

# A Developer's View of Agrihoods

Presented by John DeWald Developer of Serosun Farms



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# What is an Agrihood?

- ❑ **Agricultural Operation (Farm) + Neighborhood = Agrihood**
- ❑ A farm and community integrated together
- ❑ A rural Mixed Use Project
- ❑ Still Evolving and Being Defined...
  - Many Levels – Rural, Suburban, Urban...
  - Many Components – Farm/Garden, Residential, Commercial, Non-Profit
  - Many Purposes – Marketing Tool, Farm/Farmland Preservation...

# Potential Elements

## Farm Elements:

- Farm/Market Farm/Community Garden
- Orchards
- Vineyards
- Pasture/Livestock
- Specialty Ag

## Farm Related Businesses:

- Farm Stand/Farmers Market
- Dairy
- Winery/Brewery/Cidery
- Food Hub
- Bakery/Commercial Kitchen

## Commercial Elements:

- Retail
- Office
- Market

## Equestrian Elements:

- Boarding
- Training
- Events

## Residential Elements:

- Estate Homes
- Clustered Homes
- Multi-family
- Care Homes

## Hospitality Elements:

- Bed and Breakfast/Hotel
- Restaurant
- Event Venue
- Farm Dinners
- Outdoor Recreation
- Seasonal Events

## Non-Profit Elements:

- Research and Demonstration
- Educational Programs
- School/Training
- Therapy Programs
- Foundation

## Open Space/Natural Areas:

- Trails/Habitat
- Bird Watching
- Hunting/Fishing



# The Different Focuses of Agrihoods



## Rural Agrihoods

- Farm Preservation Focus
- Local Foods Focus (Non-Commodity)
- Rural Lifestyle as Amenity
- Residential Subsidizes Land

## Suburban Agrihoods

- Market Gardens as Amenity
- Local Foods Production
- Educational
- Residential Subsidizes Market Garden Operations

## Urban Agrihood

- Community Garden as Amenity
- Educational Focus
- Residential Pays for Garden Operations

# Goals of the Rural Agrihood

- ❑ Farm Land and Open Space Preservation/Enhancement
- ❑ Leverage Development Investments to Preserve and Enhance the Farm and Farm Land
- ❑ Help Create/Develop a Viable Farm
  - Farm Needs to be Independent to a Greater Degree
- ❑ Create a Viable Residential Community
- ❑ Create a Rural Lifestyle



# Goals of a Suburban/Urban Agrihood

- ❑ Market Garden/Gardens as an Educational Elements
- ❑ Farm/Food Aspects as Amenity to Sell Homes
- ❑ Garden Component Supported by Community
  - Community Pays for Farm/Food Element
- ❑ Viable Residential Product



# Why Consider an Agrihood?

- ❑ A Tool for Farm and Farmland Preservation
- ❑ A Tool to Help Promote Local Food
- ❑ A Tool to Educate People on How Farms Work, Where their Food Comes From
- ❑ A Way to Help a Struggling Farm Work?
- ❑ A Way to Help a Retiring Farm Family Leverage their Biggest Asset
- ❑ A Way to Help Rural Communities Add Jobs and People
- ❑ A Way to Develop and Preserve Sensitive Land
- ❑ A Way to Differentiate a New Development

# What is Necessary for an Agrihood to Succeed?

- ❑ A Vision
- ❑ An Appropriate Location
- ❑ A Business Plan
- ❑ A Finance Plan
- ❑ A Receptive Municipality
- ❑ A Good Team
- ❑ An Understanding of How to Integrate the Farm and Community
- ❑ An Approach that Helps Assure the Farm's Success and Viability





# Who Might Be Leading the Development?

- ❑ Developer
  - Differentiate Development
  - Ability to Develop Early
- ❑ Land Owner
  - Often Old Farm Family Getting out of Farming
  - Leverage Last Asset, Preserve Heritage
- ❑ Farmer/Farm Group
  - Looking for Land Opportunities
- ❑ Municipality/Non-Profit
  - Encouraging Farm Preservation, Local Farm/Food Production



# Making the Residential Element Successful



- ❑ Create Lifestyle as a Selling Point
- ❑ Create Marketable Amenities that Differentiate the Development
- ❑ Create Ability to Get a Premium for Homes/Lots
- ❑ Lower Development Costs
- ❑ Tax Advantages
- ❑ Land Cost Advantages (Sometimes)

# Making the Farm Successful

- ❑ Position the Farm Well with Respect to Land Cost/Ownership
- ❑ Position the Farm Well with Respect to Capital Financing
- ❑ Allow for Multiple Income Streams
  - Other Farm Related Businesses
  - Possibility for Hospitality and Other Commercial Businesses
- ❑ Residential is a Captured Market for Some Farm Sales
- ❑ Ability for Co-Promotion/Marketing
- ❑ Finding a Good Farmer



# Key Development Elements to Consider

- ❑ Land Use /Entitlements/Zoning
- ❑ Facilities – Building Permits, etc.
- ❑ Programing – ongoing activities and their management
- ❑ Governance
- ❑ Land Ownership/Control



# Common Issues

- Zoning/Entitlement Costs and Complexity
- Lack of Appropriate Zoning Regulations (Separation of Use Strategy)
- Municipal Interest (City or County Willingness to Help)
- Community Acceptance (Anti-Development Bias)
- Maintaining Control of Farm Outside of Residents
- Long Term Viability of Farm

# Land Use Zoning/Entitlement Approaches

- ❑ Annex/Create New Community – Serenbe Farms
- ❑ Planned Unit Development – Serosun Farms
- ❑ Specific Plan/Overlay
- ❑ Create New Agrihood Use within Current Zoning – Kane County/Serosun Farms
- ❑ Utilize Current Zoning (if possible?)
- ❑ Use Permits (For some uses?)

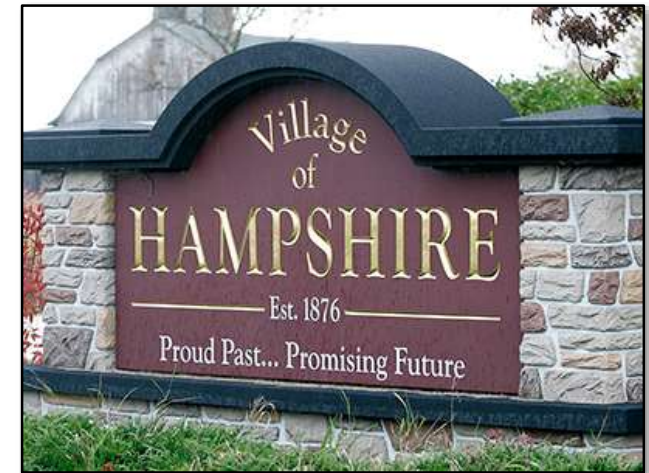
# Land Control for Common Areas and Farm



- Privately by Farm Ownership
- Land Trust or Central Ownership  
(Held by entity specifically created for Farm or another non-profit)
- Association Ownership
- Easements
- Deed Restricted Areas

# Governance Levels - The Structures within which it Operates

- ❑ Municipal – Zoning, Approved PUD/Specific Plan, Use Permit
- ❑ Land Ownership – Trust, Licenses and Leases
- ❑ Codes, Covenants, Restrictions (CCR's)
- ❑ Associations – Multi-level, Master and one or more Home Owners and/or Commercial Associations
- ❑ Design Guidelines
- ❑ Rules and Regulations





# Governance Issues

- Long Term Outlook
- Assure Sustainable Use of Resources and Amenities for All
- Avoid Too Many Cooks in the Kitchen
  - Don't let the HOA manage the farm...
- Who's Vision?
- Can it Evolve?
- Is there an Entity that Remains?

# Advantages to the Developer

- ❑ Allows Development of Complex Sites
- ❑ Lower Cost of Development and Amenities
- ❑ Lower Land Costs (Sometimes)
- ❑ Higher Sales Value of Lots and Homes
- ❑ Faster Sales Absorption
- ❑ Can Leverage Community Good Will
- ❑ Tax Advantages for Developer and/or Investor
- ❑ Target Marketing



# Advantages to the Farm Owner/Farmer

- ❑ Greater Potential Sales Value for the Land
- ❑ Preservation of the Farm and Family Heritage
- ❑ Ability to Keep Farming (in some cases)
- ❑ Land is Subsidized
- ❑ Onsite/Captured Market
- ❑ Co-Promotion
- ❑ Potentially Easier Capital Access



# Advantages to the Greater Community

- ❑ Preserved Farmland and Open Space at Low or No Cost
- ❑ Community Development and Amenities
- ❑ Access to Local, High Quality Food
- ❑ Economic Development



# Advantages to the Residents



- ❑ Lifestyle that is Hard to Find
- ❑ Activated Community
- ❑ Local, Quality Food
- ❑ Amenities
- ❑ Direct Contact with Farm and Nature
- ❑ Aesthetics that are Hard to Reproduce Elsewhere

# Serosun Farms Experience

- ❑ Clear Vision
- ❑ Located Near I-90, 30 Min from O'Hare
- ❑ Business Focus
- ❑ Financing Structure
- ❑ Kane County and Local Municipalities
- ❑ Strong Team
- ❑ Tight Integration
- ❑ Farm Focus

