secure and affordable 99-year ground lease with CLC.

Currently, Don and Marnie operate their business on a portion of the property while subleasing the remaining acreage to neighboring farmers. This is expressly permitted in the ground lease and could be part of an overall management plan for any future farmers. The farm is also protected with a conservation easement that supports agricultural use on the property. The easement is held by the Dutchess Land Conservancy. A copy of the easement is available upon request.

In addition to approximately 90 tillable acres of high-quality farmland, the property also supports a sensitive ecosystem with areas of high-quality wetlands, woods, and approximately 8000 feet along the Roeliff Jansen Kill.

## **Qualifications**

We seek an experienced and professional farmer or farmers with:

- For-profit farm experience, with a solid commitment to a community-oriented operation.
- Commitment to organic certification and the ecological stewardship of the property, including the use of ecologically sound agricultural practices that protect stream health, soil health, and sensitive habitats.
- Proven experience with and understanding of successful farm planning and management.
- A summary vision or draft business plan.
- While not required, Don and Marnie would like to find an incoming farmer who can continue the Pick Your Own strawberry business at this location while incorporating additional crop or livestock production. They are willing to share their experience to support this part of the business transition.

## **Transfer Opportunity and Process**

The farm transfer will follow a gradual process ending with the ultimate sale of the infrastructure along with the transfer of the 99-year agricultural ground lease. The application process requires a short letter of interest, a resume, and a summary vision or draft business plan. This opportunity will remain open until filled. All interested applicants are encouraged to email their short letter of interest to [TFF@ColumbiaLand.org](mailto:TFF@ColumbiaLand.org) before submitting a full proposal.

Finalists will be selected by a review board composed of the current farmers, CLC staff, and an independent review committee, and invited to the farm to meet with the current farmers, as part of the selection process. Don and Marnie hope to select a final candidate during the summer of 2024, and enter into a purchase contract in Fall 2024. Additional details regarding the planned process are available upon request.

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## Additional Information

### What is an agricultural ground lease?

Ground leases are a commonly used real estate tool. An agricultural ground lease is an arrangement based on a community land trust model in which a farmer owns the structures and improvements on a property while the land is owned by a land trust (such as CLC). A long-term lease (99 years) is established with the farmer which provides affordable access to land with the assurance that they can continue to farm the land for as long as they wish. When the farmer is ready to retire or move on from the land, they sell the structures and improvements to the next farmer at their appraised value. This enables the farmer(s) to build equity and encourages investments in infrastructure and other improvements.

### What are the benefits to the farmer?

- Affordable, secure access to prime farmland.
- Ability to invest in existing and new infrastructure that is recouped through a private sale with the next farmer.
- Land trust supports identifying the next farmer when the current farmer is ready to end their ground lease.

### How much will it cost a new farmer to take over the ground lease?

#### One time expenses

The incoming farmer will purchase the existing structures and infrastructure from the current farmers, Don and Marnie, in a private sale at their appraised value.

The final sale price will be determined once a buyer is identified, and a new appraisal is completed. For reference, a similar appraisal was completed in 2016 and valued these structures and improvements at approximately \$87,000.00. Given the time that has passed since this appraisal, and changes we have observed in the real estate market, we expect a current appraisal will be significantly higher.

Don and Marnie would be pleased to help the incoming farmers continue their longstanding farm operation, including Pick-Your-Own strawberries. However, they are not looking to sell their business as a separate asset.

### Recurring expenses

The incoming farmer will be responsible for yearly local taxes and an annual rent to CLC.

- In 2023, local taxes (including County, Town, and School) totaled: \$6,500 +/-
- In 2023, the annual rent totaled \$1,600 +/-
- Annual Organic Certification fee: \$1000-\$1500 dependent on gross sales
- In addition, the rent includes in-kind services required by the Agricultural Ground Lease that serve benefits to CLC and to the general public including oversight, management and maintenance of the public use of the Property.

### **How is the rent calculated?**

As a 501(c)(3) organization, the Columbia Land Conservancy cannot provide a private benefit to the farmer leasing Thompson-Finch Farm. Consequently, CLC sets the rent based on its cost for administering the ground lease and market rates for leased farmland under the terms of the ground lease. This amount is recalculated every five years to reflect changes in administration costs and market rates accurately.

### **Can the farmer sublease some of the farm?**

Yes, with prior notification to CLC, up to 30% of the production land may be subleased to one or more farm operations. In such cases, the leasing farmer shall be fully responsible for ensuring that any such sublessee utilizes the subleased land and/or any associated Improvements in a manner that is fully consistent with and supportive of this Ground Lease, is consistent with the terms of the Conservation Easement, and does not in any way jeopardize Lessee's ability to obtain organic certification for the Leased Land. To sublease any portion of the Residential Structure(s) or any of the other Improvements, or more than 30% of the Production Land or any other part of the Leased Land, Lessee must obtain prior written approval by CLC.

### **Does the farm have to be certified organic?**

Yes, CLC will require the next farmer to maintain a current organic certification. This will help guarantee continued stewardship practices that protect the quality of the agricultural soils and other conservation values of the property, monitored by a third party. The property is currently certified through NOFA-NY. We will consider another, similar certification on a case-by-case basis.

### **Does the incoming farmer have to continue the current Pick-Your-Own strawberry operation?**

While not a requirement, Don and Marnie, are hopeful that the next farmers at Thompson-Finch Farm will continue the tradition of growing organic strawberries. Over their decades at the farm, Thompson-Finch Farm strawberries have become a beloved part of the community. Each year, 2200 families from near and far return to pick fruit here. Consideration will be given to those applicants that are interested in including strawberries in their business plans.

### **Can the incoming farmer lease-to-own the Structures and Improvements?**

No, Don and Marnie require a traditional sale of the buildings and land improvements at Thompson-Finch Farm. However, CLC will support applicants seeking financing from a private lender (such as Farm Credit East or other bank) or through the USDA by providing ground lease terms and answering questions on an as-needed basis.

### **Property Details**

- 196 acres +/-, total
- 149 acres +/-, tillable
- 53% Prime Farmland (Class I or II) or Soils of Statewide Importance (Class III)
- Approximately 8,000 feet of stream frontage is along the Roeliff Jansen Kill
- Protected with a permanent conservation easement
- Located in Ancram, NY
- Near many local market opportunities and the greater NYC, Berkshire, and Boston regions

### **Existing Structures and Improvements for sale at Thompson-Finch Farm**

- House: 2-Bedroom, 1 Bathroom, 1600 sq. ft. house
- Barn: 60' x 30', 3222 sq ft.
- Machine Shed: 12' x 32'

- Greenhouse: 30'x96'. 2880 sq. ft.,
- Irrigation Equipment
- Two small recreational structures

Total approximate value (as appraised in 2016): \$87,000.

### **General Lease terms**

- 99-year lease agreement.
- Used for residential, agricultural, and educational purposes.
- Farmer maintains a commercial farm operation for the duration of the lease.
- Farmer pays an annual fee (for land rental and administration) to CLC, based on the monthly fair rental value of the property. This amount is reassessed every five years.
- Farmer pays County and Town property taxes.
- Farmer owns and maintains all improvements (buildings, structures, fixtures, fences, orchards, and perennial plantings).
- Lease terms developed to be compatible with conservation easement terms.
- Farmer can mortgage structures with CLC approval.
- Farmer can sublease a portion(s) of the farm to other operators with CLC notification.
- Farmer assumes sole liability related to its use of the land (CLC carries its own insurance)
- Farmer sells structures and improvements to the next farmer at the end of the lease. Resale prices are restricted by appraised value to keep the farm affordable.
- Farmer maintains all structures and improvements from loss or damage.
- Farmer agrees to limited public access to Roeliff Jansen Kill.

### **Additional Information on Thompson Finch Farm and Agricultural Ground Leases**

- <https://thompsonfinch.com/about.php>
- <https://equitytrust.org/ground-leases/>

### **What are other examples of ground lease farms in operation?**

- [Roxbury Farm \(Kinderhook, NY\)](#)—owned by Equity Trust

- [Caretaker Farm \(Williamstown, MA\)](#)—owned by Williamstown Rural Lands Foundation
- [Diamond Hill Farm \(Concord, NH\)](#)—owned by Equity Trust
- [Crimson & Clover Farm \(Northampton, MA\)](#)—owned by Grow Food Northampton, Inc
- [Scatter Creek Farm \(Rochester, WA\)](#)—owned by South of the Sound Community Farm Land Trust
- [Red Fire Farm \(Montague, MA\)](#)—owned by Mount Grace Land Conservation Trust