



## *PDR Program Helps Preserve Lexington's Agricultural Landscape*

By Jacalyn Carfagno

In 2008 Wayne and Cathy Sweezey decided to take a gamble and buy a neglected farm to set up their own Thoroughbred operation. "We took a real flier to go out and buy a piece of property like this," he said. "We cashed in everything we had, all of our savings.

As it turned out, doing one helped them accomplish the other. The Sweezey's Timber Town Stables on Leestown Road is one of the most recent properties accepted into Lexington's PDR program, through which the Sweezey's were able to keep their land but sell the right to develop it to the county, assuring the land remains in farming. The money the PDR program paid the Sweezey's for the development rights went into rebuilding roads and fences, upgrading barns and improving pastures.

Buying the farm "was a huge leap of faith for us, and PDR was really important," Cathy Sweezey said.

PDR stands for Purchase of Development Rights, a program the combined government of Lexington and Fayette County created in 2000 as the community struggled with practical and philosophical questions about the future of the unique Bluegrass landscape.

Lexington had established a boundary separating the urban and rural areas in the 1950s that protected rural land from

development and saved the community money by restricting where some city services are offered.

A major expansion of that boundary in 1996 literally changed the landscape. It opened up 5,400 acres of rural land to development.

Farmland disappeared, and as residential developments popped up next to farms, tensions ensued. Farm equipment and minivans competed for space on rural roads, dogs and children wandered into fields, and the farmers' long hours sometimes encroached on the bucolic peace homeowners thought they'd find in the country.

Land rich, cash poor, and beleaguered by neighboring developments, some farmers

Waterwild Farm, owned by Jamie Millard (above) and his family, became the first and largest farm in the PDR program.



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Cathy and Wayne Sweezy's participation in the PDR program enabled them to renovate Timber Town Stable.

solved the problem by selling off acreage to raise cash to continue farming or by selling out completely.

"Those farms are businesses," explained Margaret Graves, who worked on establishing the PDR program and chaired the board that oversees it for 11 years. Each one has employees and customers, pays taxes, buys goods and services, and almost all have debt.

As the rural area shrank, the implications for Lexington and Fayette County were sobering, she said. "Suddenly our

ability to farm was being challenged ... and we weren't sure the future was secure," Graves said.

Two years before the expansion Jamie and Madelyn Millard had moved their family to a farm in the far northeastern part of the county. Although the land had been in Jamie Millard's family since 1883, they were the first family members to live there.

Decades of tenant farming had taken their toll. "The farm had become quite overgrown; fences were collapsing; there were weeds in the fields, lots of trash. We could barely gain access through the gate on Russell Cave," he remembered.

Although both had roots in Fayette County and his wife had studied farming, neither had farmed. "It was 'Green Acres,'" Jamie Millard joked.

They picked up thousands of pieces of trash, mowed, cleared, and began bringing the farm back to life.

"I have plowed fields now; I have pitched bales of hay; I have put in my share of time doing things I never thought I'd do," Madelyn Millard said.

But there was a limit to what sweat equity could accomplish. The problem, as Jamie Millard saw it, was "we've got this

asset; no one seems to have the wherewithal to leverage it."

About the time they realized the scope of their undertaking, Fayette County began to discuss in earnest how to preserve farmland. In 1999 the city council raised the minimum lot size from 10 to 40 acres, a move that stopped the piecemeal suburbanization of the rural area. It also created a Rural Land Management Board,



COURTESY PDR PROGRAM

The PDR program ensures development will not encroach on Thoroughbred operations such as St. George Farm.

acknowledging the value of the rural area and the need to manage and protect it.

Private organizations, most notably the Bluegrass Conservancy, had accepted donated conservation easements for years. But Fayette County needed a more direct and systematic approach. It also needed to compensate farmers for the land preserved. The RLMB, as it's known, began to design the PDR program.

Farmers needed a viable alternative to selling off land to fund improvements on their property or settle estates. Potential investors, contemplating investing millions in property and improvements, wanted assurance they wouldn't wake up one morning to see a strip mall next door.

The solution was elegantly simple: Pay farmers to give up their development rights.

The RLMB, with Graves as chair, began



COURTESY PDR PROGRAM

Traditional agricultural farms also are part of the PDR program.

## PURCHASE OF DEVELOPMENT RIGHTS

developing an objective and transparent process to accomplish this. What resulted is a totally voluntary system that ranks each property that applies to sell an easement assigning its development rights to the program. The largest number of points is assigned to the quality of soils, an indication the program is about preserving not only beautiful views but economically viable, irreplaceable agricultural land. Other criteria include the size of the parcel, the value of the property as an agricultural concern, improvements that have been made on it, the acreage already under easement in the area, and unique environmental, scenic, and historic resources. The program staff scores each property using these criteria. The ranked properties are presented to the board without information about ownership, so the final decision on which properties will enter the program is based on the land and its characteristics, not who owns it.

If the property is accepted, an appraiser estimates the value as farmland and the value for development. The city pays the difference — the average has been about \$2,500 an acre — and the owner signs a conservation easement guaranteeing the property will remain farmland.

“Very objective, very clear cut ... It’s not an insider’s game by any stretch of the imagination,” Graves said.

In 2000 the council passed the ordinance that established the program.

Jamie Millard had been following the process closely and attended several informational sessions about PDR. He was convinced. “I couldn’t see the downside,” he said, which is how Waterwild Farm became both the first and still the largest, at 530 acres, in the PDR program in 2002.

That started PDR on the way to a goal of getting 50,000 of the 128,267 acres in the rural area under easement over 20 years. Through four mayors and many councils, local government has consistently funded the program, investing \$29 million. That money has been more than matched by state and federal money to the tune of \$35.5 million.

The economic benefit to the community has been even greater, said program administrator Billy Van Pelt, because virtually every dollar has been spent in the local economy.

That was true for the Millards who spent their PDR money on labor and materials to build and repair fences and to buy and overhaul equipment. A tobacco barn was converted into a 17-stall barn, allowing Madelyn Millard to start a new line of business on the farm, a commercial operation for boarding sport horses at reasonable prices. It also allowed her to act on her impulse to rescue horses. (Go to goharpo.com to read the remarkable story of a hackney pony she saved.)

The money was also used to upgrade the fields that produce beef cattle, corn, tobacco, soybeans, and alfalfa hay. That led to another change in the operation. The Millards’ middle son, Sean Millard, decided to give up his job as an equity trader for a mutual fund in



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Cleveland and come back to Kentucky to farm. Like his parents, Sean Millard came to farming with little knowledge or experience. But since his return in 2006, he's proved to be a quick learner. The cattle he raises on the farm now demand pre-

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The PDR program helps preserve the many elements of Fayette County's rural landscape.

mium prices, and the past two years he's earned top honors in Fayette County for his alfalfa.

"If it wasn't for PDR, there's no way I could do what I'm doing now," Sean Millard said. "It set up a base to grow from."

On the other side of the county, the Sweezey's are also developing a base, with the help of PDR, for another generation. Wayne Sweezey's son Kent Sweezey has been involved with them in establishing the farm, which now supports about twice as many horses as it used to. Now in California working with a trainer to learn the horse trade, he plans to return to Kentucky and Timber Town.

"We were starting from scratch but

hoping to start a legacy," Cathy Sweezey said of Timber Town, which is a boarding, sales preparation, lay-up, and quarantine facility.

Their conservation easement helped PDR reach 25,602 acres, or 51.2 percent of the original goal.

Graves, who lives inside the urban service area, said PDR has gained national recognition and become a model for other communities. Under it, farmers get the liquidity they need to be good custodians of the land, protect it for future generations, and assure Fayette County will always have the farmland that attracts visitors and investors from around the world.

Graves said it's gratifying that PDR has received widespread support from farmers, government, and the community. That's a big accomplishment but not a reason to relax, content that the unique Bluegrass landscape will always be there to clean the air and water, provide crops, and nurture livestock.

"It is very satisfying to see the level of acceptance and support that PRD has gained," Graves said. "But I don't think you can ever take that for granted." 



COURTESY PDR PROGRAM

Traditional crop farms also participate.