

MARYLAND AGRICULTURAL LAND
PRESERVATION FOUNDATION

REPORT

to the

MARYLAND GENERAL ASSEMBLY

SPRING 1980

MARYLAND DEPARTMENT OF AGRICULTURE

REPORT

to the

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"No civilization has ever survived the destruction of its agriculture."

*William S. James
State Treasurer*

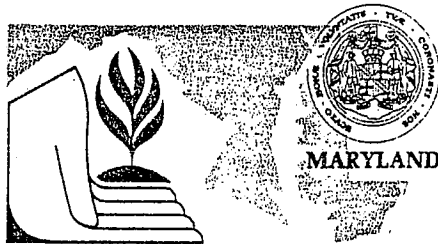
*"The face and character of our country are determined by what we do with
American and its resources...."*

Thomas Jefferson

MARYLAND AGRICULTURAL
LAND PRESERVATION
FOUNDATION

Samuel C. Linton, Jr.
Chairman

Alan R. Musselman
Executive Director



DEPARTMENT OF AGRICULTURE

Parole Plaza Office Building
Annapolis, Maryland 21401
301-269-2331

Harry Hughes
Governor

Wayne A. Cawley, Jr.
Secretary

William M. Linton
Deputy Secretary

May 13, 1980

Members of the General Assembly
of the State of Maryland

Dear Members:

This update of the Maryland Agricultural Land Preservation Foundation's Annual Report has been prepared for your information in examining progress toward preserving our most productive agricultural lands.

With one year's experience, we are pleased to report growing interest and voluntary participation in the preservation effort. Currently, more than 12,000 acres are included in Agricultural Preservation Districts, and the Foundation is in the process of concluding the acquisition of development rights easements on 15 farms, comprising more than 2,700.

Funding remains an issue of serious concern for the future success of the program. Fiscal Year 1980 funding totalling \$2 million is now encumbered for easement acquisition, and it is anticipated that appropriated Fiscal Year 1981 funds of \$3 million will fall far short of demand for easement sale among program participants. Local matching fund commitments for Fiscal Year 1981, in fact, exceed the total amount of State funds available.

As the new concepts of districts and easement sale become better understood and more readily accepted by Maryland farmers, participation is expected to grow dramatically.

It is with this reported progress and in anticipation of an active future that we begin our second year of program implementation.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Wayne A. Cawley, Jr.', written in a cursive style.

Wayne A. Cawley, Jr.
Secretary

WAC/pcg

PROGRAM SUMMARY

The Maryland Agricultural Land Preservation program is intended to preserve agricultural land and woodland in order to provide sources of agricultural products within the State, to control urban expansion which is consuming the agricultural land and woodland of the State, to curb the impacts of urban sprawl and to protect agricultural land and woodland as open space land.

The Maryland Agricultural Land Preservation program is voluntary on the part of landowners and is dependent upon the cooperation of local governments. This program requires local governments to appoint Agricultural Preservation Advisory Boards which shall assist in the creation of Agricultural Preservation Districts where the subdivision and development of land is restricted by agreement between the landowner and the Agricultural Land Preservation Foundation, and where agricultural and woodland production activities are encouraged and protected. If a landowner requests that his property be included in a District, that property must meet minimum criteria as established by the Foundation. If an easement has not been sold to the Foundation, a landowner may terminate after five years his property's inclusion in a District. Notice to terminate must be given one year in advance of the termination date.

A landowner who includes his land within a District will receive the following benefits: direct and indirect support of agriculture, insulation of normal agricultural activities from nuisance complaints and eligibility to make an application to sell a development rights easement to the Foundation.

Once land is in an Agricultural Preservation District, a landowner may make application to sell a development rights easement to the Maryland Agricultural Land Preservation Foundation. The application will indicate the price of any easement offered. The maximum value of this easement is determined as follows: the difference between the land's agricultural use value and its fair market value as determined by appraisals. However, the Foundation has the discretion to select those easements which it shall purchase. Purchased easements may be reviewed after a twenty-five year period, and if profitable farming is found not to be feasible, an easement may be terminated by repurchase.

The majority of development rights easements acquired will, in effect be in perpetuity as the criteria and procedures allowing for repurchase are very stringent.

The Foundation also accepts development rights easements on productive agricultural land and woodland by donation and bequest.

While the program is in its infancy, progress in preservation should be evident in the balance of this report.

"Pressures on Maryland's agricultural lands are making farming increasingly more difficult. The pressure to sell farmland for other uses and the sprawling pressure of suburbia moving to the countryside continue to mount. Today, finally, Maryland farmers have new options. The Agricultural Preservation District and the agricultural protection it affords and the possibilities of selling Development Rights Easements, give new life to our hopes of preserving important, productive agricultural land resources."

Samuel C. Linton, Jr.
Chairman, Board of Trustees
Maryland Agricultural Land
Preservation Foundation

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION

BOARD OF TRUSTEES

The Board of Trustees of the Maryland Agricultural Land Preservation Foundation is responsible for governing and administering the program to preserve agricultural land in Maryland. During 1979 the Board has held nine (9) public meetings and numerous working committee meetings in the conduct of its affairs. The Board of Trustees includes the following members:

<u>Members</u>	<u>Appointed</u>	<u>Term Expires</u>
Mr. Samuel C. Linton, Jr. - Chairman	7/1/77	6/30/80
The Honorable Wayne A. Cawley, Jr. Secretary, Md. Dept. of Agriculture	1/31/79	Ex-officio
The Honorable William S. James State Treasurer	7/8/75	Ex-officio
Mr. William E. Burall	7/1/77	6/30/81
Mr. F. Grove Miller	7/1/77	6/30/80
Mr. Bradford Reeves	7/1/77	6/30/81
Mr. T. Allan Stradley	7/1/79	6/30/83
The Honorable John Sherwood III, Deputy Secretary, Department of State Planning	12/3/79	6/30/83
Mr. George Wills	7/1/77	6/30/83
Mr. Charles G. Zepp	7/1/77	6/30/81
Mrs. Erna Chapman	10/30/79	6/30/80
Mr. Alan R. Musselman - Executive Director		

MARYLAND AGRICULTURAL LAND
PRESERVATION FOUNDATION
Maryland Department of Agriculture
Parole Plaza Office Building
Annapolis, MD 21401

301/269-2331

"It is this generation of Maryland farmers who are asked to voluntarily make a commitment to saving our agricultural land resources . . . to keep productive land open so that agriculture may be continued in future generations, as a vital industry and an indispensable way of life."

*Wayne A. Cawley, Jr.
Secretary
Maryland Department of Agriculture*

AGRICULTURAL PRESERVATION ADVISORY BOARDS

During 1978 and 1979 all 23 Maryland counties have appointed a five-member Agricultural Preservation Advisory Board. Names and addresses of County Advisory Board members are available from the Foundation upon request.

The responsibilities of the Advisory Boards include the following:

1. To make recommendations to the local governing body with respect to the establishment of Agricultural Preservation Districts and approval of the purchase of easements.
2. To assist in monitoring Districts and easements.
3. To develop preservation criteria and priorities.
4. To promote preservation and provide information and assistance.

Advisory Boards, especially in those areas of the State where the pressure on agricultural land is greatest, have become increasingly active in pursuing implementation of the program.

COUNTY AGRICULTURAL PRESERVATION
ADVISORY BOARD CHAIRMAN

Allegany	-	Mr. Kent Fuller 103 Robertson Lane Bel Air Cumberland, MD 21502
Anne Arundel	-	Mr. Martin Zehner Route 1, Box 175 Davidsonville, MD 21035
Baltimore	-	Mr. Wayne C. McGinnis 19524 Graystone Road White Hall, MD 21161
Calvert	-	Mr. Richard Horsmon Wallsville St. Leonard, MD 20685
Caroline	-	Mr. William H. Kleinwachter Rt. 2, Box 65B Preston, MD 21655
Carroll	-	Mr. Melvin E. Leppo 5245 Freter Road Sykesville, MD 21784

COUNTY AGRICULTURAL PRESERVATION
ADVISORY BOARD CHAIRMAN

Cecil	-	Mr. Robert L. Knutsen RD #1 Rising Sun, MD 21911
Charles	-	Mr. Hugh C. Gardiner III La Plata, MD 20646
Dorchester	-	Mr. Steele Phillips Star Route Vienna, MD 21869
Frederick	-	Mr. Royd R. Smith 2 South Wisner Street Frederick, MD 21701
Garrett	-	Mr. Tim Dugan (Staff Liaison) Planning Director 323 E. Oak Street Oakland, MD 21550
Harford	-	Mr. Samuel B. Foard, Jr. 4425 Fawn Grove Road Street, MD 21154
Howard	-	Mr. Stephen E. Alpern 5357 Racegate Run Columbia, MD 21043
Kent	-	Mr. James A. Bigelow, Sr. Chestertown, MD 21620
Montgomery	-	Mr. Rene M. Johnson (Staff Liaison) Office of Economic & Agricultural Development Suite 1600, Unibank Building 51 Monroe Street Rockville, MD 20850
Prince George's	-	Mr. Roland Darcey 2506 Ritchie-Marlboro Road Upper Marlboro, MD 20870
Queen Anne's	-	Mr. Clark O. Nicholson Rt. 2, Box 236 B Centreville, MD 21617
St. Mary's	-	Mr. James R. Owen Hermanville Lexington Park, MD 20653

COUNTY AGRICULTURAL PRESERVATION
ADVISORY BOARD CHAIRMAN

Somerset	-	Mr. Charles E. Massey (Staff Liaison) County Administrator Courthouse Princess Anne, MD 21853
Talbot	-	Mr. Allen Baynard Rt. 1, Box 274 Trappe, MD 21673
Washington	-	Mr. Leonard E. Lowry Wishard Road Route #4 Hagerstown, MD 21740
Wicomico	-	The Honorable Mary L. Nock Canal Woods Salisbury, MD 21801
Worcester	-	Mr. Harold Morris (Staff Liaison) Planning Director 111 N. Washington Street Snow Hill, MD 21863

REPORT

to the

MARYLAND GENERAL ASSEMBLY

SPRING 1980

"The care of the earth is our most ancient and most worthy and, after all, our most pleasing responsibility. To cherish what remains of it, and to foster its renewal, is our only legitimate hope."

*Wendell Berry
Farmer/Writer*

FOUNDATION ACTIVITIES IN 1979

The Foundation has, during 1979, developed the necessary informational, administrative, procedural and cooperative climate for the voluntary program to begin active implementation.

The following represents the Foundation's principle activities.

INFORMATION

- Descriptive program material is published and is now available upon request. A standard informational package includes a pocketed Foundation folder containing participation forms, a program summary pamphlet published by the Cooperative Extension Service, adopted program guidelines and a brochure published by the Maryland Department of Natural Resources which describes both Agricultural Use Assessment and the Land Preservation Program, in addition to local information which may be specially requested.
- The Foundation has periodically issued press releases on the status of the program and has contributed regularly to Agri-Views, the Maryland Department of Agriculture newsletter.
- The program was presented on the Maryland Center for Public Broadcasting "Up on the Farm" program.
- Agricultural Land Preservation posters are being printed with space for local Advisory Board contacts for placement in agricultural areas of the State.
- The Foundation has maintained frequent contact with farmers, farm organizations, Agricultural Preservation Advisory Boards, local elected officials and other interest groups and organizations. Foundation staff continues to be available upon request, schedule permitting. Staff speaking engagements, presentations and meetings total nearly 100 for the year.
- The Foundation conducted 6 county-wide public information meetings and participation in a Baltimore Regional Workshop during the year and several other county meetings are scheduled.
- The Foundation continues to seek coordinated informational efforts with the Cooperative Extension Service, Soil Conservation Districts and county planning agencies.

The cooperative nature of the program and the substantial local involvement and assistance from the organizations mentioned result in effective dissemination of information.

- Agricultural Preservation Advisory Boards have been very active in providing information and assistance to prospective participants in the program.

Administration - Program Implementation

- Program regulations were adopted in February 1979. The regulations, or guidelines, expand upon procedures, checks and balances and administrative measures provided in the Foundation statute (Agriculture Article, Subtitle 5, Annotated Code of Maryland) and are published in the MARYLAND REGISTER under COMAR 15.17.01.
- The Foundation developed and distributed to local governments a model ordinance providing for the protection of normal agricultural activities in Agricultural Preservation Districts and local record keeping. The adoption of such an ordinance is prerequisite to District establishment.
- The Foundation developed and adopted Land Appraisal Guidelines relative to somewhat unique program requirements. Appraisals are being contractually arranged by the Maryland Department of General Services and are subject to approval of the Maryland Board of Public Works.
- The Foundation has, in conjunction with local recommendations and approvals, considered and approved forty-seven (47) Agricultural Preservation Districts. Procedures, transmittals, State/Local coordination, recordation of District Agreements and legal requirements have been accomplished and continue to be procedurally improved.
- The Foundation has received sixteen (16) applications for easement sale which are under review by respective local governing bodies and necessary appraisals have begun through the Maryland Department of General Services.
- Official mapping of Agricultural Preservation Districts is maintained by the counties and informal mapping is maintained by the Foundation.
- The Maryland Department of Agriculture and the Comptroller of the Treasury have established the necessary accounting processes for the Maryland Agricultural Land Preservation Fund.

Monitoring and Research

- The Foundation compiles and maintains both data and mapping of agricultural and land use statistics. Informational sources include U.S.D.A., Bureau of Census, Department of State Planning and Maryland Geological Survey.
- The Foundation is in the process of organizing information on other land preservation efforts in Maryland in order to maximize coordination and effectiveness. Other efforts include Maryland Environmental Trust conservation easements; Maryland Historical Trust easements; local programs of agricultural land preservation, including local transfer of development rights (T.D.R.) and development rights purchase programs; local plans and land use controls designed to conserve agricultural land and other efforts of national conservation organizations.
- The Foundation keeps abreast of activities and programs in other states and local jurisdictions around the country with respect to agricultural land preservation.

Coordination

- The Foundation reviews and analyzes all Federal, state, regional and local plans, programs and capital projects relative to potential impacts on agricultural land.
- The Foundation provides Departmental input in the A-95 Clearinghouse Review process on all land-related projects.
- The Foundation provides coordination and information transfer between Agricultural Preservation Advisory Boards, local governing bodies, state agencies and farm and interest groups.

Legislative Liaison

- The Foundation provides information and input to both the Maryland General Assembly and the U.S. Congress relative to agricultural land preservation and related issues.

"More than any other basic industry, agriculture depends on land. If our best agricultural land is used unwisely, every farmer and every consumer will be affected. Our ability to produce food and fiber depends, largely, on our successes in protecting viable areas of our most productive lands."

*F. Grope Miller
President
Maryland Farm Bureau*

AGRICULTURAL PRESERVATION DISTRICTS

The Agricultural Preservation District is simply a voluntarily recorded agreement between owners of qualified land and the Foundation, which is subject to local review and approval.

The agreement results, without payment, in restrictions on development for at least a period of five years and may be automatically renewable or may be terminated after five years if an easement has not been purchased.

The benefits for farmland owners include protection of normal agricultural activities (i.e. noise, odor, nighttime operations, etc.) in the District, protection from encroachment of incompatible land uses and eligibility to offer to sell a development rights easement to the Foundation at any time during the tenure of the District.

The first year of program implementation results in the following status.

Agricultural Preservation Districts

MAY 1980

<u>County</u>	<u>Agricultural Preservation Districts</u>	<u>No. Farms</u>	<u>Acres in Agricultural Preservation Districts</u>
Anne Arundel	2	12	1,028
Caroline	4	5	1,141
Carroll	17	28	3,862
Dorchester	2	2	603
Frederick	10	10	1,634
Harford	3	7	1,232
Howard	8	14	2,213
St. Mary's	<u>1</u>	<u>1</u>	<u>340</u>
TOTALS	8 Counties 47 Districts	79 Farms	12,053 Acres

"Between 1950 and 1970 Maryland's population increased over 50% from just under 2 1/2 million to almost 4 million. During the past 25 years the amount of agricultural land in Maryland has decreased 40%, or by 1,600,000 acres. This means conversion of agricultural land has been taking place at the incredible rate of 1 acre lost for each additional resident. At this rate of decline, the remaining 2.4 million acres of agricultural land will dwindle to less than 1 million acres in the next 20 years, or by the year 2000. It would then represent but 20% of the total land area - a significant decrease from the 67% of the total land area represented by agriculture in 1945. While some factors, such as a reduction in the rate of our population growth or energy shortages might help keep the conversion factor down, the projections still show that the State's population will increase by approximately another 1 1/2 million between 1970 and 1995. That means some 500,000 new dwelling units. While some conversion of agricultural land is inevitable, it is the sprawling, leapfrog nature of the growth that is the real factor in the conversion. It is contrary to the best interests of the State, from fiscal, social, economic and environmental points of view for us to lose another million acres when, reasonably, we could accommodate that growth with almost no loss."

K. King Burnett, Chairman
Maryland Environmental Trust

DEVELOPMENT RIGHTS EASEMENTS

Sixteen (16) easement sale applications from landowners, whose land is in an Agricultural Preservation District, were received by the Foundation for consideration during Fiscal Year 1980. To date, no easements have been acquired; however, contracts have been signed. Easement sale applications have undergone review by local governing bodies and land appraisals have been conducted contractually.

The easement sale applications received included asking prices for which totals are reflected below.

The maximum value of an easement is the difference between the fair market value of the land and the agricultural use value or the asking price, whichever is lower.

The process of selecting easement sale applications includes both local and Foundation approvals in accordance with a ranking formula provided by law. The formula requires that the Foundation rank applications according to the ratio of asking price to easement value.

Foundation offers to buy easements were submitted to landowners prior to January 31, 1980, and again in April 1980 according to the status of allotted funds and the competitiveness of applications for easement sale in each of the eligible counties.

Development rights easement acquisition will result, in nearly all cases, in permanent preservation of agricultural land. The only exceptions will be in cases where, after 25 years or more, agriculture is found to be no longer feasible, the landowner at that time will have the opportunity to repurchase the easement at its current value.

The following summary of easement sale applications includes only asking prices prior to appraisals and necessary approvals:

EASEMENT SALE APPLICATIONS
1979 (FY 80)

<u>County</u>	<u>Ease- ment Sale Appl.</u>	<u>Easement Sale Appl. Ac.</u>	<u>Landowner's Asking Prices</u>
A.A.	1	89.5	\$ 177,000
Carroll	11	1,880.6	2,095,283
Harford	1	107.0	267,500
Howard	<u>3</u>	<u>764.9</u>	<u>2,266,160</u>
	<u>16</u>	<u>2,842.0</u>	<u>\$4,805,943</u>

The following chart represents subsequent findings and actions by the Foundation toward easement acquisition.

File # & Name	Acres	Asking Price	Asking Price/Acre	Fair Market Value	Fair Market Value/Acre	Ag. Use Value	Ag. Use Value/Acre	Dev. Rights Easement Value	Dev. Rights Easement Value/Acre	Offer to Buy	Offer to Buy/Acre
HOWARD 13-04-79-02E Harfield, A. G., III	229.88	\$ 459,760	\$2,000	\$ 666,650	\$2,900	\$ 367,800	\$1,600	\$ 298,850	\$1,300	\$ 298,850	\$1,300
13-04-79-03E Idiots Delight, Inc.	192	806,400	4,200	537,600	2,800	288,000	1,500	249,600	1,297	249,600	1,297
13-05-79-04E Harfield, Barbara L.	340	1,000,000	2,941	1,224,000	3,600	680,000	2,000	544,000	1,600	544,000	1,600
Sub-Total	761.88	\$2,266,160	\$2,974	\$2,428,250	\$3,187	\$1,335,800	\$1,753	\$1,092,450	\$1,444	\$1,092,450	\$1,434
Anne Arundel 02-03-79-01E Chaney, S. J.	89.5	\$ 177,000	\$1,978	\$ 265,000	\$2,966	\$ 123,900	\$1,384	\$ 141,600	\$1,582	\$ 141,600	\$1,582
STATEWIDE GRAND TOTAL	2,729.89	\$4,537,843	\$1,662	\$7,677,584	\$2,812	\$4,710,549	\$1,726	\$2,967,650	\$1,087	\$2,779,410	\$1,018

Easement Donations

The Foundation has received one easement donation in perpetuity on a 58-acre farm near Jefferson in Frederick County, Maryland.

Both preservation benefits and tax advantages of easement donations and bequests can be an attractive option, and the Foundation encourages agricultural landowners to explore the benefits of easement donation with the Foundation, the Maryland Environmental Trust or the Maryland Historical Trust.

AGRICULTURAL LAND PRESERVATION FUND

Introduction

The Agriculture Article §2-501 through §2-515 provides for the creation of the Agricultural Land Preservation Fund and procedures for the distribution of general allotted funds, matching allotted funds and additional funds for development rights easement acquisition in each fiscal year.

Fund Balance

The Fund balance, as of November 1, 1979, was as follows:

<u>Source</u>	<u>Amount</u>
FY 78 Donation	\$ 5.00
FY 78 Appropriation - Real Estate Transfer Tax Revenues	<u>2,000,000.00</u>
TOTAL BALANCE - Certified Funds	<u>\$2,000,005.00</u>

Local Matching Funds - Fiscal Year 1980

Applications for approval of Local Matching Programs were received from six (6) counties. Applications include a commitment of Local Matching Funds. Applications and commitments were as follows:

FY 80 Local Matching Program
Applications

<u>County</u>	<u>Local Matching Commitment</u>	<u>Easement Sale Applications</u>
Anne Arundel	\$ 150,000.00	1
Calvert	50,000.00	None ¹
Carroll	500,000.00	11
Frederick	10,000.00	None ¹
Howard	509,750.00	4
St. Mary's	(Local Revenues S.B. 942)	None ¹
TOTALS	<u>\$1,219,750.00</u>	<u>16</u>

¹Local matching fund commitments cannot be utilized in FY 80 - No applications for easement sale received by July 31, 1979.

Deleting the commitments of Calvert and Frederick Counties, the total amount of local matching funds which may be expended in FY 80 is \$1,159,750 in Anne Arundel, Carroll, and Howard Counties. The Board of Trustees has not yet finalized the approval of Local Matching Programs.

Total FY 80 Funds for Development Rights Easement Acquisition

<u>Source</u>	<u>Amount</u>
Agricultural Land Preservation Fund	\$2,000,005.00
Local Matching Fund Commitments	<u>1,159,750.00</u>
TOTAL	<u>\$3,159,755.00</u>

Distribution of Funds

The Distribution of Funds for FY 80 is addressed in a separate report. However, the general guidelines are as follows:

- General Allotted Funds are derived on the basis of 1/23 of 1/2 of the balance of the Agricultural Land Preservation Fund per county.
- Matching Allotted Funds are derived from 1/2 of the balance of the Agricultural Land Preservation Fund divided equally among counties with approved Local Matching Programs.
- Additional Funds include any unused General Allotted and Matching Allotted Funds. Additional purchases of easements will begin in April 1980. Unused Local Matching Funds may be utilized in Additional Purchases.

Agricultural Land Preservation Fund - FY 81 Estimate and Requests

<u>Source</u>	<u>Amount</u>	
	<u>Estimated</u>	<u>Requested</u>
Revenues - Development Tax Penalty	\$ 75,000	\$
Appropriation - FY 80 - Real Estate Transfer Tax (Program Open Space)		1,000,000
Appropriation - FY 81 - Real Estate Transfer Tax		2,000,000
Appropriation - FY 81 - General - Capital Budget		2,000,000
Local Matching Funds	\$3,000,000+	_____
TOTALS	\$3,075,000+	<u>\$5,000,000</u>
		<u>\$8,575,000</u>

SUMMARY OF PROGRAM ACCOMPLISHMENTS

1979

- Program information package available
- Adoption of Regulations
- Preparation of necessary procedures and forms for program implementation
- All 23 Agricultural Preservation Advisory Boards appointed
- Informational and coordinative meetings held in all counties
- Agricultural Preservation Districts
 - Established in 8 counties (Anne Arundel, Carroll, Frederick, Harford, Howard, St. Mary's, Dorchester and Caroline)
 - In the 8 counties there are 47 Districts, including 79 farms, totalling 12,053 acres
 - Carroll County is the most active in District establishment with 3,861 acres
 - The largest contiguous District is in Anne Arundel County (900 acres +)
- Easement Sale Applications
 - Sixteen (16) easement sale applications received from District landowners in 4 counties involving 2,842 acres
 - Asking prices for easement sale averaged \$1,662/acre
 - Appraisals were accomplished in accord with adopted appraisal guidelines
 - Applications were ranked and easement offers to buy were submitted between January and May 1980. The total offers to buy amounted to \$2,779,400 or an average of \$1,018/acre.
- Funding
 - Total State and local funds for easement acquisition this year (FY 80) are \$3.1 million
 - Estimated State and local funds for FY 81 will be approximately \$6 million.