



APPLIED
DEVELOPMENT
ECONOMICS

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TO: Coyote Valley Specific Plan Task Force
FROM: Applied Development Economics
RE: Coyote Valley Specific Plan

The Coyote Valley Alliance for Equitable Development LLC has asked Applied Development Economics to prepare this statement concerning the likely impacts that development of the Coyote Valley will have on the economic viability of their current agricultural activities and rural lifestyles. The property owners are requesting that they be invited to participate in the planning of the entire Coyote Valley, including the area south of Palm Avenue.

Development north of Palm Avenue will impact owners of properties in the designated greenbelt area South of Palm Avenue in three ways that mandate their full participation in the planning process:

- 1) Dense residential development as proposed north of Palm Avenue will have serious negative impacts on the ability of residents to maintain sustainable agricultural farming practices, and farmers in the area will find economic loss inevitable without major new investment.
- 2) Current property owners seek greater participation in the planning process because of the enormous scale of the proposed development bordering their property and its severely detrimental impact on their rural life style and the economic viability of their land.
- 3) Creative land uses that meet the greenbelt objectives, in addition to those acceptable through agricultural zoning, should be proactively pursued to increase the long-term viability of protecting greenbelt land.



1. Dense residential development as proposed to the North of Palm Avenue will have serious negative impacts on the ability of residents to maintain sustainable agricultural farming practices, and farmers in the area will find economic loss inevitable without major new investment.

There is a large body of literature on the difficulties and challenges of farming on the urban edge. Some of the most important impacts are:

- Farmers are restricted in the use of heavy farming equipment because of its noise and dust;
- Certain pesticide and fertilization operations are restricted because of the difficulty of preventing the drift of dangerous materials into residential areas;
- Normal farm odors are disliked by neighbors who strive to eliminate the farms that create them;
- Domestic dogs get into farmland adjacent to urban developments and kill animals and destroy crops;
- Neighbors and visitors are increasingly implicated in the theft of crops and farm machinery in farm areas bordering urban neighborhoods;
- Farmers feel threatened by (and need to defend against) potential anti-farming regulations that urban residents propose to city and county governments.

The critical issue is that it is unreasonable to assume that current agricultural practices can continue in the greenbelt area given the proliferation of urban challenges coming from the proposed developments adjacent to the area. Farming has been the accepted land use for the last 50 years and it continues to be desirable to property owners in the greenbelt, but the reality is that it simply cannot continue to be technically and economically viable due to the proposed residential development.

While large-scale farm production is not practiced in the designated greenbelt zone, some believe that farmers in greenbelts could pursue other forms of small scale and sustainable agriculture including intensive organic crops, specialty crops, wine grapes or fruit orchards, herbs, biotech experiments, horticulture and cut flowers, or horse ranches. These have the potential of providing suitable agricultural use of the farm land. For current owners of the property, however, the transition from their existing production model to a new one that is biologically and economically sustainable may be feasible in theory only, because it requires a new level of entrepreneurship to identify new agricultural options, enter new markets, and raise the considerable funding needed to invest in new crops and operation practices. The literature again suggests that, while some of these "new agriculture" models are successful, there is considerable risk



involved for sizeable investments. By itself, maintaining agricultural zoning in the greenbelt will not encourage new forms of economically viable agriculture, and will require incentives, capital, technical assistance, marketing, and other means of support.

2. Current property owners seek greater participation in the planning process because of the very enormous scale of the impact on their rural life style and the economic viability of their land use when the open space bordering their property is developed.

The immediate reality of development suggested by the current planning discussions has mobilized the property owners in the proposed greenbelt area, and they would rather be partners in the planning process than adversaries. We believe that the property owners have legitimate concerns over their quality of life that compound anticipated concerns over their economic interests. The literature shows that urban encroachment irreversibly alters rural life styles even if the residents find alternative economically viable sources of income. For example, traffic patterns will surely increase in the greenbelt. With subdivision of the neighboring property, it is inevitable that the number of cars on currently lightly traveled roads will dramatically increase, endangering children and adults alike who now use and cross the roads safely. In addition, air pollution, water runoff, ground water contamination, and other factors change the rural living experience completely due to causes independent of anything done by existing rural residents. Growth caused by nearby development typically increases the need for police services, and means many changes in schools. Finally, it subjects residents to many costly urban (rather than rural) codes and regulations.

The property owners are concerned about the high costs of these impacts on their economic well being and life style, and they would like to work on mitigating these impacts in a creative and all-encompassing manner. The literature on participation in the planning process generally concludes that when all parties with interests are included, public conflict is less likely and the effectiveness of planning outcomes is increased. It is in the interests of the County, City, and those investing in and profiting from the urban development, as well as the new home purchasers, to have a successful greenbelt from both a fiscal and aesthetic point of view.

3. Creative land uses that meet the greenbelt objectives, in addition to those acceptable through agricultural zoning, should be proactively pursued to increase the long term viability of protecting greenbelt land.

Since urban edge farming is going to be very different and expensive, property owners in the greenbelt area should be able to negotiate innovative and reasonable alternatives to the current agricultural zoning. While it is possible in an agriculture zone to do a range of



agriculture related enterprises with use permits such as wine tasting, farmers markets, and recreational venues the landowners need additional assurances that their economic interests can be reasonably met while still meeting the objectives of a greenbelt.

Again, the literature is informative in casting doubt on the long term viability of property reserved from development through the retention of agricultural zoning while nearby areas are intensely developed. Greenbelt or reserved areas that are in private ownership and that are not economically viable tend not to be used for agricultural uses, especially if the parcels are small. In spite of initial stated commitment of county planning boards and elected politicians, the historical trend has been for these areas to eventually be developed.

We do not doubt the current commitment of the City and County to preserving agricultural zoning in the area, but the pressure to eventually change zoning increases to the degree that the land is not being used in economically viable ways. Again, the planning literature includes many strategies to create viable low density land uses that are compatible with greenbelt reservations at the edge of urban areas. Some of these include cluster housing, agri-tourism, conservation easements, transfer of development rights, or public ownership. The property owners seek to work closely with the various city and county interests setting up the greenbelt to explore reasonable ways to increase the economic viability of their parcels once they become close neighbors with a dense urban development, in addition to what is permitted by agricultural zoning.

In summary, the property owners in the greenbelt area will suffer in many ways because of the urbanization of the property just north of them, and they want to be included in the planning process so that they can envision solutions and lay the foundation for partnerships that will ensure an economically viable future for the whole Coyote Valley in an orderly fashion. As noted in the first point above, it is clear that maintaining financial viability on these parcels will be difficult without new crop technologies, major financial investments in farm equipment, land conditioning, plantings, marketing, and workforce training. Agricultural zoning alone will not encourage this type of sustainable agriculture. This is compounded by irreversible deterioration in the current rural life style, requiring new public involvement and investment. Without a strong partnership between the property owners and the City and County, this type of investment is most unlikely.