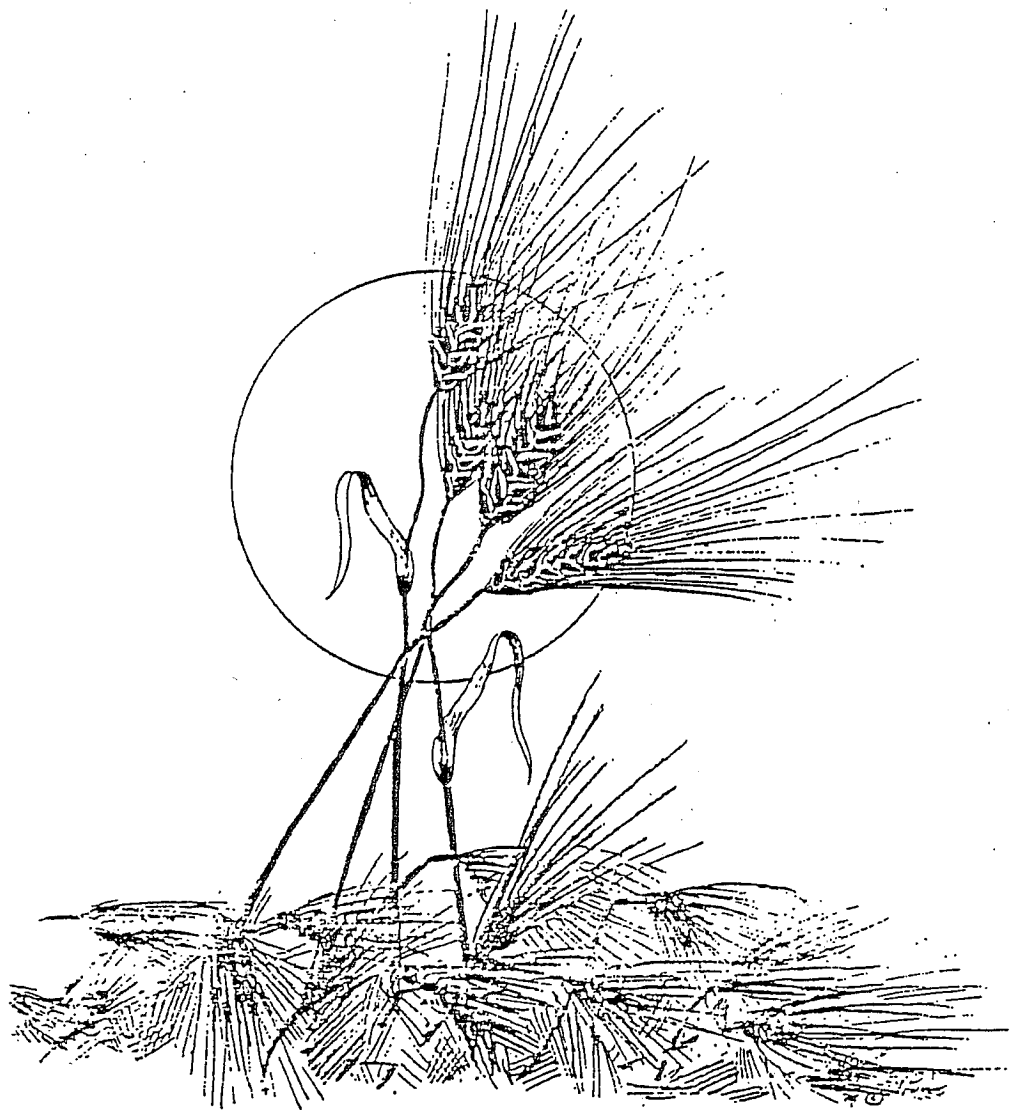


Maryland
Agricultural Land
Preservation Foundation

Annual Report
1991





William Donald Schaefer
Governor

Melvin A. Steinberg
Lt. Governor

Wayne A. Cawley, Jr.
Secretary

Robert L. Walker
Deputy Secretary

STATE OF MARYLAND
DEPARTMENT OF AGRICULTURE
MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION

November 1, 1991

The Honorable William Donald Schaefer, Governor
The Honorable Thomas V. Miller, Jr., President of the Senate
The Honorable R. Clayton Mitchell, Jr., Speaker of the House

Gentlemen:

We are pleased to present the 1991 Annual Report of the Maryland Agricultural Land Preservation Foundation. The information in this report summarizes the activity that the Foundation has experienced during the past fiscal year. We are proud to announce that this year marks the fourteenth year of the program's operations and we continue to lead the nation in the total amount of farmland protected. The Maryland Agricultural Land Preservation Foundation has permanently preserved more acres than any other state in the nation. With the strong support of the legislature and the agricultural community, we hope to protect and preserve much more of Maryland's prime and productive farmland.

During the past year, an additional 37,706 acres were placed in agricultural districts representing a 19% increase over last year's total. At the close of FY '91, there was a grand total of 1,698 individual farms consisting of 230,941 acres enrolled in our program. The amount of permanently preserved farmland, as a result of the Foundation's purchase of development rights easements, totalled 98,533 acres. Easement offers for Cycle Two of FY '90 were made in the beginning of FY '91. As a result, a total of 7,104 additional acres were added to the Foundation's total amount of permanently preserved land representing a 7% growth rate over the previous year.

Although our progress has shown substantial increases each year, Maryland still is losing farmland at an alarming rate. Our mission is to preserve enough of Maryland's productive farmland to perpetually maintain a viable agricultural industry. Your continued support allows us to challenge the future as land use issues grow ever more critical.

Leonard E. Lowry, Chairman
Board of Trustees

Wayne A. Cawley, Jr.
Secretary of Agriculture

Paul W. Scheidt
Executive Director

50 HARRY S TRUMAN PARKWAY, ANNAPOLIS, MARYLAND 21401

(301) 841-5700
Baltimore/Annapolis Area



(301) 261-8106
Washington Metro Area

WHAT IS THE PURPOSE OF THE MARYLAND AGRICULTURAL LAND PRESERVATION PROGRAM?

The Maryland Agricultural Land Preservation Program was created by the Maryland General Assembly to preserve productive agricultural land and woodland which provides for the continued production of food and fiber for all citizens of the State. The preservation of agricultural lands will help curb the expansion of urban development and protect agricultural land and woodland as open space land.

By preserving agricultural land, the Foundation also protects the quality of life that makes Maryland so special. The Maryland Agricultural Land Preservation Program is the most successful program of its kind in the nation. Maryland's effort to preserve agricultural land also leads to the protection of wildlife and increases the environmental quality of the Chesapeake Bay.



HOW DOES THE PROGRAM OPERATE?

The program is administered by a 12-member Board of Trustees forming the Maryland Agricultural Land Preservation Foundation. The Board is comprised of the State Comptroller, Treasurer, and Secretary of Agriculture as ex-officio members and nine members from the State-at-Large appointed by the Governor. At least five of the at-large members shall be farmer representatives from different areas of the State.

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 that assist in the creation of agricultural land preservation "districts". As a district, the subdivision and development of the land is restricted by agreement between the landowner and the Agricultural Land Preservation Foundation where agricultural land and woodland production activities are encouraged and protected.

If a landowner requests that his property be included in a district, he must be willing to maintain the land in agricultural use for a minimum of 5 years, and the property must meet the minimum criteria established by the Foundation. Size (minimum of 100 acres) and soil types are the major criteria for a property

to qualify for the program. At least 50% of the soils must be classified as I, II, or III and/or woodland group I or II. These soils are classified as being prime or productive by using the USDA Soil Classification system and are capable of successfully producing viable agricultural commodities with reasonable yields and returns.

A landowner who includes his land within a district will receive the following benefits:

- Direct and indirect support of agriculture
- Recognition from the county and the state by a recorded document in the land records of the county, that the preferred use of the property is agriculture
- Insulation of normal agricultural activities from nuisance complaints
- Possible tax credits if county has developed a tax credit program
- Eligibility to make application to sell a development rights easement to the Foundation

Once the Agricultural Land Preservation District is established, the landowner is eligible to sell a development rights easement to the Foundation. However, there is no guarantee that an offer will be made by the Foundation. The application submitted by the landowner shall include the asking price of any easement offered. The maximum price that the Foundation may pay for an easement is the landowner's asking price or the ease-

ment value determined by a statutory formula shown in figure 1, whichever is lower.

Once a development rights easement has been sold, the property is perpetually protected from further development with certain rights available only to the landowner who originally sold the easement.

appraised fair market value (determined by the better of two appraisals conducted by the state and by the appraisal submitted by landowner if included with the application)	-	agricultural value (determined by a formula based on land rents and soil productivity)	=	easement value
--	---	--	---	-----------------------

Note: The Foundation's offer to purchase a development rights easement on any property will be dependent upon available funds and the county's approval of the sale of development rights.

Figure 1. Easement Value Formula

THE PROGRAM EXCELS DESPITE FUNDING SHORTFALL !

Fiscal Year 1991 was a year unlike any other during the history of the Maryland Agricultural Land Preservation Foundation. It marked the fourteenth year of the Foundation's endeavor to preserve agricultural land.

During FY '91, a 19% increase in the program's acreage base was achieved as 298 new agricultural districts were established providing protection to an additional 37,706 acres. This represents another record for the Foundation as it was the largest increase of acreage in any one year during the history of the program! The previous record was set last year when the Foundation preserved 274 agricultural districts and 33,022 acres. By the end of FY '91, the Foundation had established a grand total of 1,698 agricultural land preservation districts consisting of 230,941 acres.

During FY '91, the Foundation experienced the largest increase of acreage in any one year during the history of the program!

In addition to the record number of districts established and the total number of acres enrolled in any one year, the Foundation received the highest number of easement applications ever submitted during the history of the program!

The previous record, set in FY '90, reflected the receipt of 170 easement sale applications covering 20,384 acres. However, in FY '91, this record was surpassed with exhilarating totals. The Foundation received 188 applications to sell an easement in Cycle One of the easement offer program, covering 23,814 acres. This cycle alone exceeded last year's total but 213 additional applications were received for Cycle Two covering another 24,455 acres. Therefore, during FY '91 the Foundation received a grand total of 401 applications to sell an easement covering 48,269 acres. This represents a significant increase of 136% over the number of applications received during FY '90.

During FY '91, the Foundation received the highest number of easement applications ever!

Unfortunately, during the past year the program experienced a sudden reduction of funds. In an effort to help reduce Maryland's General Fund Deficit, a bill was introduced and passed during the 1991 legislative session which would allow the transfer of \$17 million from the Agricultural Land Preservation Fund to the General Fund of the State. This had a significant impact on the program's ability to purchase easements.

During the 1991 Legislative Session, \$17 million was transferred from the Agricultural Land Preservation Fund to the General Fund of the State.

After the reduction, only \$4.7 million was remaining to cover easement offers that had already been made by the Foundation totalling more than \$10 million. As a result, approximately 35 landowners from Cycle Two of FY '90 who received and accepted an offer by the Foundation to purchase an easement on their property were temporarily put "on hold". This was due to the fact that they had not yet received Board of Public Works approval for the purchase of an easement.

In light of the difficult situation that some landowners were facing, the Board of Public Works agreed to review the proposed easement sales, despite the lack of funds, so that the landowners would know if an easement sale is eminent. However, those that were approved would have to wait until additional funds became available before settlement could occur. If by chance the Board of Public Works denied any of the easement offers, the landowner would then be able to explore other alternatives to determine the future use of their property. As a result, the Board of Public Works approved 33 of the 35 outstanding easement offers and deferred taking action on 2 others. After additional information is obtained on these

two properties, they will be presented again for consideration by the Board of Public Works.

During the difficult financial situation that the state is faced with, there was, and still is, a great amount of support for the Maryland Agricultural Land Preservation program. Although the program experienced a reduction in funds totalling \$17 million, the General Assembly approved a special Capital Bond Appropriation of \$7 million to be placed back into the Agricultural Land Preservation Fund. This demonstrated that the state is committed to the preservation of agricultural land.

The General Assembly approved a special Capital Bond Appropriation of \$7 million to be placed back into the Agricultural Land Preservation Fund.

Specifically, the additional \$7 million was to be used to cover and purchase those easement offers that were placed on hold. At the time of this printing, 26 of the 35 landowners that were on hold have settled.

An overview of Cycle Two, FY '90 was not available at the time the 1990 Annual Report was prepared. This was because easement offers for Cycle Two were made during the months of August, September and October of 1990 and all responses were not received for

publication in last year's report. Therefore, an overview is prepared and presented in this year's Annual Report.

The Foundation preserved 92% of the total acreage submitted for Cycle Two Easement sales representing an 88% acceptance rate of all easement offers!

Of the 60 applications received by the Foundation in Cycle Two of FY '90 representing 7,719 acres, 53 landowners accepted the easement offer made to them by the state. This represents a remarkable 88% acceptance rate, which again sets another record for the Foundation! The highest acceptance rate previously experienced by the Foundation was in Cycle One of FY '90 when 80% of the offers were accepted. Even more remarkable was the fact that of the 7,719 acres being submitted for easement sale in Cycle Two of FY '90, 7,104 acres will be protected by the accepted offers. This means that the Foundation preserved 92% of the total acreage submitted for Cycle Two Easement sales!

With the addition of the 53 properties from Cycle Two of FY '90, the total acreage under perpetual easement, as of June 30, 1991, was 98,533 acres.

The FY '90 Cycle Two Easement Acquisition Program cost \$12.6 million, of which \$12.1 million, or 95%, were state funds

and \$0.5 million, or 5% were county funds. The average acquisition cost for Cycle Two of FY '90 was \$1,779 per acre representing a 30% increase over the average of \$1,366 per acre for Cycle One.

Unfortunately, the Foundation was unable to purchase any easements from either of the two offer cycles in FY '91 due to limited funds. Applications received for Cycle One had been appraised and the title work had already begun. Since a considerable amount of money and time had been spent on these properties, the Foundation voted to accept these applications as Cycle Two applicants of FY '92.

The Foundation was unable to make new easement offers in FY '91 and returned 213 applications from Cycle Two due to insufficient funds.

In addition, for the first time in the history of the program, landowners were given the opportunity to reduce their asking price if they so desired. This opportunity was extended to them due to the current budget situation that did not exist at the time the applications were made. The option of reducing their asking price was also extended prior to the Foundation receiving the appraisals on the properties.

As a result of allowing landowners to alter

their asking prices, a significant decrease was realized. The total of all asking prices for Cycle One of FY '91 was reduced from approximately \$53 million to \$47 million. The reduction of approximately \$6 million represents a decrease of 11.3%. The Foundation anticipates making easement offers to some of these applicants next year when additional funds become available.

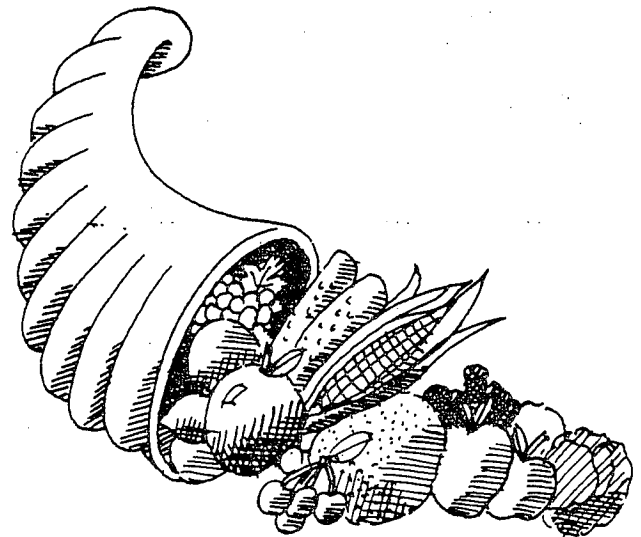
Reluctantly, the Foundation voted to return the 213 applications received for Cycle Two of FY '91. These properties were not appraised and the title work had not begun. The Foundation wanted to maximize the use of state funds and put as much as they could into actual easement purchases. Therefore, by not ordering appraisals and title work on the 213 applicants of Cycle Two, several more easements could be purchased in Cycle One.

The idea of creating a waiting list was discussed. However, if the majority of the applicants in Cycle One are expected not to receive an offer due to insufficient funds, then they would be added to the list of 213 from Cycle Two. This would create a waiting list that could take several years before a landowner may receive an offer. In addition, it would eliminate the opportunity for preserving quality farmland from any new applications that might be received until all others were considered.

Therefore, by returning applications and asking landowners to reapply, everyone will be competing together, starting with a clean slate. In addition, it will encourage compet-

itive bidding, which allows the state to preserve farmland for the best possible price.

The historic average acquisition cost increased from \$925 per acre after Cycle One of FY '90 to \$986 per acre in Cycle Two of the same year. This reflects a 6.6% increase in the historic average acquisition cost per acre. Current land use of the total acreage base in the program is 63% cropland, 13% pasture, 20% woodland and 4% other uses.



DRAMATIC CHANGES TO THE PROGRAM

As in the past, the Maryland Department of Agriculture and the Agricultural Land Preservation Foundation continues to work on ways to improve the program. Over the past two years, several legislative proposals have been considered by the Maryland General Assembly which alters the Foundation's operations. (See 1989 and 1990 Annual Reports).

In 1989, the Senate Budget and Taxation Committee and the House Committee on Appropriations appointed the Joint Subcommittee on Program Open Space and Agricultural Land Preservation. The Subcommittee has continued its study, and has worked closely with the Maryland Department of Agriculture and the Foundation on several issues. One of the issues raised by the Subcommittee was the establishment and certification of effective county agricultural preservation programs. Several counties have already established effective preservation programs and several other counties are in the process of creating one. Most programs will be set up to complement the Foundation's operations by providing various incentives for landowners.

HB 1280, Agricultural Land Preservation Act of 1990, was enacted and became effective July 1, 1990. This Bill allows for the certification of County Programs to be administered jointly by the Maryland Agricultural Land Preservation Foundation and the Maryland Office of Planning. County programs that have been submitted for certification and meet specific criteria will be

certified and thus become eligible for additional State funds. Upon certification, a county may retain 75% of the Agricultural Transfer Tax collected in their jurisdiction as opposed to the regular 33 1/3%. Counties who do not have a certified program in place, will be allowed to continue retaining 33 1/3% of the Agricultural Transfer Tax collected. The additional funds as a result of certification will be beneficial to county programs and will aid in the purchasing of perpetual development rights easements. Due to the fact that some counties were already operating a successful program, which leads to the purchase of perpetual agricultural preservation easements, a special exception was made to the qualifying criteria and they were certified as a "Pre-existing" program. Certification is valid for a period of two years and became effective April 1, 1991.

These programs, although pre-existing will have to meet certain criteria to be re-certified for another 2 years. To date, a total of seven counties have been approved as having an agricultural land preservation program of which six have been identified as "pre-existing". They include, Baltimore, Montgomery, Anne Arundel, Howard, Carroll and Harford Counties. To date, only Frederick County applied as a newly created county program and was approved with an effective date of May 1, 1991. Still, others are expressing interest in becoming certified including Washington, St. Mary's and Charles Counties.

Howard County and Montgomery County both have a local program which is separate from the State's program. Most other programs tend to supplement the Maryland Agricultural Land Preservation Foundation and include incentives such as tax credits, bonus payments, etc.

Another change that will have an impact on the Maryland Agricultural Land Preservation Foundation is the implementation of the new agricultural formula.

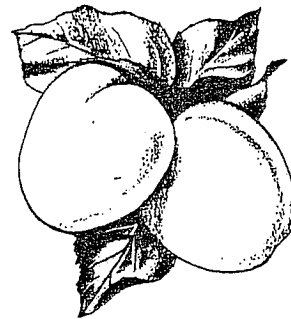
The Foundation has recently adopted a new methodology for determining the agricultural value of a farm which has replaced the previous method. It is designed to measure more accurately the value of agricultural land as it relates to production capabilities of the soil as opposed to comparable sales. The new agricultural formula is being used to determine easement values on properties submitted for Cycle One, FY '91 easement sales and will be considered in FY '92. Results of using the agricultural formula will be reflected in the 1992 Annual Report. It is anticipated that the agricultural values will generally be lower, resulting in higher easement offers. This may also result in an increase of applications to sell an easement.

Several more changes to the program may be made during the 1992 legislative session. The Department of Agriculture, with the direction of the Governor, created a Task Force to evaluate the Maryland Agricultural Land Preservation program and address recent concerns of the Board of Public Works.

These concerns relate to easement sales and the types of properties being preserved. The Task Force is made up of representatives from the Offices of the Governor, Comptroller, Treasurer, Department of General Services, Maryland Office of Planning, Department of Budget and Fiscal Planning and the Counties.

An interim report of the Task Force outlining its recommendations has been submitted to the Board of Public Works in July of 1991. The recommendations include changes to the program in relation to qualifying criteria for easement sales. In addition, there is discussion about the separation of approval processes for district establishment and easement sales. A review of these recommendations are presented later in this annual report.

A summary of legislation considered by the 1991 General Assembly, and signed by the Governor relating to the Maryland Agricultural Land Preservation Foundation is found on page 10 of this report.



1991 LEGISLATION

- *Chapter 454, House Bill 1321*

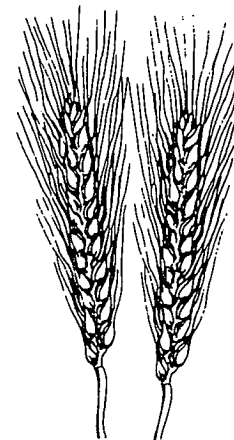
Reduces the amount of agricultural land transfer tax revenue that is to be placed in the Maryland Agricultural Land Preservation Foundation. This bill suspends billing for the three year old agricultural transfer tax revenue in a county's special account which has not been expended or committed by the time it became 3 years old. If any agricultural transfer tax becomes 3 years old from the date it was collected during FY '92, the county is not required to forward that revenue to the State until FY '93 if funds remain unexpended or uncommitted. Therefore, counties have an extra year to utilize the money locally for agricultural preservation purposes.

- *Chapter 470, House Bill 206*

Authorizes the transfer of \$17,000,000 from the Maryland Agricultural Land Preservation Fund to the General Fund of the State as part of the State's Deficit Reduction Plan. This transfer reduced the Maryland Agricultural Land Preservation Fund significantly having a direct impact on properties currently in the settlement process. As a result, some landowners had to wait for additional funding before they could proceed with settlement. In order to offset this reduction and to provide funding for offers already made by the Foundation, the General Assembly replaced \$7,000,000 in the Agricultural Land Preservation Fund by a Capital Bond Appropriation.

- *Chapter 253, House Bill 1323*

Authorizes the Agricultural Land Preservation Foundation to operate one easement offer cycle instead of two only during FY '92 and FY '93. Current law mandates that available funds be divided equally between two cycles; however, in light of the surge of easement applications and limited funding, the bill allows the Foundation to maximize the use of State Funds for easement purchases. By operating only one offer cycle, the cost of appraisals will be kept to a minimum, thereby increasing the total funds available for easement purchases.



FACING THE CHALLENGES OF THE FUTURE

The Maryland Agricultural Land Preservation Foundation is the most successful program of its kind in the nation and has perpetually preserved more farmland than any other State. However, the program continues to change in order to address specific recurring issues and to maintain the same high level of landowner participation that Maryland has enjoyed in the past.

The Task Force on the Maryland Agricultural Land Preservation Foundation has recommended changes that relate to easement sales and the various concerns of the Board of Public Works.

One issue deals with the public's perception that District Establishment guarantees an easement offer from the State, resulting in a subsequent easement sale. Although the district agreement and easement sale application indicate that there is no guarantee an offer will be made, and even though landowners are told this in the beginning stages of application, some honestly believe they will in fact receive an offer to purchase an easement on their land. The Task Force believes that by separating the approval process for district establishment and easement sale, along with implementing separate criteria for each, this notion of a guaranteed easement offer will be eliminated. This type of change would require legislation and may be introduced to the General Assembly in 1992.

The Task Force on the Maryland Agricultural Land Preservation Foundation also believes that in the past, some land on which an easement was purchased was not fully dedicated to agricultural use and thereby not characterized as a farm. Instead, it may resemble a large lot estate or land simply used for esthetics as opposed to agricultural purposes. Therefore, the Task Force has recommended that easement purchases be limited only to "Active Working Farms". An active working farm will be defined as "any agriculturally assessed property actively engaged in agricultural use for a minimum of 3 consecutive years". This will assure that an easement is purchased on land that is actively devoted to agricultural use.

The Board of Public Works has been apprehensive about whether the State has been getting the "best" farmland for the least amount of money when purchasing easements. The Foundation must be able to maximize the use of State funds, while at the same time preserve the highest quality farmland and to assure that easements are not offered on land with limited or no development potential.

To help assure this, the Task Force has recommended that the State establish a method for screening and pre-approval of applications to eliminate property with little or no development potential prior to processing for easement sale. When possible, the Department of General Services will conduct composite appraisals on properties with questionable values in lieu of securing

3rd fee appraisals. This will be a cost savings for the Foundation as well as a reduction in the time it takes for making easement offers. In addition, it will provide flexibility to the State by combining certain aspects of several different appraisals in order to determine an estimate of market value.

Another concern deals with the purchase of easements on parcels of land consisting of less than 100 acres. This raises the question of whether these smaller parcels can support a viable agricultural operation. Clearly there may be concern when the State offers to purchase an easement on small acreage. However, there may be more to the "big picture" than just that individual property. For example, it could be a parcel of land that a farmer just acquired to expand his larger operation or the parcel is a viable agricultural operation in itself forming a link between two separate preservation areas.

With today's upward trend in alternative agriculture, there seems to be more intensive management and specialized production on smaller properties resulting in high yields and return. Today's regulations require a minimum size of 100 acres to be considered for an easement sale with some exceptions. However, to weed out these properties approved as a special exception which more closely resemble large lot estates, the Task Force is recommending a minimum size of 20 acres to be considered for an easement sale.

Still another issue relating to the program,

and one the Task Force has evaluated, relates to the fact that some landowners have been using the program like a bank to finance private land purchases. Furthermore, banks have been lending money to people and securing loans based on a potential easement sale. This reinforces the landowner's perception that they are guaranteed to receive an easement offer by the State. The Task Force has recommended that the focus remain on farmland with priority preference to the "true" farmer instead of speculators. Therefore, the Task Force recommends that a landowner must have owned the property for at least 18 months before he/she may submit an application to sell an easement.

It was realized, however, that a strict 18 month ownership would have some ramifications. Therefore, exceptions to the recommended 18 month ownership requirement would be granted to a landowner who (1) has been an integral part of the farming operation for at least 18 months or (2) the owner acquired the land from an immediate family member.

The Task Force on the Maryland Agricultural Land Preservation Foundation will continue its evaluation into FY '92. It will evaluate various methods of ranking properties and pricing of easement values to assure that the State is getting the "best" farmland for the least amount of money when purchasing easements. In addition, this study will help ensure that State funds are used to purchase easements on productive agricultural

land and to promote long term agricultural production. A report reflecting the findings of this study will be made to the Board of Public Works no later than January 31, 1992.

Although there are many recommendations being made by the Task Force, some will require legislation while others can be made through the regulatory process. The Maryland Agricultural Land Preservation program has changed dramatically over the past couple of years and is still changing. In light of the recent funding situation, and the current economic climate, the Foundation will be challenged with purchasing easements with limited funds. However, alternative funding methods will be evaluated. One source of funds may become available through the Farms for the Future Act of 1990. Under this act, the Federal Government will provide loans of up to \$10 million to any State that has a preservation program in place prior to August 1, 1991. These loans would be provided with a special discount payment plan with reduced interest payments. The Farmer's Home Administration will be drafting the regulations and it is anticipated that the Federal government will be appropriating funds for the program next year. The Foundation will pursue the development of the Federal program in an effort to acquire additional funds. This will aid Maryland in meeting the increased participation in the Agricultural Land Preservation program and in preserving our greatest natural resource.

Certification of county programs will also

be of great importance in the future as more counties submit applications. Whether the proposed programs are separate from the State's program or supplemental to the Foundation, they will provide new incentives and opportunities to the landowners. As a result, more farmland may be preserved. However, funding may continue to be a problem to both the county and the State. As more counties become certified and retain 75% of the agricultural transfer tax collected in their jurisdiction, less money will come to the Foundation. Therefore, it is essential to pursue additional funding mechanisms to preserve more farmland.

In order for the State's program to continue enjoying the success it has in the past, it is essential that the State and County continue to keep an open line of communication. This will ensure that the preservation of agricultural land remains a priority. A united effort will provide the background needed to keep Agriculture the number one industry in Maryland.

The Department of Agriculture, through the Maryland Agricultural Land Preservation Foundation, is considering the possibility of creating an inter-agency committee to discuss statewide agricultural preservation strategies. This would involve coordination with various agencies and programs run by the State, County and/or private organizations to carry out specific preservation goals. The idea is to create a "network" of preservation programs which will provide the landowners with

opportunities to preserve their land.

In the past, the Maryland Agricultural Land Preservation Foundation program has been criticized for its inability to respond quickly to preserving critical farms or to farmers in severe economic hardship. A challenge of the Foundation will be the evaluation of the possibilities of instituting a new portion of the current program that will allow the State to purchase easements quickly.

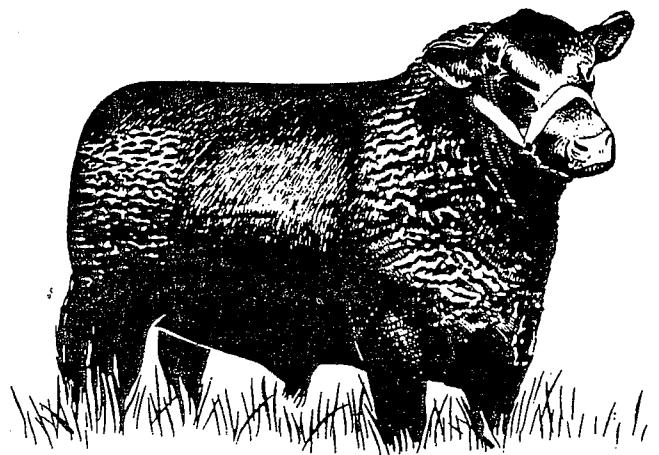
HB 1297 was introduced to the General Assembly in 1990 which would have provided a pre-approved purchase value option for landowners who wish to sell an easement to the State. However, this Bill was not passed. Instead, the Department of Agriculture, Department of General Services and others were asked to evaluate the feasibility of the program as it relates to the recent changes made by the Joint Subcommittee on Program Open Space and Agricultural Land Preservation. A report on this study was originally due in January 1992, but the deadline has been extended to July 15, 1992.

The pre-approved purchase value option is intended to be offered in addition to the current easement program. Currently it takes approximately 9 - 14 months from the time the application is made to actual settlement. The pre-approved purchase value option would be available on first come - first served basis continuously throughout the year.

The purpose is to provide for the purchase

of certain easements using a pre-approved purchase value determined by the Foundation based on recent averages and subject to the approval of the Board of Public Works. There are several concerns relating to the implementation of a pre-approved purchase value option and they will be evaluated by the various agencies involved. Such concerns include the quality of farmland this option would attract, as well as the management and allocation of funds needed to purchase easements in this way. The findings of the evaluation of implementing a pre-approved purchase value option will be determined in July, 1992.

The future holds a lot of challenges for the Maryland Agricultural Land Preservation Program. However, with the coordination and cooperation of local governments and various other programs, as well as the landowners themselves, the Foundation will endure and become stronger than ever.



**MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION
FISCAL YEAR 1991 CERTIFICATION REPORT**

Beginning Fund Balance (July 1, 1989)		\$ 31,175,772.97
Revenues:		
Agricultural Transfer Tax	\$6,126,012.37	
Program Open Space	5,000,000.00	
Local Subdivision Participation	476,820.50	
Total Revenue		\$ 11,602,832.87
Expenditures		
Administration	\$ 172,382.20	
Easement Acquisitions	6,469,153.20	
Transfers to Installment Account	3,630,533.15	
Appraisal Fees	214,126.00	
Legal and Recording Fees	875.00	
Settlement Fees	84,739.00	
Miscellaneous Fees	27,477.00	
Department Indirect Fees	42,944.39	
Total Expenditures		\$ 10,642,229.94
Ending Fund Balance (June 30, 1990)		\$ <u>32,136,375.90</u>
*** Analysis of Ending Fund Balance***		
Funds Encumbered for Purchases		\$ 4,370,594.05
Funds Reserved for Contract Purchases in-progress		10,869,588.23
Unobligated Funds		16,896,193.62
Ending Fund Balance (June 30, 1990)		\$ <u>32,136,375.90</u>
*** FY '91 Certified Fund ***		
Total unobligated funds		\$ 16,896,193.62
FY '91 Program Open Space		5,000,000.00
FY '91 Certified Fund Balance		\$ 21,896,193.62
Transfer to General Fund		-17,000,000.00
Revised FY '91 Certified Fund Balance		\$4,896,193.62

ACREAGE REDUCTION

A total of 19 acres were excluded and released from easement properties based on requests by the original owners of an easement for one acre building lots for themselves and/or their children. The table on the opposite page shows acreage reductions in districts and easement properties. The table is comprised of five factors that would result in an adjustment of the program's acreage base. To date, a total 86 easement acres were excluded for building lots.

The landowner is required to payback the per acre value of the easement offer when new lots are created on lands where the Foundation has purchased development rights easements. This requirement has been in effect since 1982. Easements purchased prior to 1982 do not require a payback. Easement restrictions are placed on the total property acreage; however, a landowner is not compensated for the one acre area surrounding each dwelling that was in existence at the time the easement was purchased. The total payback amount collected during FY '91 was \$14,440.34, which brings the total, to date, to \$49,574.79. The Foundation may receive requests from county governments to exclude land in district or easement status to be used for public benefit. This includes improvements such as roads, bridges or culverts. There were 3.779 acres excluded for reductions for public benefit in FY '91 for a total payback of \$941.39. To date, a total of 21.469 acres have been excluded for such public improvements resulting in a total payback of \$2,490.43.

As in the past, the most significant acreage reduction factor was the termination of district properties. Seven districts, totalling 1,141.20 acres, were terminated after meeting the minimum five year commitment. This figure is much lower than the 18 terminations reported in FY '90. Unfortunately, the Foundation will probably see a significant number of districts terminating in the future, due to the uncertainty of the funding status. One district property had only a partial termination. To date, a total of 113 districts covering 19,280 acres have been terminated. The gross total acreage base is the current district acreage plus terminated acreage.

In the easement settlement process, acreage adjustments are often made after a title search is performed. The verification of acreage through research of ownership including out-conveyances and surveys, may total a different amount than that shown on the district agreement. There are sometimes increases in acreage. The net loss in FY '91 was 6.187 acres, which brings the total, to date, to 543.397 acres.

Acreage reductions from all sources total 1,170.157 acres for FY '91. To date, total acreage reductions from all sources total 17,165 acres.

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION
ACREAGE REDUCTIONS IN DISTRICTS OR EASEMENT PROPERTIES

RECORDED FROM JULY 1, 1990 TO JUNE 30, 1991
 (*Partial termination resulting in loss of partial district acreage.)

COUNTY	OWNER'S OR CHILDREN'S LOT EXCLUSIONS		EXCLUSION BY COUNTY FOR PUBLIC BENEFIT			EARLY TERMINATION FOR SEVERE ECONOMIC HARSHSHIP		DISTRICT TERMINATION AFTER 5 YEARS		ACREAGE ADJUSTMENTS FROM DEEDS	TOTALS
	Easement Acreage	Payback Amount	District Acreage	Easement Acreage	Payback Amount	Number	Acreage	Number	Acreage		
ALLEGANY											
ANNE ARUNDEL	-1.00	\$3,080.69									-1.00
BALTIMORE											
CALVERT											
CAROLINE	-8.00	\$2,800.68						1	-83.20	-2.584	-93.784
CARROLL	-2.00	\$1,750.08						*	-5.6118	-0.481	-8.0928
CECIL											
CHARLES								1	-210.00		-210.00
DORCHESTER											
FREDERICK								2	-298.49		-298.49
GARRETT	-1.00	\$427.88		-3.779	\$941.39			1	-108.18		-112.959
HARFORD											
HOWARD											
KENT											
MONTGOMERY											
PRINCE GEORGE'S											
QUEEN ANNE'S											
ST. MARY'S								1	-330.000	-3.122	-3.122
SOMERSET											-330.00
TALBOT								1	-105.72		-105.72
WASHINGTON	-7.00	\$6,381.01									-7.00
WICOMICO											
WORCESTER											
TOTAL	-19.00	\$14,440.34	-0-	-3.779	\$941.39	-0-	-0-	7	-1,141.20	-6.187	-1,170.157

FY '91 DISTRICT PARTICIPATION

Despite all the speculation regarding this program during FY '91, the Foundation saw a steady enrollment of properties into the district program. In FY '91 the Foundation approved the establishment of 298 agricultural preservation districts protecting 37,706 acres. This amount represents a 19% increase over last year's total. This shows there are still a number of landowners willing to participate in this successful program.

Again, there was a noticeable change this year in comparing individual County participation. This year's forerunner was Washington County, who took the lead in terms of additional district acreage enrolled in the program during FY '91. The 68 new districts that were established in Washington County during FY '91 indicates more growth in terms of acres than any other county for the year with 8,535 acres. This represents a county growth rate of 123%. The second ranking County in terms of total acreage was Carroll County who added 4,771 acres to the acreage base in FY '91. Harford County and Cecil County both had a significant increase in county growth. It is important to note that Somerset more than doubled their participation during FY '91.

On a regional perspective, all regions are growing. The Central Region constituted the most growth by adding 10,431 acres in FY '91 while the Western region was close behind with 9,956 acres. The lower and upper shore also gained, while the Southern Region had a moderate increase of 1,000 acres.

One of the most beneficial aspects of this program is the establishment and growth of preservation areas. This is the total amount of contiguous land under district agreement. The Foundation continues to make every effort to encourage new landowners to join the program. This is one of the ways landowners can insulate against development. "Critical mass" of preserved agricultural land remains the biggest leverage against development pressure.

The largest preservation area in the State is in Carroll County, known as the "Uniontown Preservation Area" consisting of 11 easement and 20 district properties, covering approximately 3,886 contiguous acres. Cecil County has a preservation area which exceeds 2,960 acres consisting of 20 district properties.

Individual County maps are located in the appendix of this report.

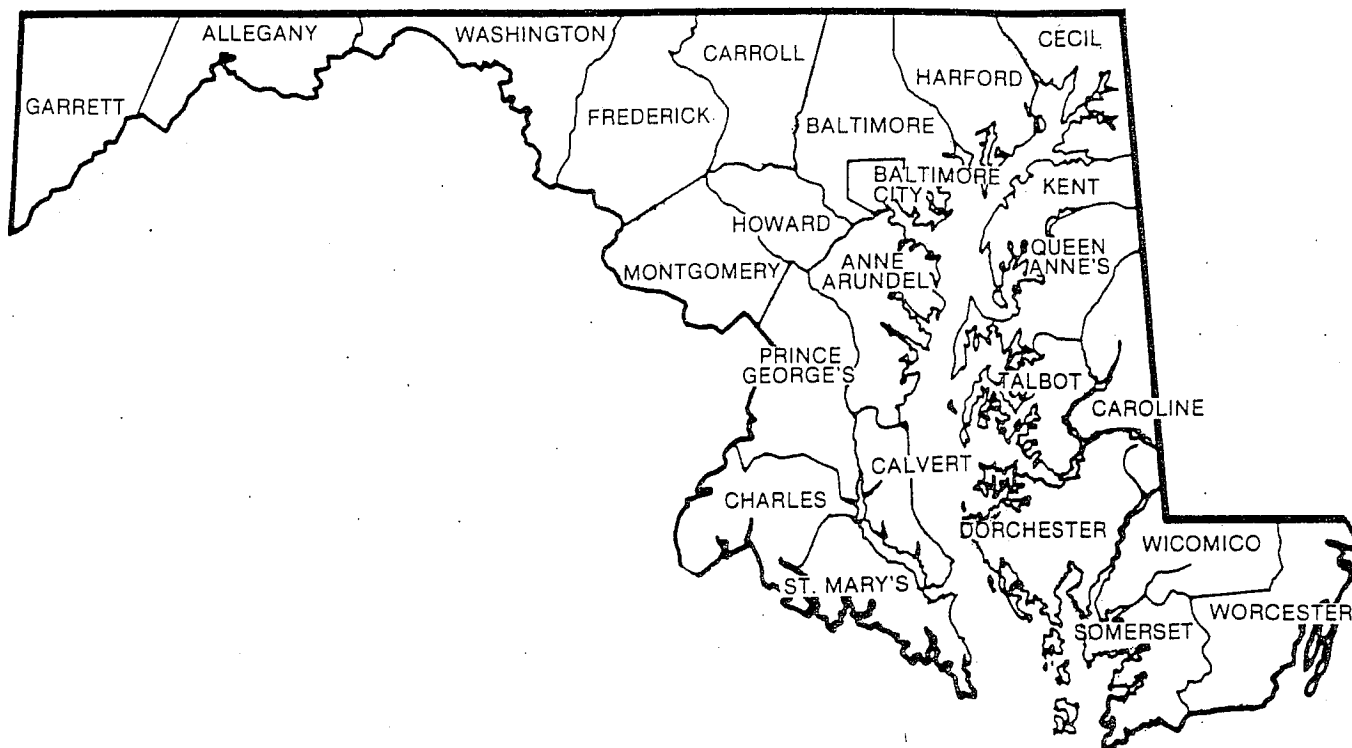
A frightening fact is that the traditional agricultural community and rural areas must compete with development, which seems inevitable with the present economy. Preservation areas of significant size can be our ally. The Maryland Agricultural Land Preservation Foundation program continues to be very successful and is compelled to maintaining its success.

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION
FY '91 DISTRICT PARTICIPATION

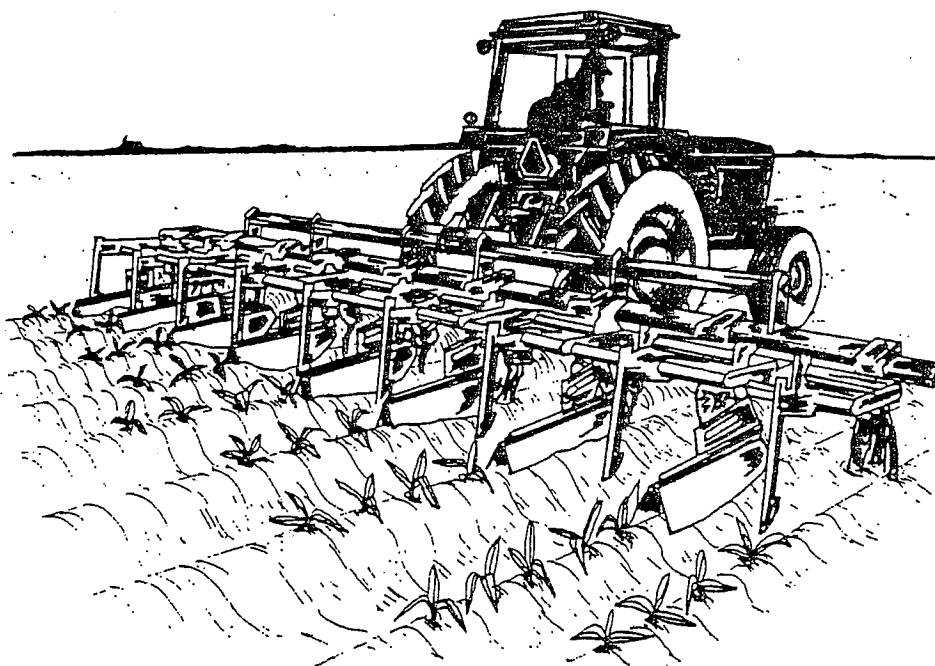
COUNTY	RECORDED DISTRICTS AS OF JUNE 30, 1990		APPROVED DURING FY '91		COUNTY ACREAGE GROWTH RATE	ACREAGE ADJUSTMENTS		TOTAL RECORDED AND APPROVED DISTRICTS AS OF JUNE 30, 1991		PERCENTAGE OF TOTAL
	No. of Districts	District Acreage	No. of Districts	District Acreage		No. of Districts	District Acreage	No. of Districts	District Acreage	
ALLEGANY	3	335,1980	0	0	0%	0	0	3	335,1980	0.1%
ANNE ARUNDEL	62	6,342,6116	9	953,1588	15%	0	-1.82	66	7,293,9416	3.2%
BALTIMORE	190	17,813,1659	28	1,695,7723	10%	0	-3.50	218	19,505,4382	8.4%
CALVERT	44	5,959,1672	0	0	0%	0	0	44	5,959,1672	2.6%
CAROLINE	203	29,147,5934	28	2,435,5982	8%	-1	-83.20	230	31,499,9916	13.6%
CARROLL	264	33,283,7738	45	4,770,6088	14%	0	-5.6118	309	38,048,7708	16.5%
CECIL	33	5,570,293	20	3,222,0805	58%	0	0	53	8,792,3735	3.8%
CHARLES	23	3,369,232	2	684,74	20%	-1	-210.00	24	3,843,972	1.7%
DORCHESTER	21	3,463,398	5	960,980	28%	0	0	26	4,424,378	1.9%
FREDERICK	89	14,378,5781	10	1,414,90	10%	-2	-298.49	97	15,492,9891	6.7%
GARRETT	29	4,465,0000	2	418,7238	9%	-1	-108.18	30	4,775,5438	2.1%
HARFORD	117	13,783,806	30	3,773,4207	27%	0	0	147	17,557,2267	7.6%
HOWARD	54	6,806,4044	0	0	0%	0	0	54	6,806,4044	2.9%
KENT	33	5,461,0332	2	455,176	8%	0	0	35	5,916,2032	2.6%
MONTGOMERY	17	2,827,908	1	200,00	7%	0	0	18	3,027,908	1.3%
PRINCE GEORGE'S	0	0	0	0	0%	0	0	0	0	0%
QUEEN ANNE'S	91	18,048,1086	17	2,373,181	13%	0	-1.25	108	20,420,0396	8.9%
ST. MARY'S	23	3,855,7733	1	230,00	6%	-1	-330.00	24	3,755,7733	1.6%
SOMERSET	12	1,750,8410	11	1,871,95	110%	0	0	23	3,577,791	1.5%
TALBOT	33	6,171,5650	9	1,080,20	18%	-1	-105.72	41	7,146,665	3.1%
WASHINGTON	35	6,917,2223	68	8,534,584	123%	0	-2.93	103	15,448,8753	6.7%
WICOMICO	32	4,436,642	15	2,630,19	59%	0	0	47	7,066,832	3.1%
WORCESTER	1	246,0000	0	0	0%	0	0	1	246,0000	0.1%
TOTAL	1,409	194,388,3148	298	37,705,8693	19%	7	-1,150,7018	1,698	230,941,4823	100%

**REGIONAL ANALYSIS:
PERCENTAGE OF TOTAL DISTRICT ACREAGE**

REGIONS	FY '88	FY '89	FY '90	FY '91
WESTERN:				
Garrett				
Allegany	14.8%	14.1%	13.4%	15.6%
Washington	22,467 acres	23,269 acres	26,096 acres	36,052 acres
Frederick				
CENTRAL:				
Carroll				
Baltimore	39.4%	39.3%	38.5%	36.8%
Harford	59,619 acres	64,691 acres	74,515 acres	84,946 acres
Montgomery				
Howard				
SOUTHERN:				
Anne Arundel				
St. Mary's	12.1%	11.4%	10.0%	9.0%
Calvert	18,335 acres	18,728 acres	19,527 acres	20,853 acres
Charles				
Prince George's				
UPPER SHORE:				
Queen Anne's				
Talbot	31.5%	32.4%	33.2%	32.0%
Cecil	47,629 acres	53,252 acres	64,398 acres	73,775 acres
Kent				
Caroline				
LOWER SHORE:				
Dorchester				
Wicomico	2.2%	2.8%	5.1%	6.6%
Worcester	3,273 acres	4,550 acres	9,852 acres	15,315 acres
Somerset				
TOTAL ACREAGE	151,324 acres	164,490 acres	194,388 acres	230,942 acres



MARYLAND COUNTIES



FY '90 EASEMENT ACQUISITION PROGRAM CYCLE TWO

Average values of all accepted offers during Cycle Two in FY '90 are analyzed in the facing table by county and for the entire State. After settlement, a total of 7,104 acres will be placed under perpetual easement. These values listed in the table are strictly an average of asking prices and cite specific appraised values of properties within each county during Cycle Two of FY '90. They pertain exclusively to those properties on which easement offers were accepted and should not be regarded as representative values of all farmland in any one county.

The competitive bidding factor is a component of the program which allows the offer amount to equal the landowner's asking price or the appraised easement value, whichever is lower. The only other allowable value is an "insufficient funds offer" and is less than either the asking price or the appraised easement value. This type of offer would be based on the total amount of remaining funds on hand to be used for easement acquisition. Such an offer may be turned down without a penalty, but some are accepted since there is no guarantee of a subsequent full offer.

The FY '90 Cycle Two average acquisition cost of \$1,779 per acre is considerably higher than the average acquisition cost of \$1,342 per acre in Cycle One of the same year, representing a 30% increase.

The acceptance of 53 out of 63 offers during Cycle Two shows a total cost of \$12,639,837, of which \$12,007,845, or 95%,

were State Funds and \$631,992.00, or 5% were County matching funds. A total savings of \$938,663 was realized by the Foundation in making offers that were less than the appraised easement value but equal to the landowners asking price and thus considered a discount to the State. A landowner may be willing to sell an easement at a discounted value to ensure that they will receive a full easement offer. Using the \$1,779 as an average acquisition cost per acre, the Foundation was able to purchase an additional 528 acres due to discounted offers, which makes the competitive bidding component of the program so important. Maryland continues to be the most cost effective program in the country which is due largely to competitive bidding.

A landowner may file for arbitration with the local Property Tax Assessment Appeals Board, if he disagrees with the values established by the State appraisal and ultimately the offer made to him by the Foundation.

During Cycle Two of FY '90, there were no new arbitration cases. However, a few still need to be resolved. The history of the program shows that there have been 21 arbitration cases, representing 3% of the 1,117 easement applicants who could have requested arbitration.

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION
FY '90 EASEMENT ACQUISITION PROGRAM
CYCLE TWO

COUNTY	NUMBER OF EASEMENTS	TOTAL OF ACRES	AVERAGE FARM SIZE	AVERAGE ASKING PRICE PER ACRE	AVERAGE FAIR MARKET VALUE/ACRE	AVERAGE AGRICULTURAL USB/ACRE	AVERAGE BASEMENT VALUE/ACRE	ACQUISITION COST		DISCOUNT
								PER ACRE	TOTAL	
ALLEGANY	0	0	0	0	0	0	0	0	0	0
ANNE ARUNDEL	1	157.84	157	\$3,000	\$7,246	\$2,113	\$5,133	\$3,000	\$473,520	0
BALTIMORE	8	695.328	87	\$7,456	\$7,065	\$2,077	\$4,988	\$6,103	\$4,243,790	0
CALVERT	1	108.593	109	4,798	9,000	\$1,000	\$8,000	\$4,798	\$521,029	\$273,647
CAROLINE	11	1,006.135	91	\$987	\$1,944	\$1,075	\$881	\$836	\$842,341	\$347,671
CARROLL	10	1,290.4632	129	\$2,117	\$2,897	\$1,158	\$1,708	\$1,708	\$2,049,461	0
CECIL	1	366.3704	366	\$1,200	\$3,002	\$1,501	\$1,501	\$1,200	\$439,644	\$110,356
CHARLES	0	0	0	0	0	0	0	0	0	0
DORCHESTER	3	617.25	207	\$ 865	\$ 865	\$801	\$970	\$857	\$531,489	\$ 75,710
FREDERICK	1	254.284	254	\$3,300	\$3,391	\$1,372	\$2,019	\$2,019	\$513,391	0
GARRETT	0	0	0	0	0	\$ 0	0	\$ 0	0	0
HARFORD	3	373.3929	124	\$1,782	\$3,300	\$1,567	\$1,733	\$1,633	\$606,143	\$ 40,548
HOWARD	0	0	0	0	0	0	0	0	0	0
KENT	1	225.916	226	\$1,750	\$2,700	\$1,500	\$1,200	\$1,200	\$271,100	0
MONTGOMERY	0	0	0	0	0	0	0	0	0	0
PRINCE GEORGE'S	0	0	0	0	0	0	0	0	0	0
QUEEN ANNE'S	7	1,155.289	165	\$1,279	\$2,790	\$1,668	\$1,122	\$1,081	\$1,235,629	\$ 30,131
ST. MARY'S	2	368.238	184	\$1,448	\$1,950	\$850	\$1,100	\$1,100	\$399,100	0
SOMERSET	1	171.50	172	\$1,587	\$1,254	\$787	\$466	\$466	\$ 80,000	0
TALBOT	0	0	0	0	0	0	0	0	0	0
WASHINGTON	1	107.00	107	\$1,100	\$1,800	\$800	\$1,000	\$1,000	\$107,000	0
WICOMICO	2	206.17	103	\$2,345	\$2,345	\$743	\$1,603	\$1,603	\$327,200	0
WORCESTER	0	0	0	0	0	0	0	0	0	0
TOTAL	53	7,103.7695	134	\$2,215	\$3,198	\$1,266	\$1,885	\$1,779	\$12,639,837	\$ 938,663

*Information presented in this table represents easements offered and accepted only in Cycle Two of FY '91. No new easements were acquired in FY '91.

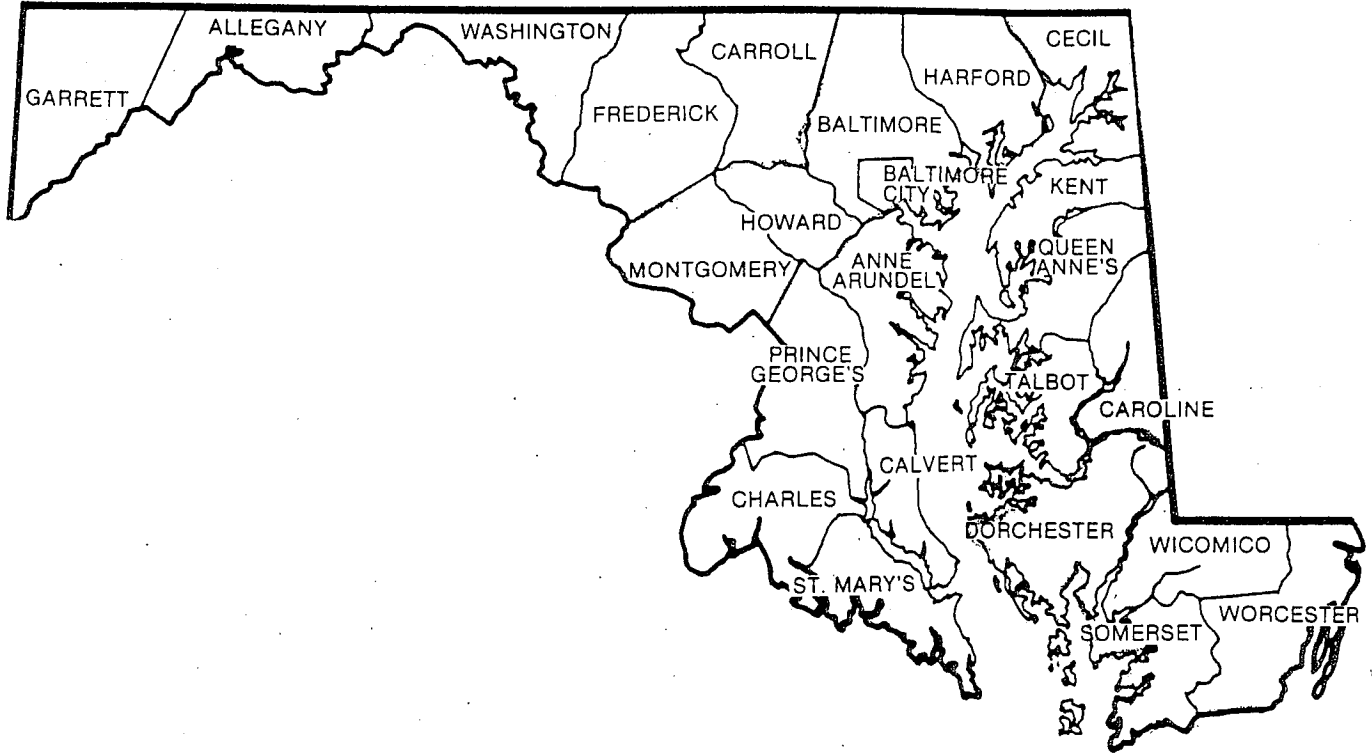
**REGIONAL ANALYSIS:
PERCENTAGE OF TOTAL EASEMENT ACREAGE**

REGION	FY '88	FY '89	FY '90*	FY '91**
WESTERN:				
Garrett				
Allegany	15.2%	13.8%	14.1%	13.5%
Washington	10,648 acres	10,987 acres	12,914 acres	13,267 acres
Frederick				
CENTRAL:				
Carroll				
Baltimore	44.9%	42.8%	41.8%	41.1%
Harford	31,374 acres	34,052 acres	38,198 acres	40,555 acres
Montgomery				
Howard				
SOUTHERN:				
Anne Arundel				
St. Mary's	10.2%	9.2%	8.3%	8.3%
Calvert	7,100 acres	7,293 acres	7,565 acres	8,198 acres
Charles				
Prince George's				
UPPER SHORE:				
Queen Anne's				
Talbot	28.2%	32.0%	33.1%	33.5%
Cecil	19,664 acres	25,430 acres	30,245 acres	32,990 acres
Kent				
Caroline				
LOWER SHORE:				
Dorchester				
Wicomico	1.5%	2.2%	2.8%	3.6%
Worcester	1,072 acres	1,720 acres	2,528 acres	3,522 acres
Somerset				
TOTAL ACREAGE	69,858 acres	79,482 acres	91,448 acres	98,532 acres

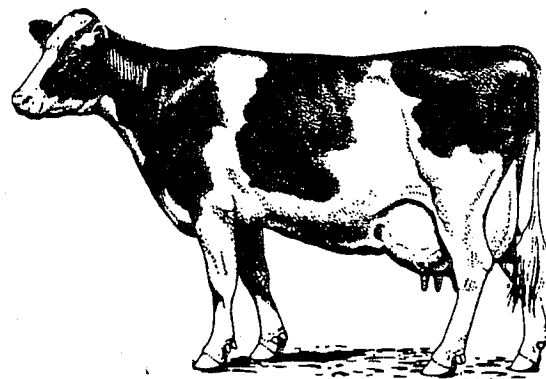
* Cycle One FY '90 Information Only

** Cycle Two FY '90 Information Only

No additional easements were purchased in FY '91 due to budgetary constraints



MARYLAND COUNTIES



EASEMENT PARTICIPATION

Cycle Two of the FY '90 Easement Acquisition Program is reflected in this report since that information was not available at the time the 1990 Annual Report was printed. Although there was a record number of applications to sell an easement by the Foundation during FY '91, no new offers were made due to budget restraints on the program. The Foundation preserved 53 properties consisting of 7,104 acres during Cycle Two of FY '90. Cycles One and Two of FY '90 together provided a 25% increase over FY 1989 preserving 19,769 acres for a total of 98,533 acres of permanently preserved farmland. By the end of FY '90 the Foundation received accepted offers to purchase development rights easements from 53 of the 63 applicants during Cycle Two. This represents an acceptance rate of 88%, which is the largest ever received in the history of the program. As a result, the total number of easements acquired or with contract has now increased to 677 properties.

These figures are significantly more than any other agricultural land preservation program in the United States! The large amount of acreage preserved during Cycle One and Cycle Two of FY '90 along with the steady levels of District participation reflect a record year for the Foundation. With continued participation, the long-range goal of the program is permanently protecting productive agricultural land.

In Cycle Two, Carroll County took the lead over Caroline County (leader in Cycle One) by preserving 1,290 acres for a total of 20,171 acres of permanently preserved acres,

representing 20.4% of the State's total. Comparing individual county progress, Carroll County continues to lead the State in the amount of total preserved acreage. Queen Anne's County had the second largest amount of preserved land with 1,155 acres offered in Cycle Two of FY '90.

Dorchester County added 617 acres, tripling the amount of acreage preserved in Cycle One of FY '90 and has doubled its county growth rate since FY '89. Significant activity also occurred in several other counties including Cecil, St. Mary's, Somerset and Wicomico.

Although Caroline County ranked third in Cycle Two preserving 1,006 acres, it continues to remain second in total easements preserved consisting of 17,191 acres, and representing 17.4% of the State's total.

Individual County maps are located in the appendix of this report.

Due to certain funding limitations, legislation was enacted in 1991 which allows the Foundation to operate only one easement offer cycle during FY '92 and FY '93. The Foundation, therefore, will be able to maximize the use of State funds by purchasing easements on properties applying in one cycle and foregoing the costs of appraisals, title work, etc. in another cycle.

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION
EASEMENT PARTICIPATION*

COUNTY	EASEMENT ACQUIRED OR W/ CONTRACT STATUS AS OF JUNE 30, 1990		EASEMENTS OFFERED AND ACCEPTED DURING FY '90*		COUNTY ACREAGE GROWTH RATE	LESS: EASEMENT REDUCTIONS	TOTAL EASEMENTS ACQUIRED OR W/ CONTRACT STATUS AS OF JUNE 30, 1991		PERCENTAGE OF TOTAL
	Number	Acres	Number	Acres			Number	Acres	
ALLEGANY	1	183.292	0	0	0%	0	1	183.292	0.2%
ANNE ARUNDEL	23	2,617.9197	1	157.84	6%	-1.0	24	2,773.7597	2.8%
BALTIMORE	76	8,712.2018	8	695.328	8%	0	84	9,407.5298	9.5%
CALVERT	22	3,296.2013	1	108.593	3%	0	23	3,404.7943	3.5%
CAROLINE	111	16,192.5049	11	1,006.135	6%	-8.0	122	17,190.6399	17.4%
CARROLL	143	18,882.4588	10	1,290.4632	7%	-2.0	153	20,170.922	20.4%
CECIL	9	1,334.1705	1	366.3704	27%	0	10	1,700.5409	1.7%
CHARLES	1	221.7500	0	0	0%	0	1	221.7500	0.2%
DORCHESTER	4	679.492	3	617.25	91%	0	7	1,296.742	1.3%
FREDERICK	41	7,177.7055	1	254.284	3%	0	42	7,431.9895	7.6%
GARRETT	16	2,436.415	0	0	0%	-1.0	16	2,435.415	2.5%
HARFORD	43	4,965.0317	3	373.3929	7%	0	46	5,338.4246	5.4%
HOWARD	27	3,957.7802	0	0	0%	0	27	3,957.7802	4.0%
KENT	22	3,470.1902	1	225.916	6%	0	23	3,696.1062	3.7%
MONTGOMERY	9	1,680.2078	0	0	0%	0	9	1,680.2078	1.7%
PRINCE GEORGE'S	0	0	0	0	0%	0	0	0	0
QUEEN ANNE'S	40	7,713.694	7	1,155.289	15%	0	47	8,868.983	9.0%
ST. MARY'S	10	1,429.7230	2	368.238	26%	0	12	1,797.961	1.8%
SOMERSET	4	707.05	1	171.50	24%	0	5	878.50	1.0%
TALBOT	4	1,533.582	0	0	0%	0	4	1,533.582	1.5%
WASHINGTON	11	3,116.2955	1	107.00	3%	-7.0	12	3,216.2955	3.3%
WICOMICO	7	1,141.44	2	206.170	18%	0	9	1,347.610	1.5%
WORCESTER	0	0	0	0	0%	0	0	0	0
TOTAL	624	91,448.1059	53	7,103.7695	8%	-19.00	677	98,532.8754	100%

*Information presented in this table represents easements offered and accepted only in Cycle Two of FY '90. No new easements were acquired in FY '91.

EASEMENT ACQUISITION PROGRAM HISTORIC PERSPECTIVE

The Historical Perspective table shows easement acquisitions by year. The table also factors in adjustments from deeds and late rejections of easement offers after initial acceptance, which is noted in the final figure. Total dollar values and average cost per acre by year are based on easement acreage only. The average fair market, agricultural and easement values are based on appraisals selected. However, these figures do not reflect adjustments for acreage as settled. The total acquisition cost and per acre average reflect final dollar figures. The table also shows the historic total of acreage reductions which resulted in lot exclusions. Also, shown are adjustments to reflect the total payback amount associated for lot exclusions, to date.

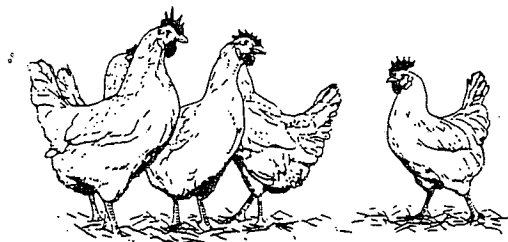
Over the past 14 years a total of 672 of a potential 1,117 easement applicants have accepted offers, allowing these landowners the ability to enjoy permanent protection of their land. This figure indicates that the State has protected 98,532 acres, or 60% of what was submitted for easement sale. Historically, the average farm size was 148 acres. The range of annual averages was from 134 to 160 acres. Recently, landowner's asking prices have continued to rise. The annual average shows a range of prices from a low of \$898 per acre, to a high of \$2,317 per acre. During Cycle Two of FY '90 the average asking price was \$1,186 per acre.

The historic average of appraised agricultural value was \$1,374 per acre, with a range of annual averages of 1,232 to 1,541 per acre. The appraised easement value was

\$1,105 per acre, ranging from \$837 to \$1,866 per acre.

The cost that is actually paid to the landowner is the acquisition cost. This cost depicts the lower price between either the asking price or the appraised easement value. Landowners may discount their asking price as a form of a competitive bid to improve their ranking and perhaps to maintain a better chance of receiving an offer from the Foundation. In the past, the historic average acquisition cost ranged from \$753 to \$1,779, with this year's new historic average cost being \$986 per acre.

The discount value plays an important role to the Foundation in making easement offers. The discount value is a direct result of making easement offers based on the landowner's asking price instead of the appraised easement value. The most cost effective component of the program is distinguished by using the competitive bidding mechanism. An additional 12,440 acres were acquired at the cost of \$986 per acre. This figure is based on using the historic easement acquisition cost. These additional acres were obtained by virtue of the competitive bidding process.



MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION
EASEMENT ACQUISITION PROGRAM - HISTORIC PERSPECTIVE

FISCAL YEAR	ACCEPTED OFFERS % TOTAL APPLICATIONS	TOTAL ACRES	AVERAGE FARM SIZE	ASKING PRICE THAT ACCEPTED AVG. PER ACRE TOTAL AMT.	APPRAISED VALUES			ACQUISITION COST AVG. PER ACRE TOTAL AMT.	DISCOUNT VALUE ADDTL ACRES TOTAL AMT.
					FAIR MARKET AVG. PER ACRE TOTAL AMT.	AGRICULTURAL AVG. PER ACRE TOTAL AMT.	EASEMENT AVG. PER ACRE TOTAL AMT.		
1977 to 1983	153 of 312 48%	23,160.3970	152 acres	\$937/acre \$21,994,889	\$2366/acre \$55,564,189	\$1444/acre \$33,986,349	\$922/acre \$21,574,840	\$821/acre \$19,202,419	1,429.95 acres \$2,372,421
1984	39 of 101 39%	5,783.4085	148 acres	\$913/acre \$5,282,660	\$2320/acre \$13,417,763	\$1323/acre \$ 7,653,424	\$997/acre \$5,764,339	\$853/acre \$4,931,295	976.61 acres \$833,044
1985	51 of 97 53%	8,157.6447	160 acres	\$898/acre \$ 7,325,615	\$2273/acre \$18,539,696	\$1262/acre \$10,292,869	\$1011/acre \$8,246,827	\$838/acre \$6,838,017	1,681.16 acres \$1,408,810
1986	70 of 98 71%	10,990.6083	157 acres	\$942/acre \$10,347,664	\$2118/acre \$23,282,354	\$1281/acre \$14,081,344	\$ 837/acre \$9,201,010	\$753/acre \$8,278,757	1,224.77 acres \$ 922,253
1987	77 of 121 64%	11,091.0373	144 acres	\$919/acre \$10,197,369	\$2306/acre \$25,580,968	\$1458/acre 16,165,810	\$849/acre \$9,415,158	\$764/acre \$8,478,243	\$1,226.33 acres \$936,915
1988	77 of 104 74%	10,366.1767	135 acres	\$945/acre \$ 9,798,920	\$2290/acre \$23,741,280	\$1337/acre \$13,865,850	\$953/acre \$9,875,430	\$792/acre \$8,198,193	2,120.40 acres \$1,677,237
1989	66 of 111 59%	9,300.9209	141 acres	\$1538/acre \$14,306,184	\$2967/acre \$27,600,116	\$1541/acre \$14,333,220	\$1426/acre \$13,266,916	\$1225/acre \$11,399,272	1,523.26 acres 1,867,644
1990 Cycle One	88 of 110 80%	12,665.1051	144 acres	\$1668/acre \$21,124,232	\$2668/acre \$33,784,742	\$1232/acre \$15,598,253	\$1436/acre \$18,187,091	\$1342/acre \$17,302,484	647.59 acres \$ 884,607
1990 Cycle Two	53 of 63 88%	7,403.7695	134 acres	\$2317/acre \$16,465,131	\$2212/acre \$22,818,467	\$1325/acre \$ 9,416,347	\$1866/acre 13,402,023	\$1779/acre \$12,639,837	179.54 acres \$1,275,433
TOTAL	672 of 1,117 60%	98,619.0680 LESS: 86,192.6 98,532.8754	148 acres	\$1186/acre \$116,842,664	\$2480/acre \$244,326,575	\$1374/acre \$135,393,466	\$1105 \$108,933,634	\$97,268,617 986/acre LESS: 55,766 \$97,212,751	12,439.66 acres \$12,178,364

PRESERVATION VERSUS CONVERSION

The graph and table reflecting preservation versus conversion covers the period 1983 - 1991. This chart shows a comparison between the amount of farmland that has been preserved versus farmland converted to other uses. The graph also depicts the corresponding amount of easement acreage acquired between that period of time.

This year's graph incorporates preserved farmland in both Cycle One and Cycle Two of FY '90. In 1990, an additional offer cycle was added to the fiscal year calendar enabling landowners twice the opportunity to apply for an easement sale by January 1 and July 1.

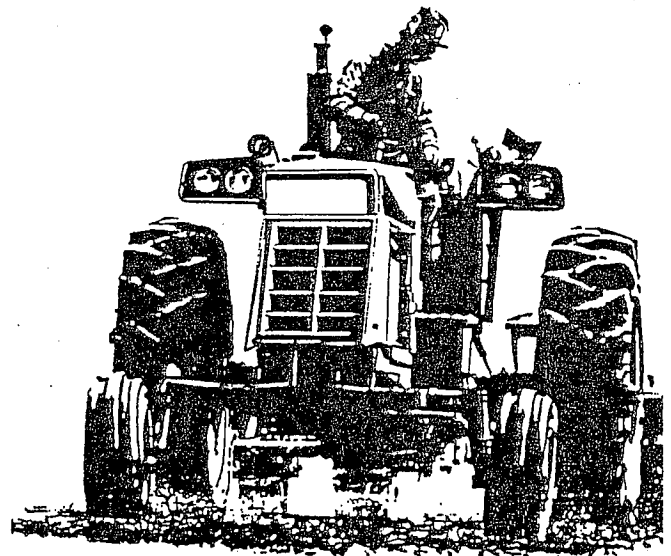
However, there were no new easement offers made from either cycle during for FY '91 due to the transfer of \$17 million from the Agricultural Land Preservation Fund to the General Fund of the State.

The amount of lost farmland that is continually being lost to development far surpasses that which is preserved. Despite the fact that Maryland continues to have the most successful program of its kind in the country, farmland is disappearing.

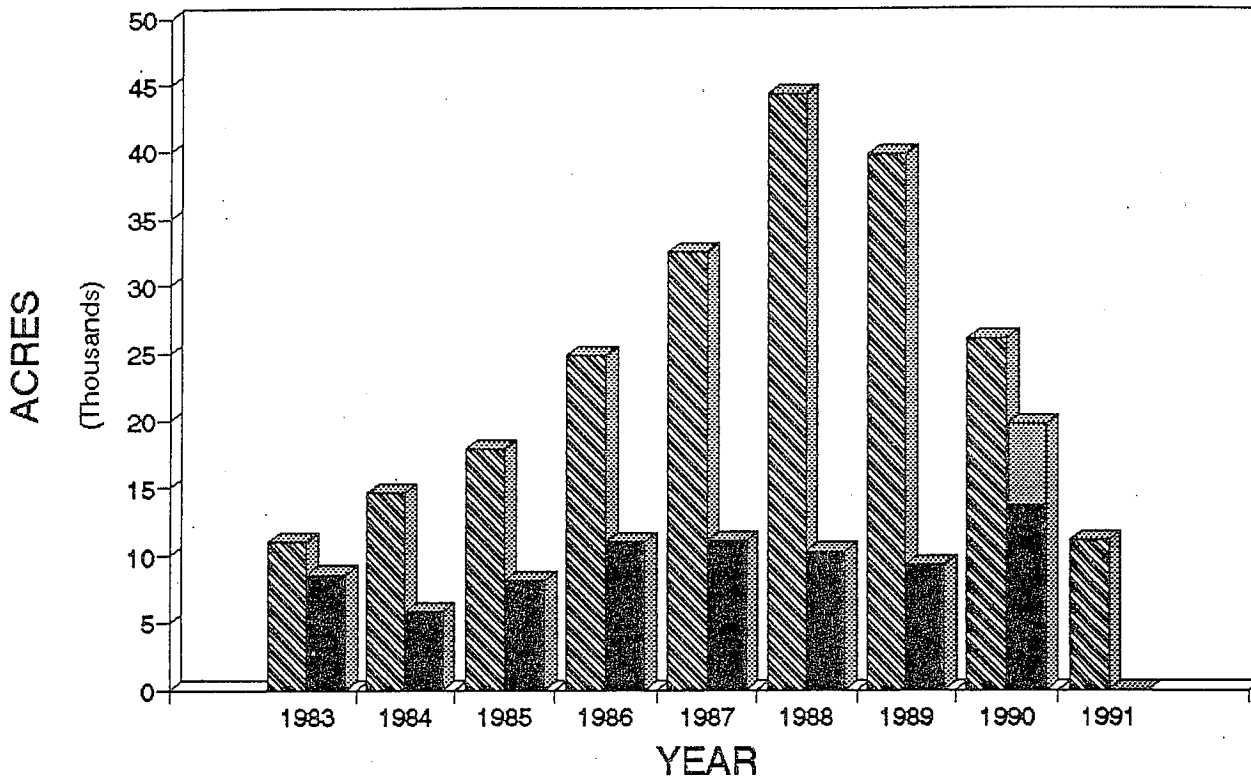
To date, preservation efforts have protected only about 37% of the farmland lost during the past ten years. However, the amount of farmland being converted to other uses has slowed drastically during the past year, while the preservation of land has increased. The total amount of preserved land in the adjoining graph represents those areas protected by the Maryland Agricultural Land

Preservation Foundation. There are, however, other programs including state, federal and private land trusts that help to protect Maryland's farmland.

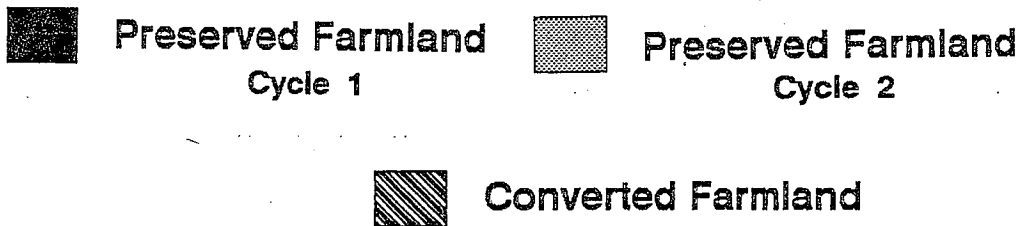
The Foundation is proud of its past accomplishments. However, a more concentrated effort has to be made or we may have to accept the stark reality that our precious farmland may succumb to development.



PRESERVATION VERSUS CONVERSION



NOTE: Acres of preserved farmland in the above chart only reflects that which was preserved by the Maryland Agricultural Land Preservation Foundation. There are many more acres of farmland that has been preserved by county programs, local land trusts and other state programs.



	1983	1984	1985	1986	1987	1988	1989	1990	1991	TOTAL
CONVERTED FARMLAND	11036	14663	17859	24831	32524	44269	39801	26079	11070	222132
PRESERVED FARMLAND	8530	5783	8158	10991	11091	10366	9301	12665	7103	83978
DIFFERENCE	-2506	-8880	-9701	-13840	-21433	-33903	-30500	-13414	-3967	-138154

**MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION
BOARD OF TRUSTEES**

Appointed Members

Leonard E. Lowry, Chairman
Route 4
Box 331
Hagerstown, MD 21740

Daniel Shortall, Vice Chairman
Route 1
Box 62
Queen Anne, MD 21657

Ron Kreitner, Director
Maryland Office of State Planning
301 W. Preston Street, Room 110
Baltimore, MD 21201

W. Max Buckel
1922 Saratoga Drive
Adelphi, MD 20783

George Fry
5224 Augustine Herman Highway
Route 33
Cecilton, MD 21913

Donald Stirn
1051 Route 32
Sykesville, MD 21784

William F. Dixon
1070 Sandgates Road
Mechanicsville, MD 20659

Lloyd C. Jones
610 Knottingham Drive
Salisbury, MD 21801

Lee Townsend
1618 Mt. Herman Road
Salisbury, MD 21801

Ex-Officio Members

Honorable Louis L. Goldstein
Comptroller
Louis L. Goldstein Building
Room 121
P.O. Box 466
Annapolis, MD 21401-7080

Honorable Lucille Maurer
Treasurer
Louis L. Goldstein Building
Room 109
Annapolis, MD 21401-7080

Honorable Wayne A. Cawley, Jr.
Secretary
Maryland Department of Agriculture
50 Harry S Truman Parkway
Annapolis, MD 21401-7080

**MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION
ADVISORY BOARD CHAIRMEN**

ALLEGANY COUNTY

Mr. Kent Fuller
103 Robertson Lane
Cumberland, MD 21502

DORCHESTER COUNTY

Mr. G. Steele Phillips
3901 Ellicott Island
Vienna, MD 21869

QUEEN ANNE'S COUNTY

Mr. Allen Cohey
Route 1, Box 633
Chestertown, MD 21620

ANNE ARUNDEL COUNTY

Mr. Oscar F. Grimes, Jr.
3527 Birdsville Road
Davidsonville, MD 21035

FREDERICK COUNTY

Mr. Karl Berger
8057 Old Receiver Road
Frederick, MD 21702

ST. MARY'S COUNTY

Mr. Luther Wolfe
Chaptico Wharf Road
Maddox, MD 20621

BALTIMORE COUNTY

Mr. Mark Daneker
250 W. Pratt Street
15th Floor, S.B.S
Baltimore, MD 21201

GARRETT COUNTY

Mr. George Bishoff
Star Route, Box 77
Friendsville, MD 21178

SOMERSET COUNTY

Mr. John Murray
Route 1
Princess Anne, MD 21853

CALVERT COUNTY

Mr. Edward Allen
Route 1, Box 197
Prince Frederick, MD 20678

HARFORD COUNTY

Mr. Daryl Comer
5101 Jolly Acres Road
Whitehall, MD 21161

TALBOT COUNTY

Mr. Allen Baynard
Route 1, Box 274
Trappe, MD 21673

CAROLINE COUNTY

Mr. Gary Schoonover
Rural Delivery 1, Box 314
Greensboro, MD 21639

HOWARD COUNTY

Mr. James R. Moxley, III
13155 Route 144
West Friendship, MD 21794

WASHINGTON COUNTY

Mr. Steve Ernst
13646 Broadfording Road
Clear Spring, MD 21722

CARROLL COUNTY

Mr. Ralph Robertson, Jr.
1420 Old New Windsor Pike
Westminster, MD 21157

KENT COUNTY

Mr. Kevin Kimble
Route 4, Box 485
Chestertown, MD 21620

WICOMICO COUNTY

Mr. Richard L. Farlow
Tingle Road
Pittsville, MD 21850

CECIL COUNTY

Mr. Robert L. Knutsen
130 Knutsen Lane
Rising Sun, MD 21911

MONTGOMERY COUNTY

Mr. Edward P. Thompson, Jr.
Post Office Box 72
Barnesville, MD 20838

WORCESTER COUNTY

Mr. Gerald Redden
Sandy Ridge Farm
Girdletree, MD 21829

CHARLES COUNTY

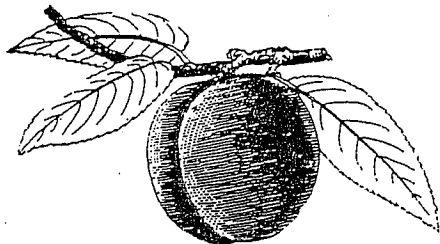
Mr. Leonard Rice
Post Office Box 4
Mt. Victoria, MD 20661

PRINCE GEORGE'S COUNTY

Vacant

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION

Maryland Department of Agriculture
50 Harry S Truman Parkway
Annapolis, Maryland 21401

FOUNDATION STAFF:

Paul W. Scheidt, Executive Director
Iva L. Frantz, Administrative Specialist
Alice Exner, Administrative Specialist
Pebbles LaBeau, Secretary
Sandra Beilman, Office Clerk
Betty Magruder, Office Assistant

Thank you to the staff of the Maryland Agricultural Land Preservation Foundation for their dedication, hard work and long hours towards the completion of this report and the successful administration of the program.

Sincerely,

A handwritten signature in cursive script that reads "Paul W. Scheidt".

Paul W. Scheidt
Executive Director

APPENDIX

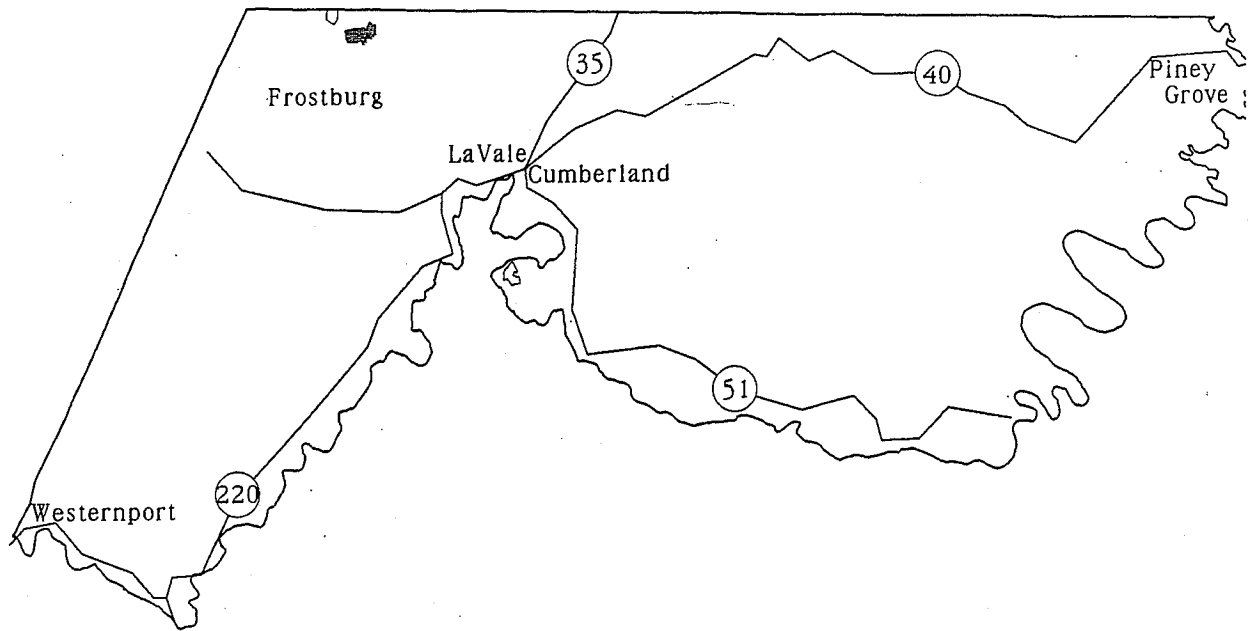
AGRICULTURAL EASEMENT/DISTRICT LOCATION MAPS

Maps Prepared by

Maryland Department of Natural Resources
Coastal Resources Division, Tidewater Administration
with the assistance of
the Image Processing and Remote Sensing Center
Salisbury State University



Preparation of the Maps was funded in part through a
CZM Program Implementation Grant from OCRM/NOAA

ALLEGANY COUNTY
AGRICULTURAL EASEMENTS/DISTRICTS

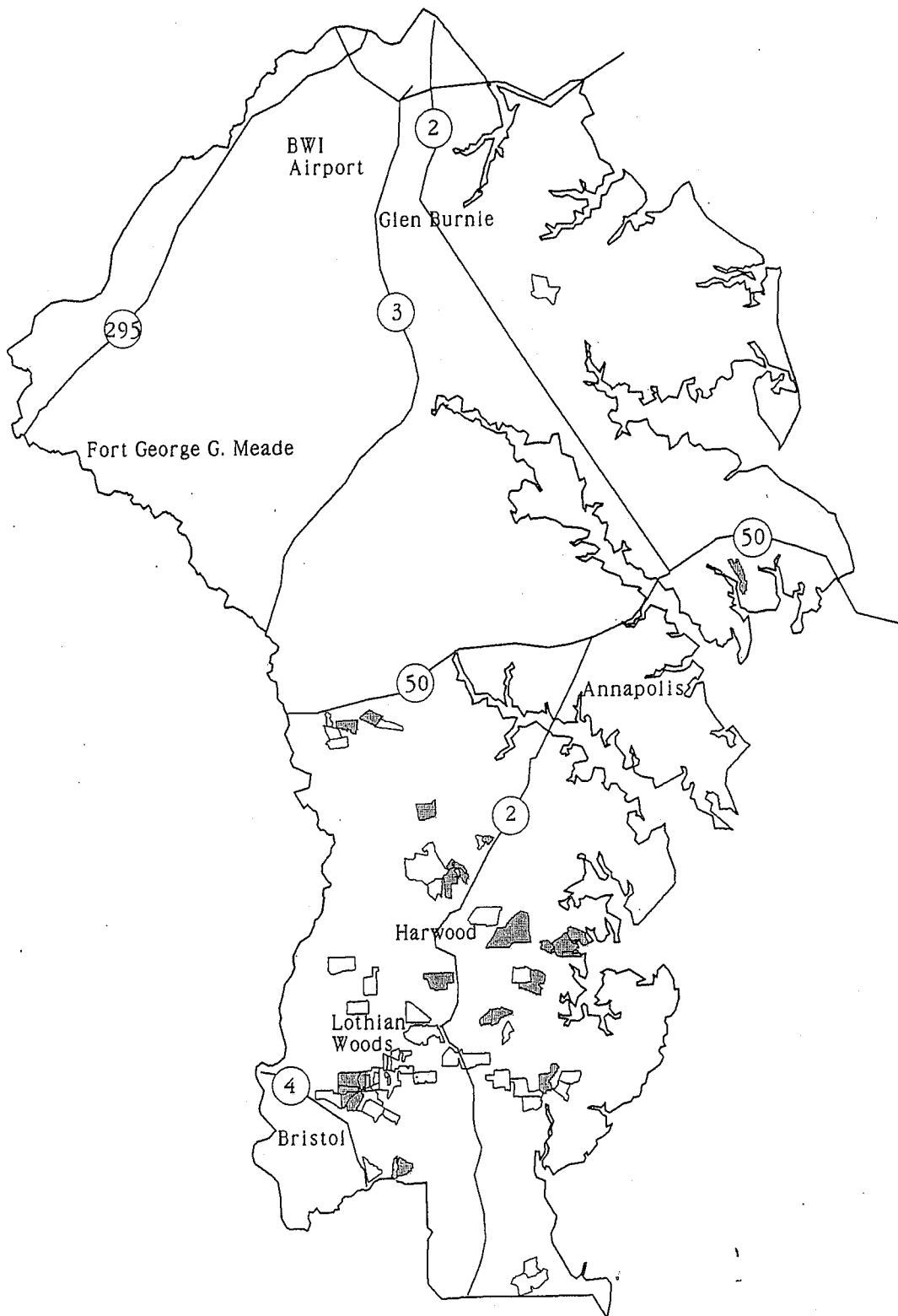




Produced for MALPE by:
 Coastal Resources Division, Tidewater Administration
 Maryland Department of Natural Resources
 with the assistance of
 Image Processing & Remote Sensing Center
 Salisbury State University

Key:

<i>Feature</i>	<i>Symbol</i>	<i>Number</i>	<i>Acreege</i>
Easements		1	183
Districts		3	335

ANNE ARUNDEL COUNTY AGRICULTURAL EASEMENTS/DISTRICTS

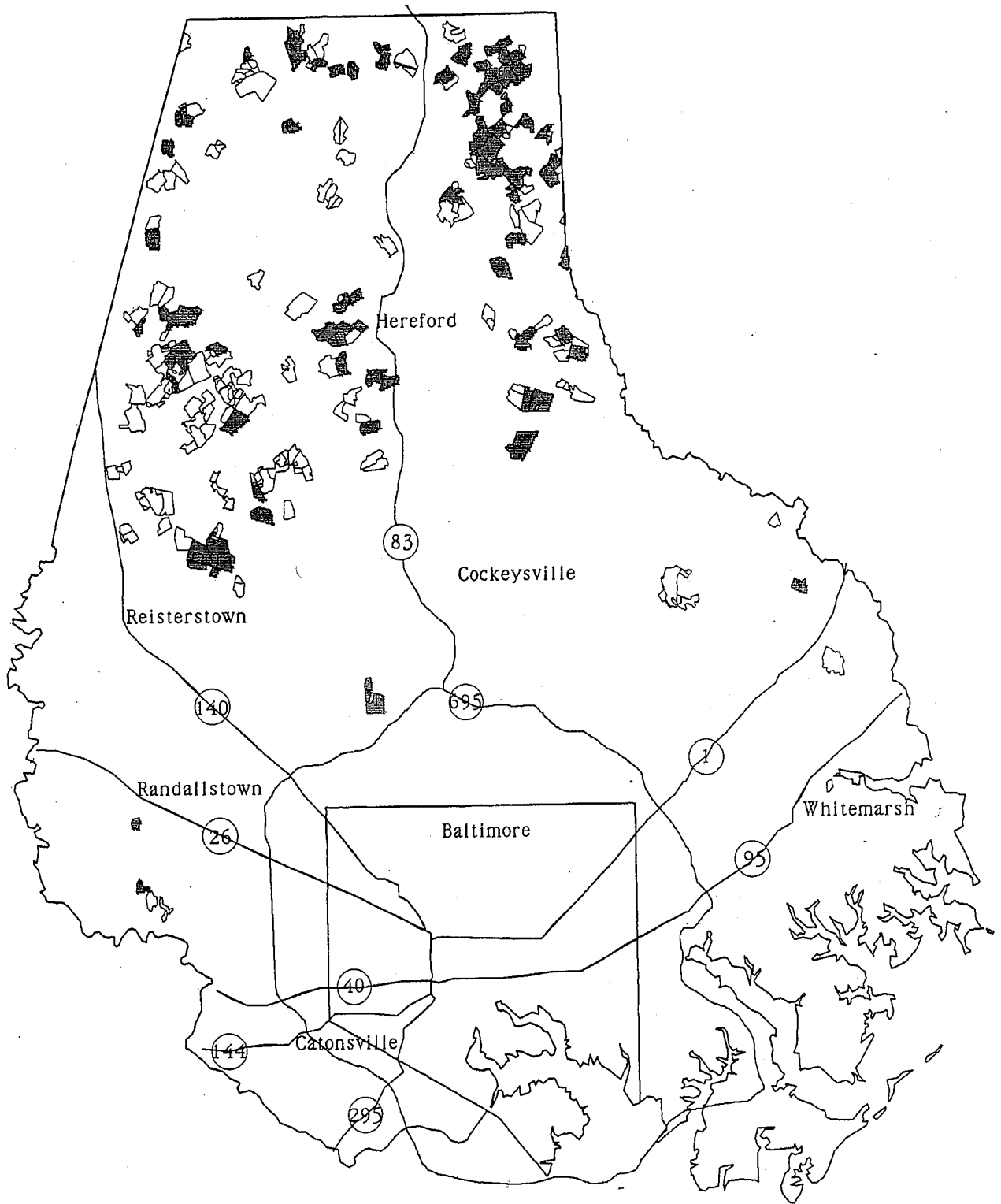




Key:			
<i>Feature</i>	<i>Symbol</i>	<i>Number</i>	<i>Acreage</i>
Easements		24	2,774
Districts		66	7,294

Produced for MALPF by:

Coastal Resources Division, Tidewater Administration
 Maryland Department of Natural Resources
with the assistance of
 Image Processing & Remote Sensing Center
 Salisbury State University

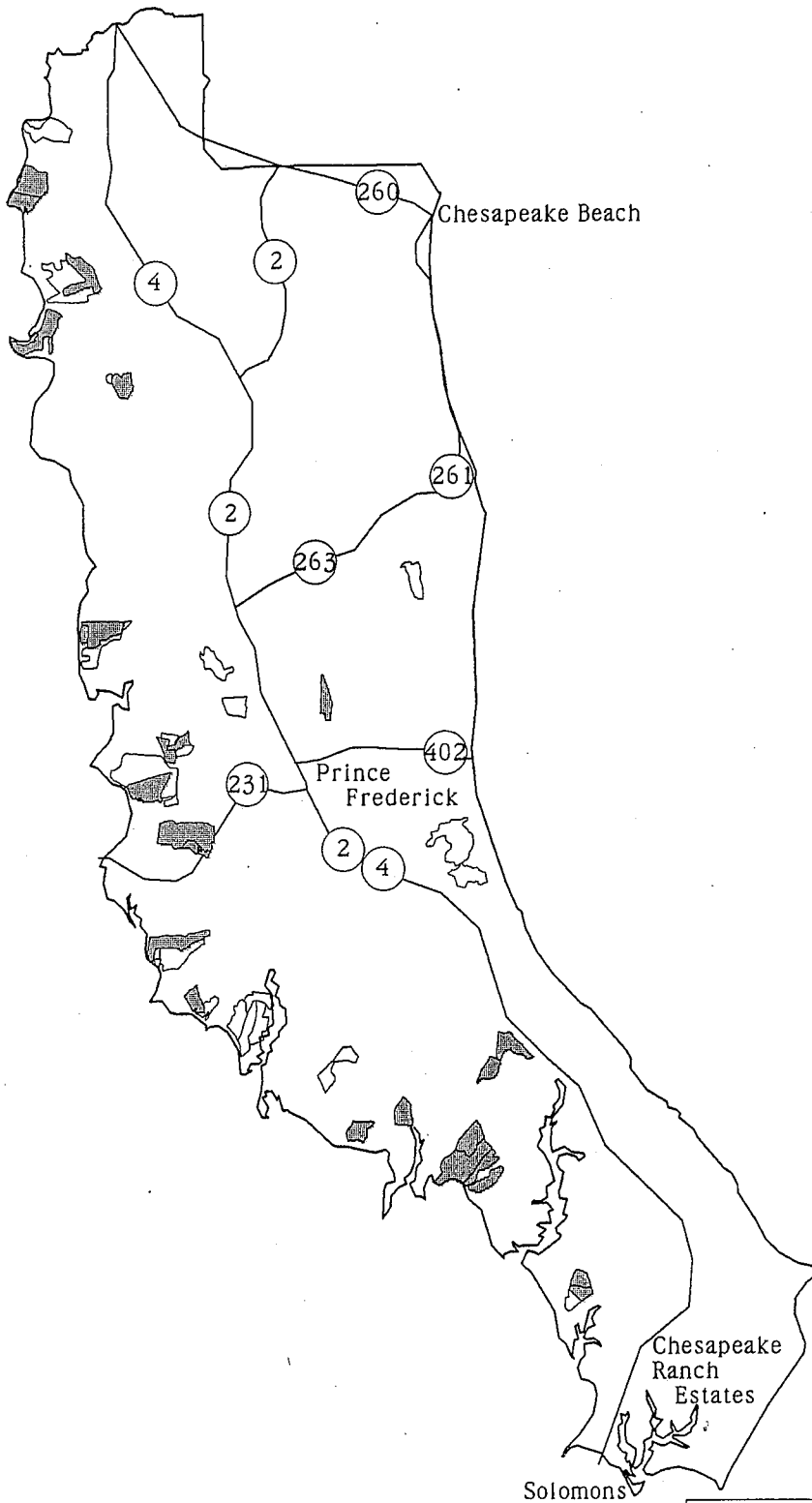
BALTIMORE COUNTY
AGRICULTURAL EASEMENTS/DISTRICTS



Key:			
<i>Feature</i>	<i>Symbol</i>	<i>Number</i>	<i>Acreage</i>
Easements		84	9,408
Districts		218	19,505

Produced for MALPE by:
 Coastal Resources Division, Tidewater Administration
 Maryland Department of Natural Resources
 with the assistance of
 Image Processing & Remote Sensing Center
 Salisbury State University



CALVERT COUNTY
AGRICULTURAL EASEMENTS/DISTRICTS



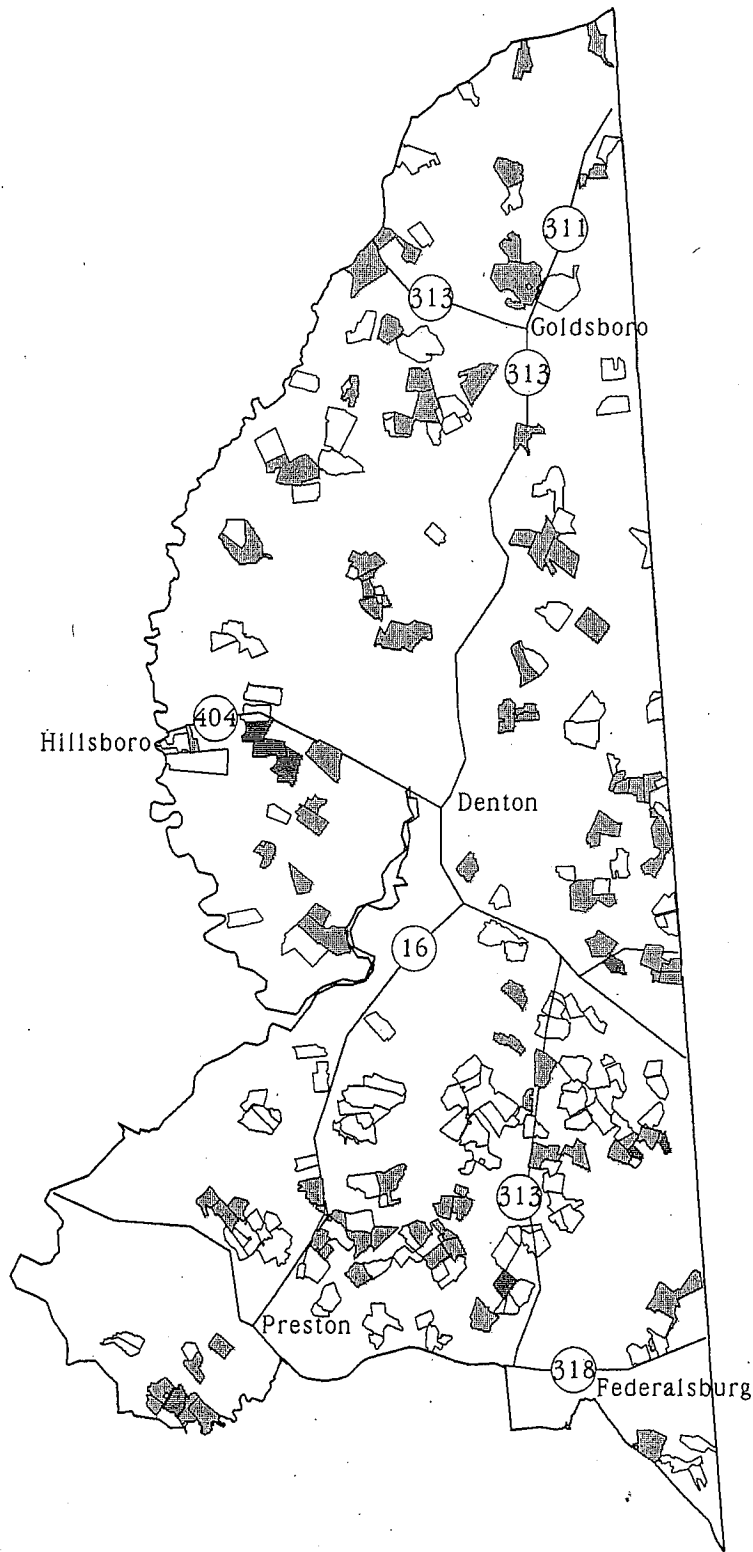
Produced for MALPF by:

Coastal Resources Division, Tidewater Administration
 Maryland Department of Natural Resources
 with the assistance of
 Image Processing & Remote Sensing Center
 Salisbury State University

Key:



<u>Feature</u>	<u>Symbol</u>	<u>Number</u>	<u>Acreage</u>
Easements		23	3,405
Districts		44	5,959

CAROLINE COUNTY
AGRICULTURAL EASEMENTS/DISTRICTS

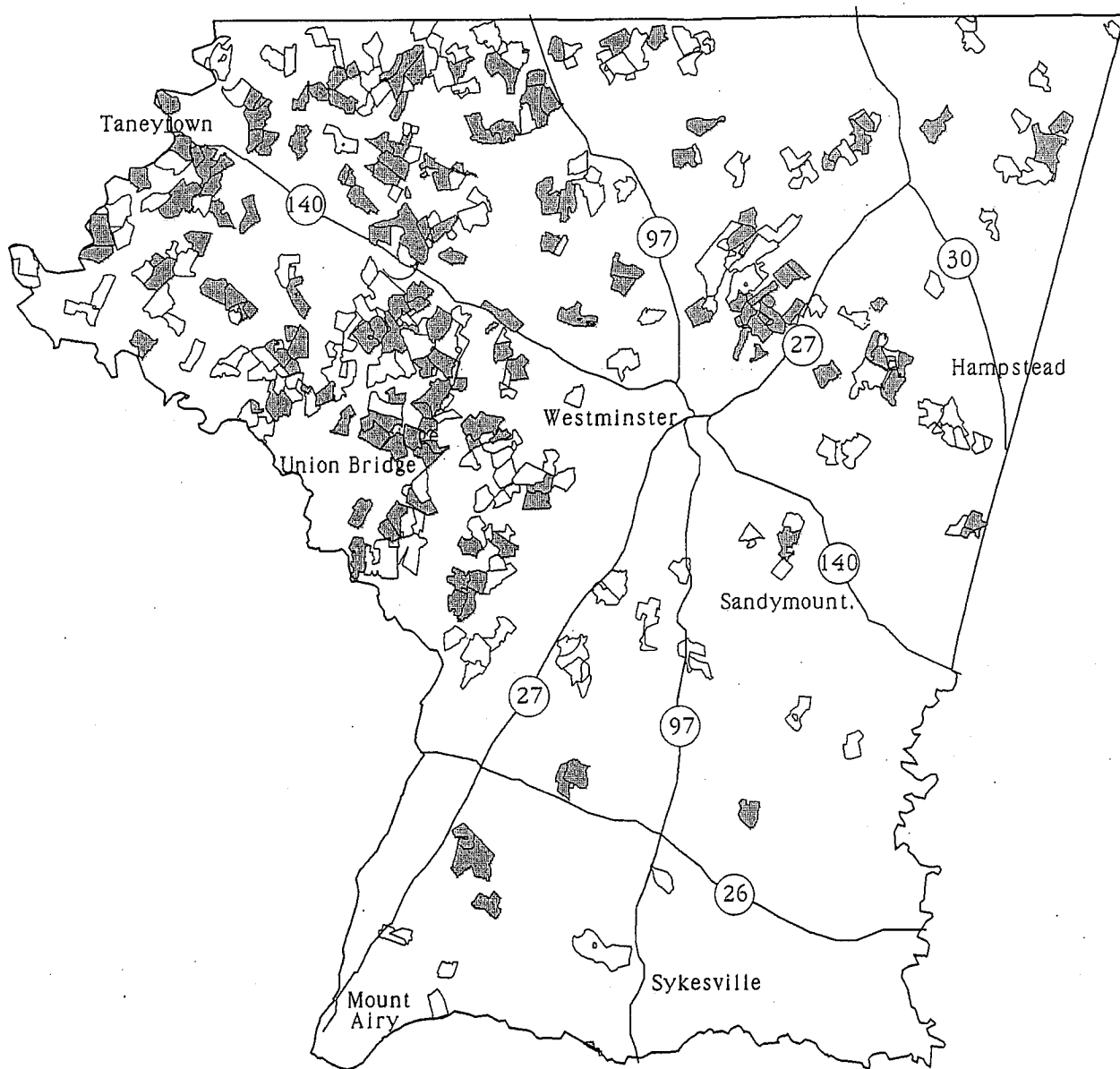


Produced for MALPF by:
 Coastal Resources Division, Tidewater Administration
 Maryland Department of Natural Resources
 with the assistance of
 Image Processing & Remote Sensing Center
 Salisbury State University

Key:



<u>Feature</u>	<u>Symbol</u>	<u>Number</u>	<u>Acreage</u>
Easements		122	17,191
Districts		230	31,500

CARROLL COUNTY
AGRICULTURAL EASEMENTS/DISTRICTS

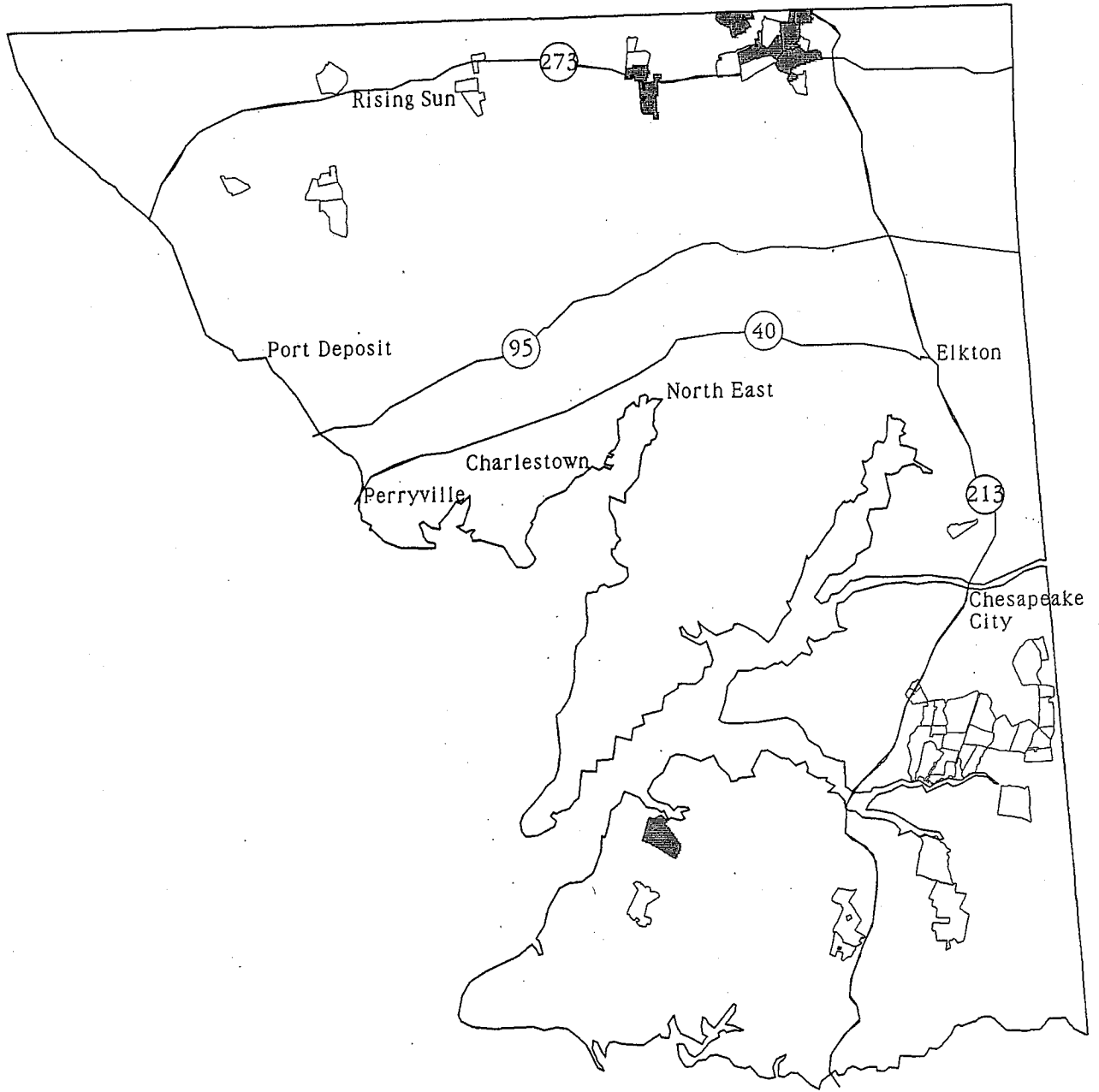


Produced for MALPF by:



Coastal Resources Division, Tidewater Administration
 Maryland Department of Natural Resources
 with the assistance of
 Image Processing & Remote Sensing Center
 Salisbury State University

Key:			
<i>Feature</i>	<i>Symbol</i>	<i>Number</i>	<i>Acreage</i>
Easements		153	20,171
Districts		309	38,049

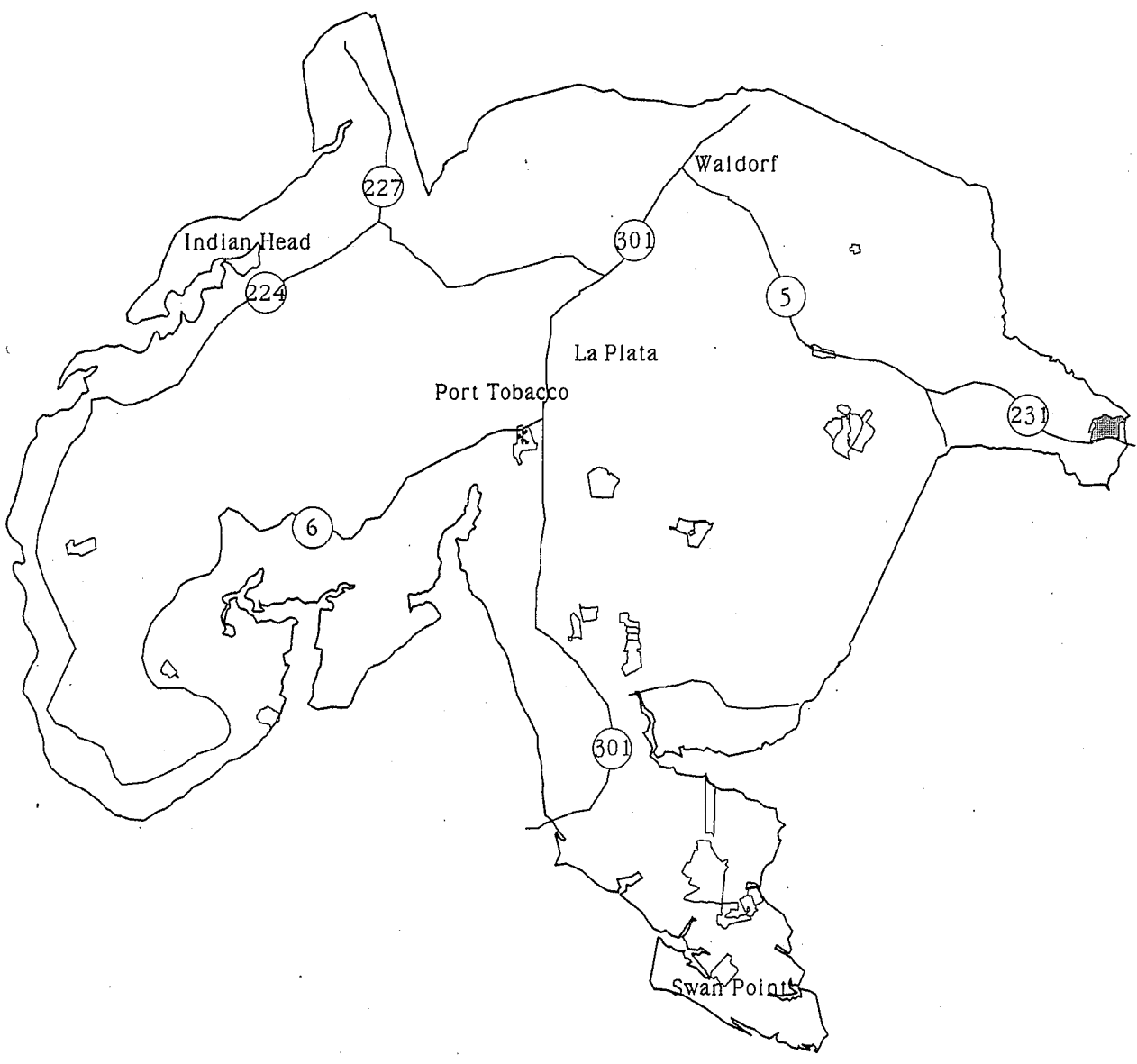
CECIL COUNTY
AGRICULTURAL EASEMENTS/DISTRICTS





Produced for MALPE by:
 Coastal Resources Division, Tidewater Administration
 Maryland Department of Natural Resources
 with the assistance of
 Image Processing & Remote Sensing Center
 Salisbury State University

Key:			
<i>Feature</i>	<i>Symbol</i>	<i>Number</i>	<i>Acreage</i>
Easements		10	1,701
Districts		53	8,792

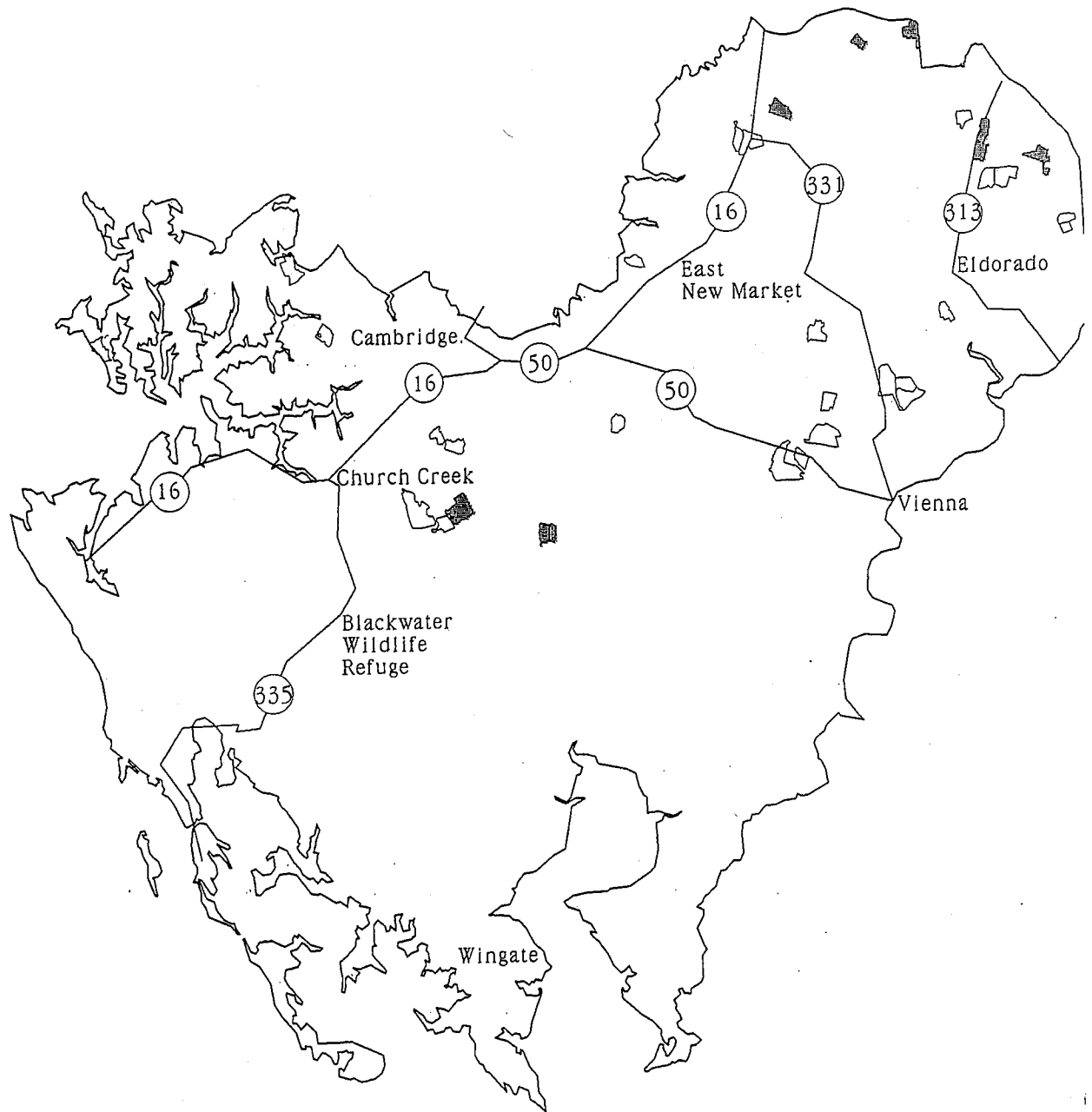
CHARLES COUNTY
AGRICULTURAL EASEMENTS/DISTRICTS





Produced for MALPE by:
 Coastal Resources Division, Tidewater Administration
 Maryland Department of Natural Resources
 with the assistance of
 Image Processing & Remote Sensing Center
 Salisbury State University

Key:			
<u>Feature</u>	<u>Symbol</u>	<u>Number</u>	<u>Acreege</u>
Easements		1	222
Districts		24	3,844

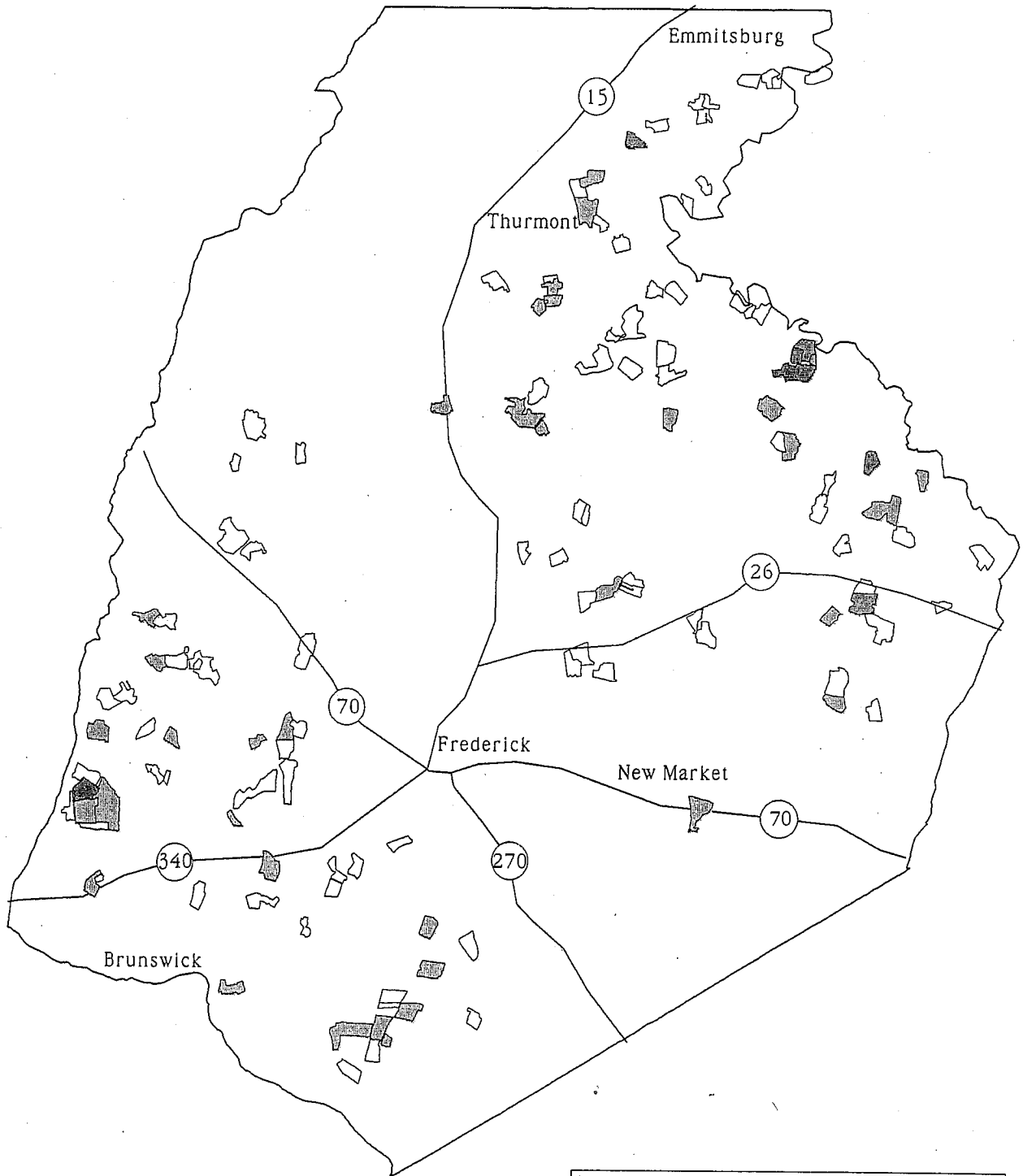
DORCHESTER COUNTY
AGRICULTURAL EASEMENTS/DISTRICTS





Produced for MALPF by:
 Coastal Resources Division, Tidewater Administration
 Maryland Department of Natural Resources
 with the assistance of
 Image Processing & Remote Sensing Center
 Salisbury State University

<u>Feature</u>	<u>Symbol</u>	<u>Number</u>	<u>Acreage</u>
Easements		7	1,297
Districts		26	4,424

FREDERICK COUNTY
AGRICULTURAL EASEMENTS/DISTRICTS

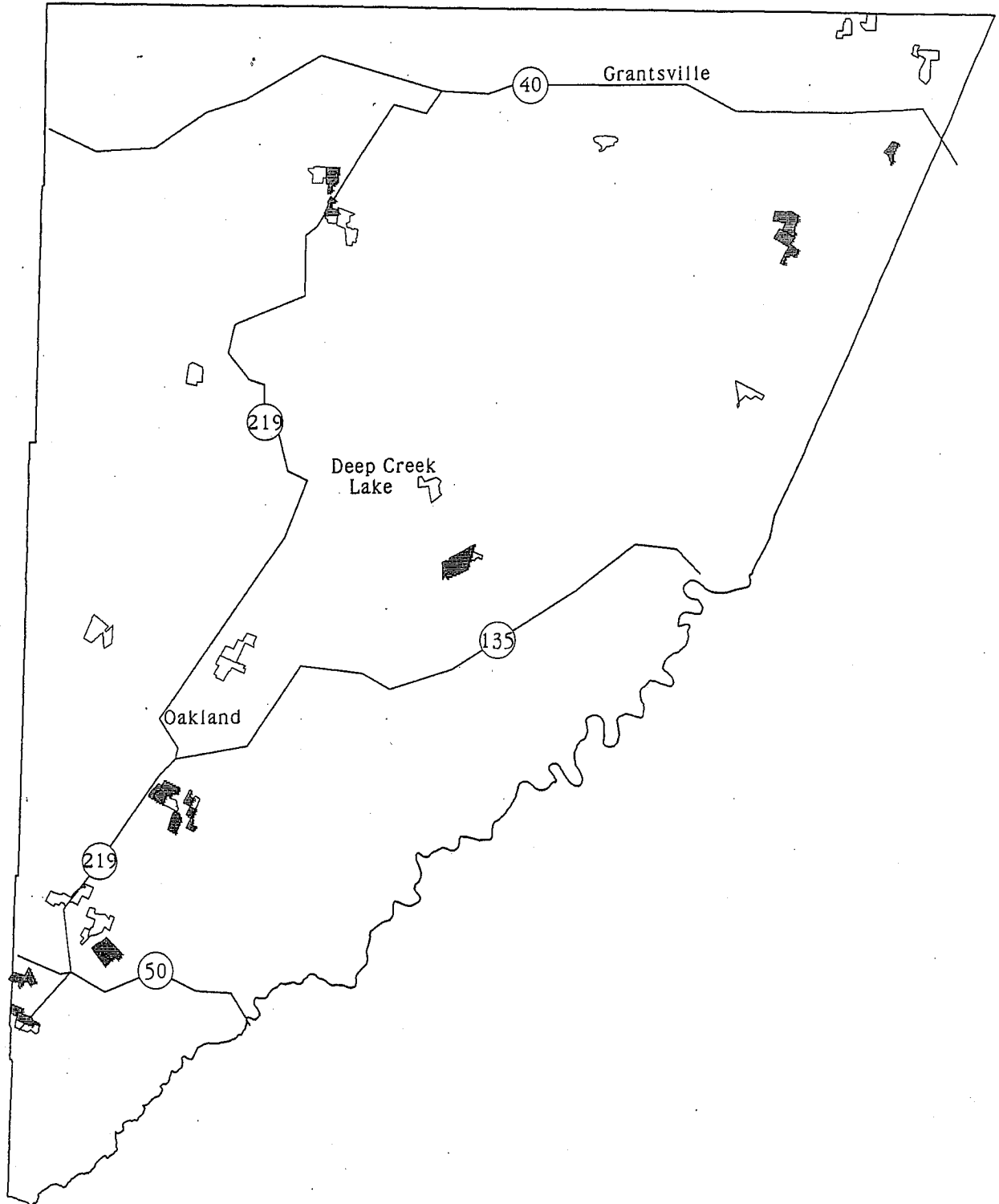


Key:



<i>Feature</i>	<i>Symbol</i>	<i>Number</i>	<i>Acreege</i>
Easements		42	7.432
Districts		97	15.493

Produced for MALPF by:
 Coastal Resources Division, Tidewater Administration
 Maryland Department of Natural Resources
 with the assistance of
 Image Processing & Remote Sensing Center
 Salisbury State University

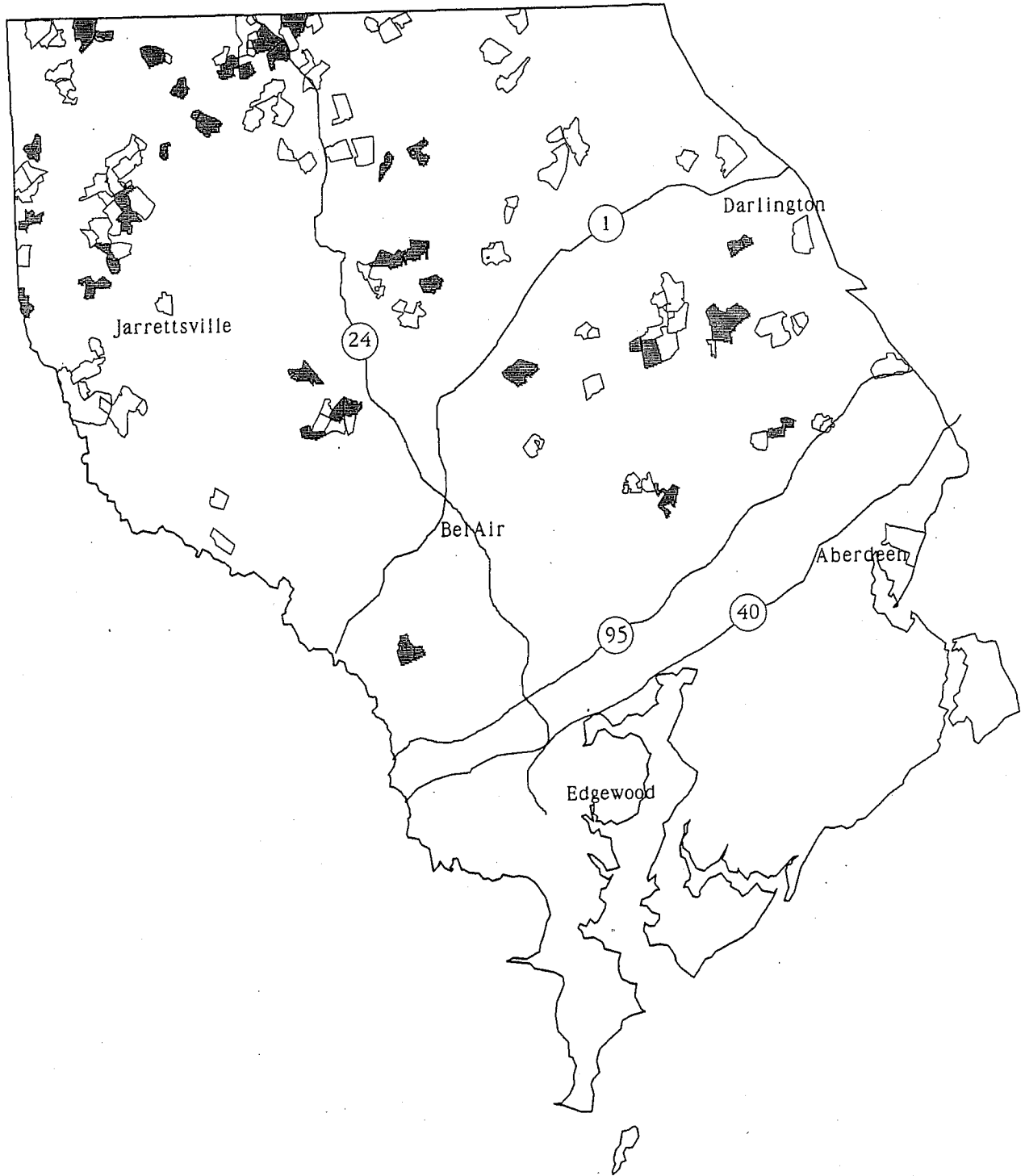
GARRETT COUNTY
AGRICULTURAL EASEMENTS/DISTRICTS





Produced for MALPF by:
 Coastal Resources Division, Tidewater Administration
 Maryland Department of Natural Resources
 with the assistance of
 Image Processing & Remote Sensing Center
 Salisbury State University

<u>Feature</u>	<u>Symbol</u>	<u>Number</u>	<u>Acreage</u>
Easements		16	2,435
Districts		30	4,776

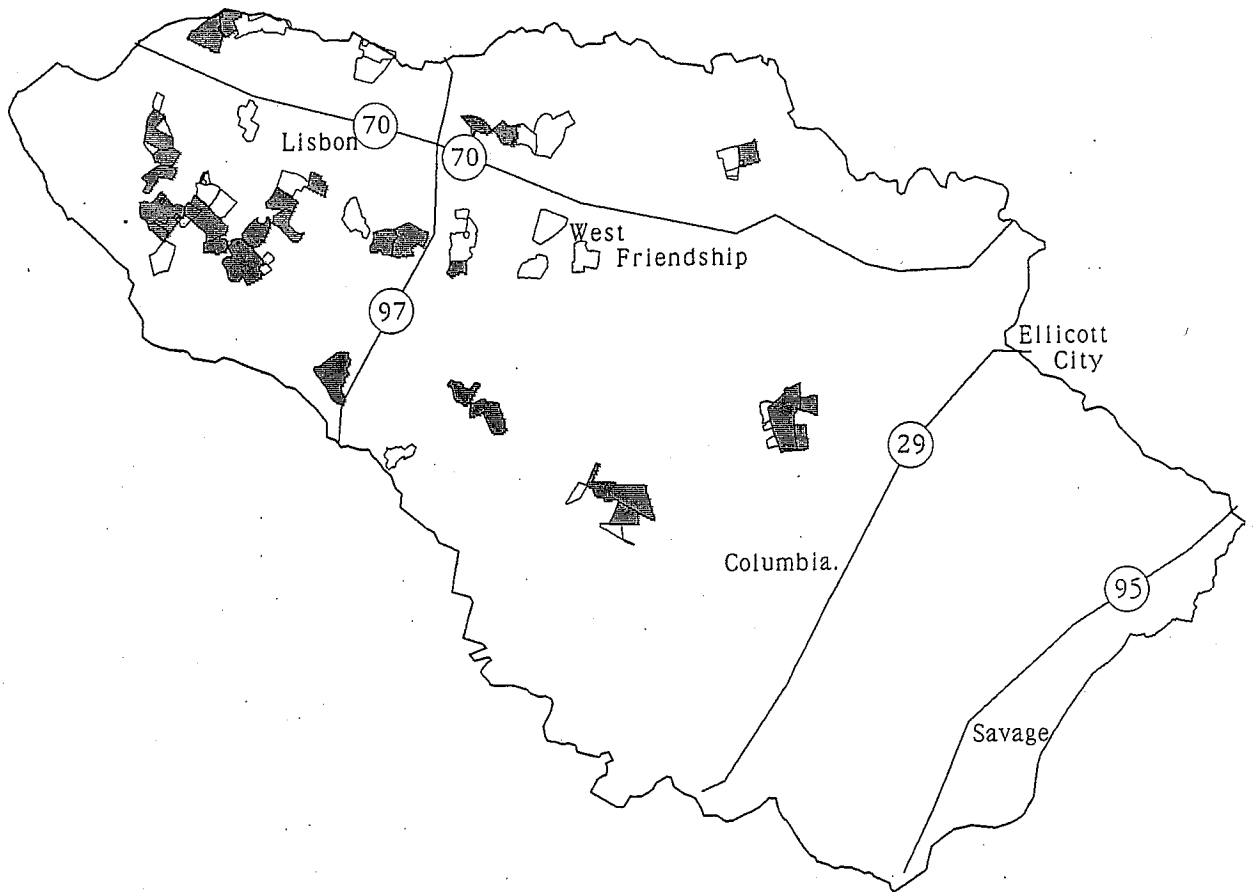
HARFORD COUNTY
AGRICULTURAL EASEMENTS/DISTRICTS





<u>Feature</u>	<u>Symbol</u>	<u>Number</u>	<u>Acreege</u>
Easements		46	5.338
Districts		147	17.557

Produced for MALPF by:
 Coastal Resources Division, Tidewater Administration
 Maryland Department of Natural Resources
 with the assistance of
 Image Processing & Remote Sensing Center
 Salisbury State University

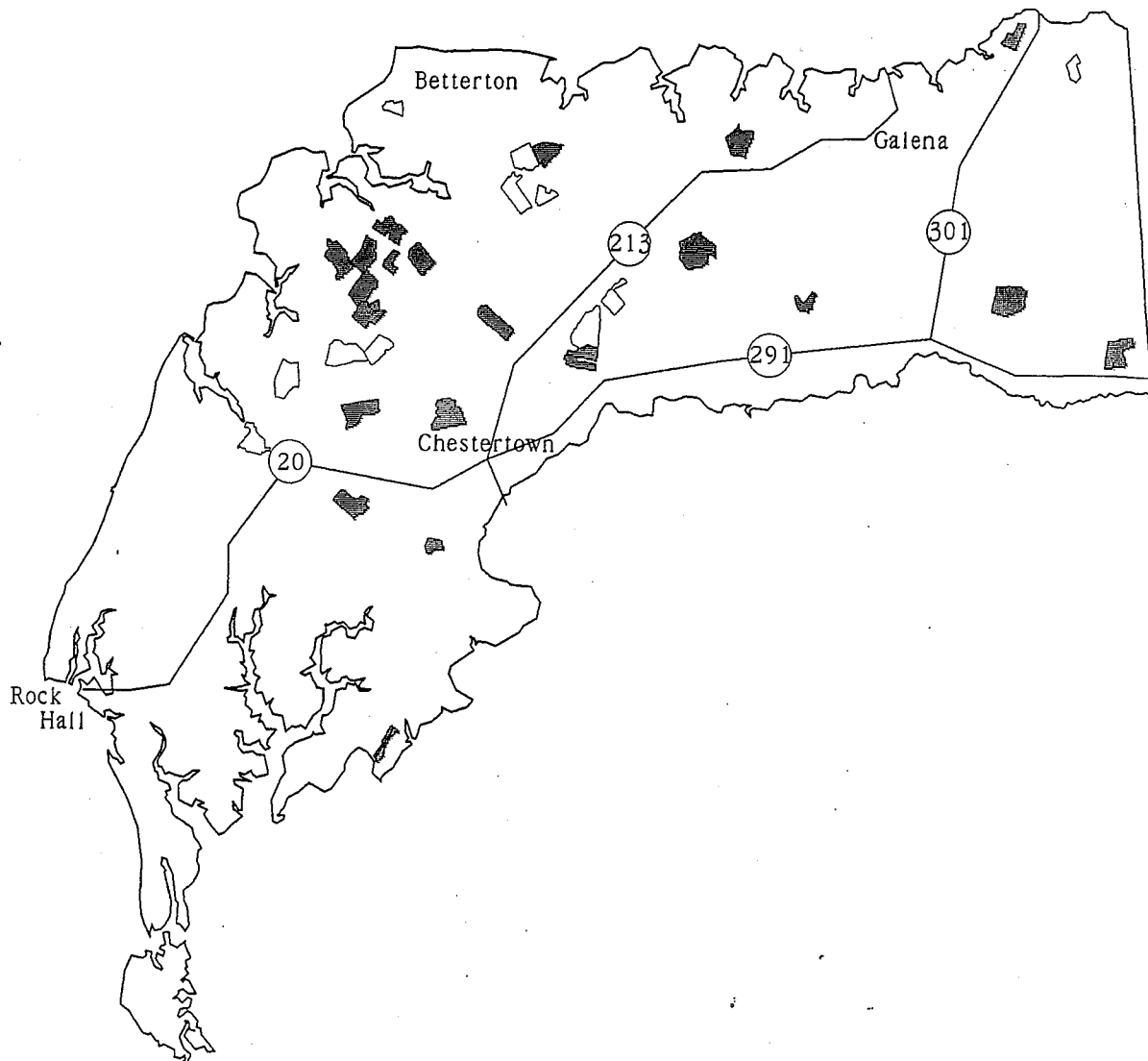
HOWARD COUNTY
AGRICULTURAL EASEMENTS/DISTRICTS





Produced for MALPF by:
 Coastal Resources Division, Tidewater Administration
 Maryland Department of Natural Resources
 with the assistance of
 Image Processing & Remote Sensing Center
 Salisbury State University

Key:			
<u>Feature</u>	<u>Symbol</u>	<u>Number</u>	<u>Acreege</u>
Easements		27	3,958
Districts		54	6,806

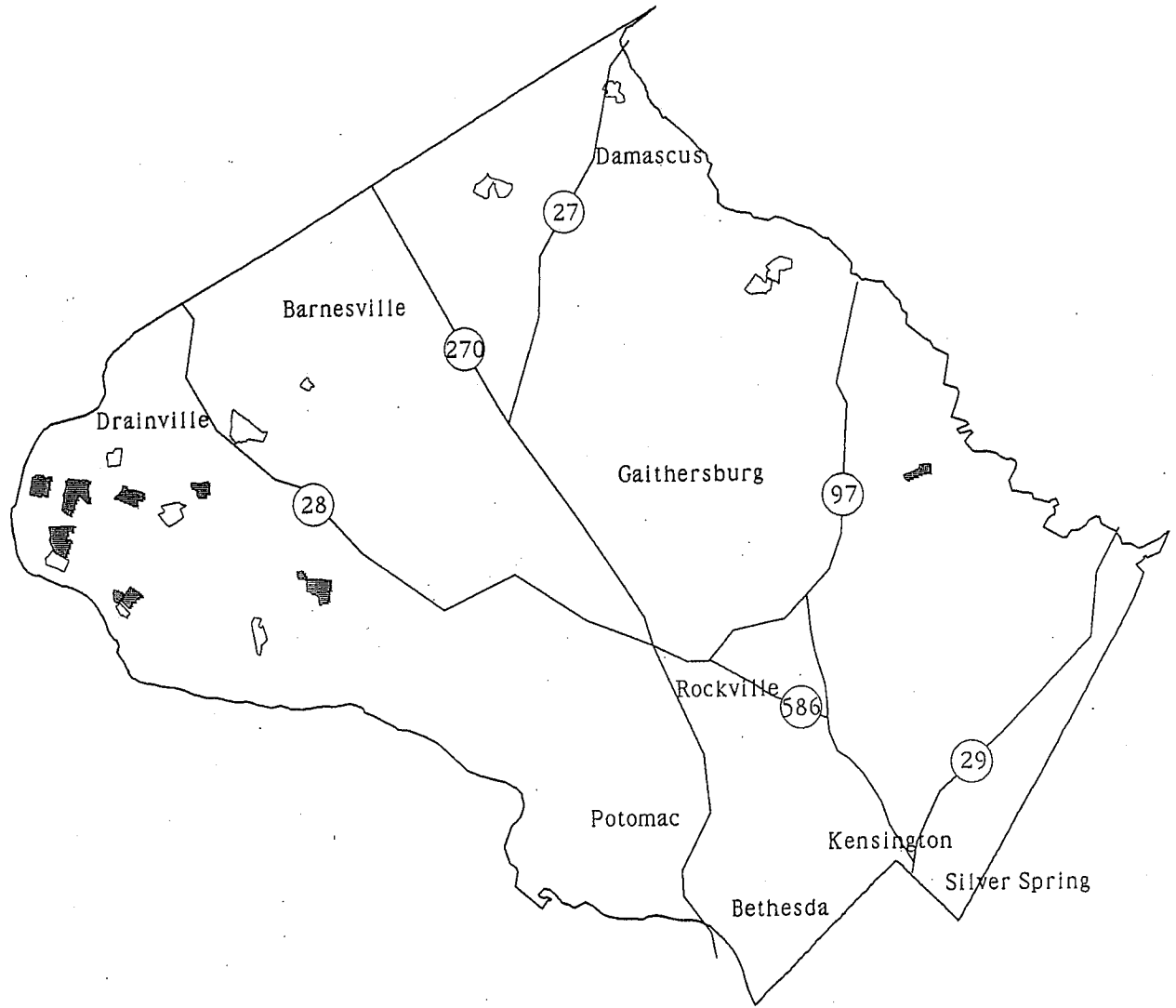
KENT COUNTY
AGRICULTURAL EASEMENTS/DISTRICTS





Produced for MALPF by:
 Coastal Resources Division, Tidewater Administration
 Maryland Department of Natural Resources
 with the assistance of
 Image Processing & Remote Sensing Center
 Salisbury State University

Key:			
<i>Feature</i>	<i>Symbol</i>	<i>Number</i>	<i>Acreage</i>
Easements		23	3,696
Districts		35	5,916

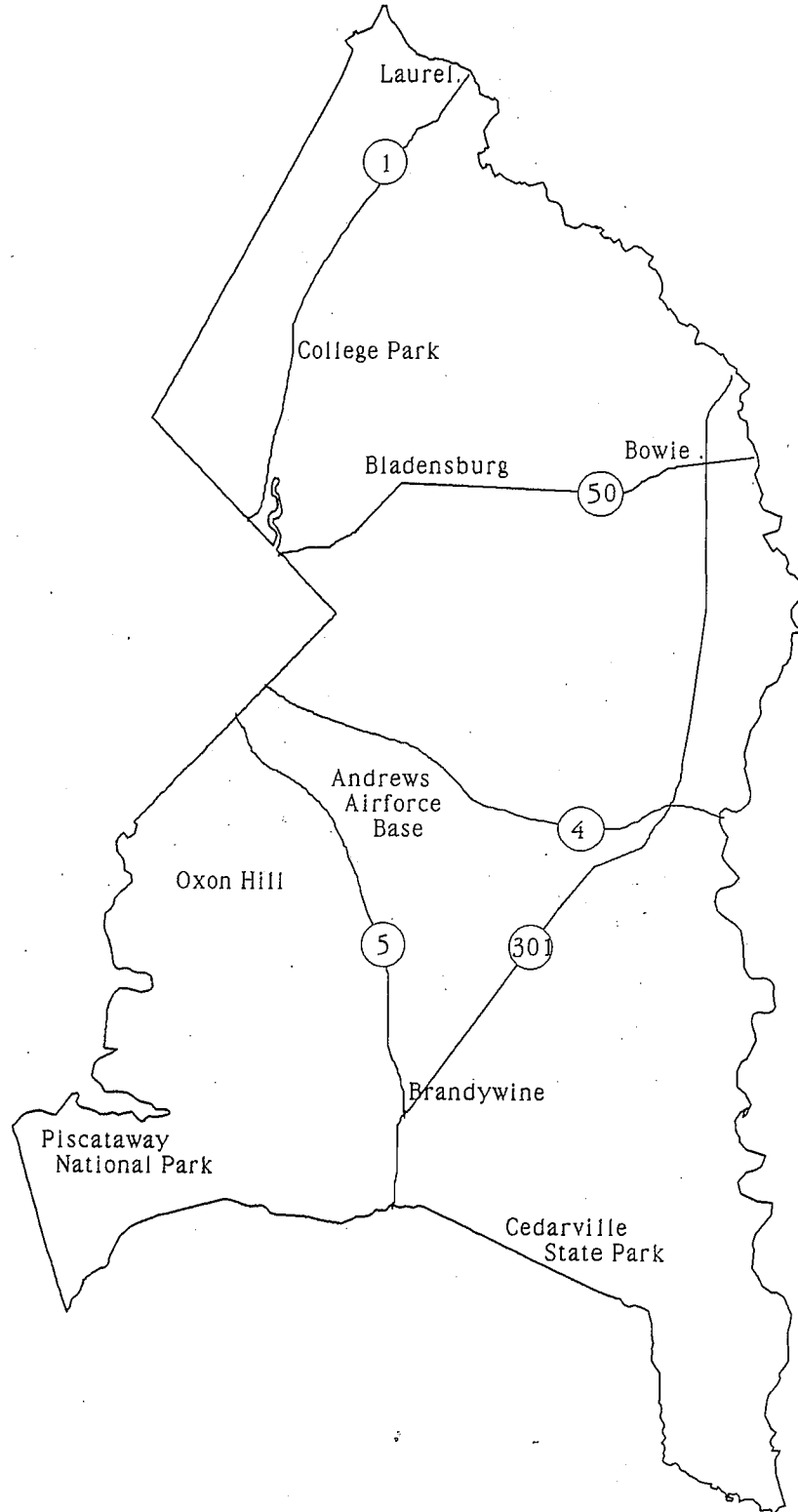
MONTGOMERY COUNTY
AGRICULTURAL EASEMENTS/DISTRICTS





Produced for MALPF by:
 Coastal Resources Division, Tidewater Administration
 Maryland Department of Natural Resources
 with the assistance of
 Image Processing & Remote Sensing Center
 Salisbury State University

<u>Feature</u>	<u>Symbol</u>	<u>Number</u>	<u>Acreege</u>
Easements		9	1,680
Districts		18	3,028

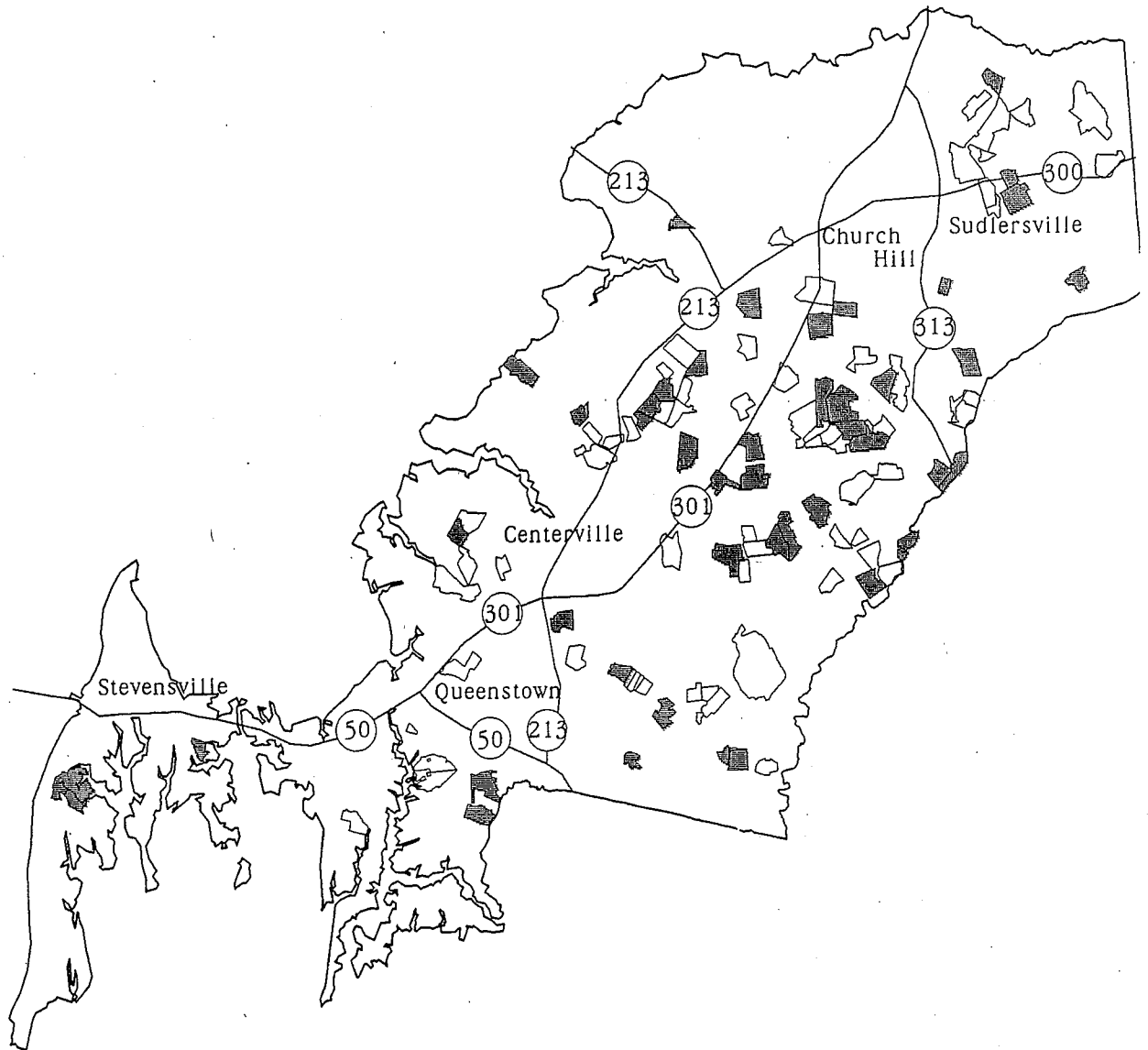
PRINCE GEORGE'S COUNTY
AGRICULTURAL EASEMENTS/DISTRICTS





Key:			
<i>Feature</i>	<i>Symbol</i>	<i>Number</i>	<i>Acreege</i>
Easements		0	0
Districts		0	0

Produced for MALPF by:
 Coastal Resources Division, Tidewater Administration
 Maryland Department of Natural Resources
 with the assistance of
 Image Processing & Remote Sensing Center
 Salisbury State University

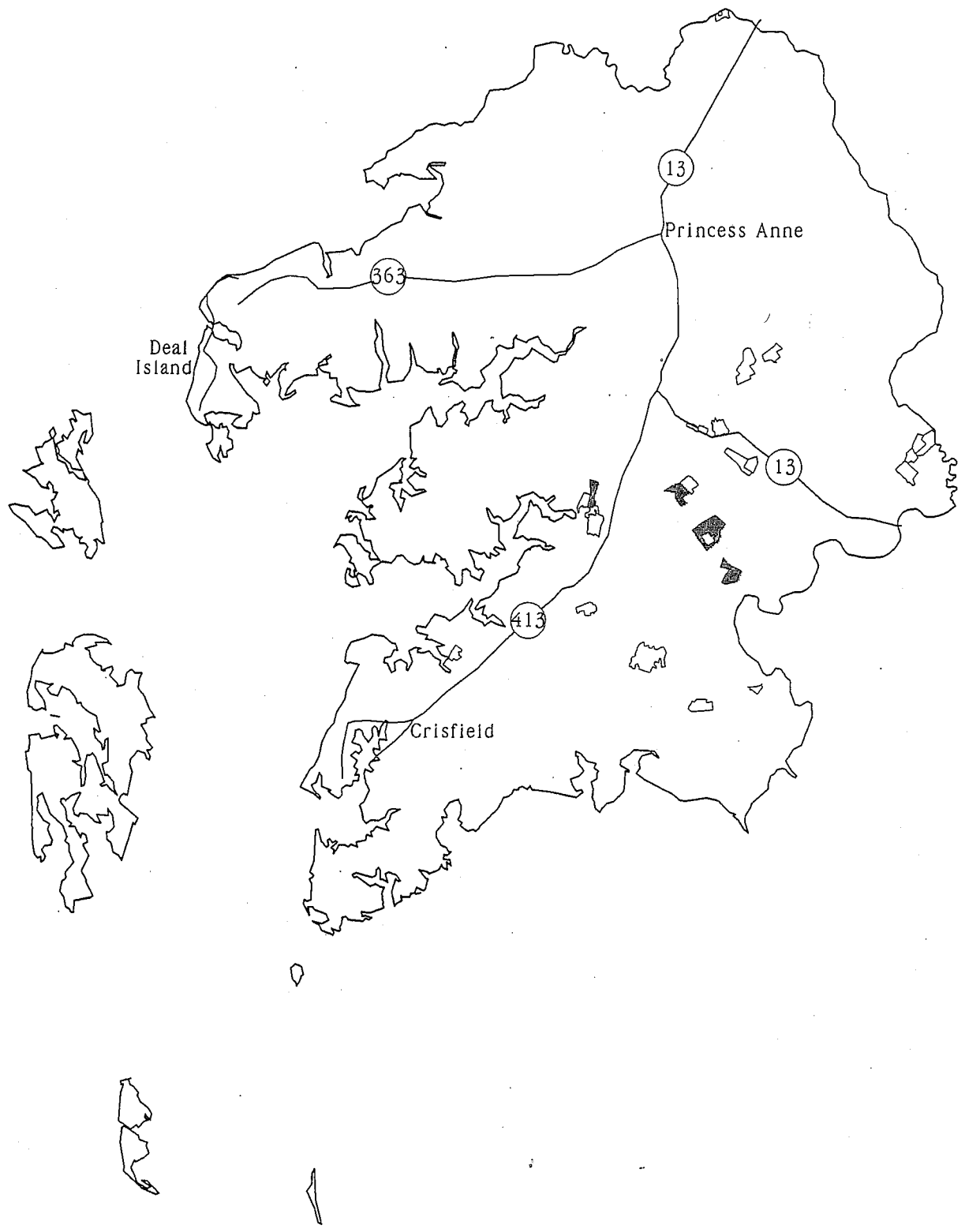
QUEEN ANNE'S COUNTY
AGRICULTURAL EASEMENTS/DISTRICTS





Produced for MALPF by:
 Coastal Resources Division, Tidewater Administration
 Maryland Department of Natural Resources
 with the assistance of
 Image Processing & Remote Sensing Center
 Salisbury State University

Key:			
<i>Feature</i>	<i>Symbol</i>	<i>Number</i>	<i>Acreage</i>
Easements		47	8,869
Districts		108	20,420

SOMERSET COUNTY
AGRICULTURAL EASEMENTS/DISTRICTS

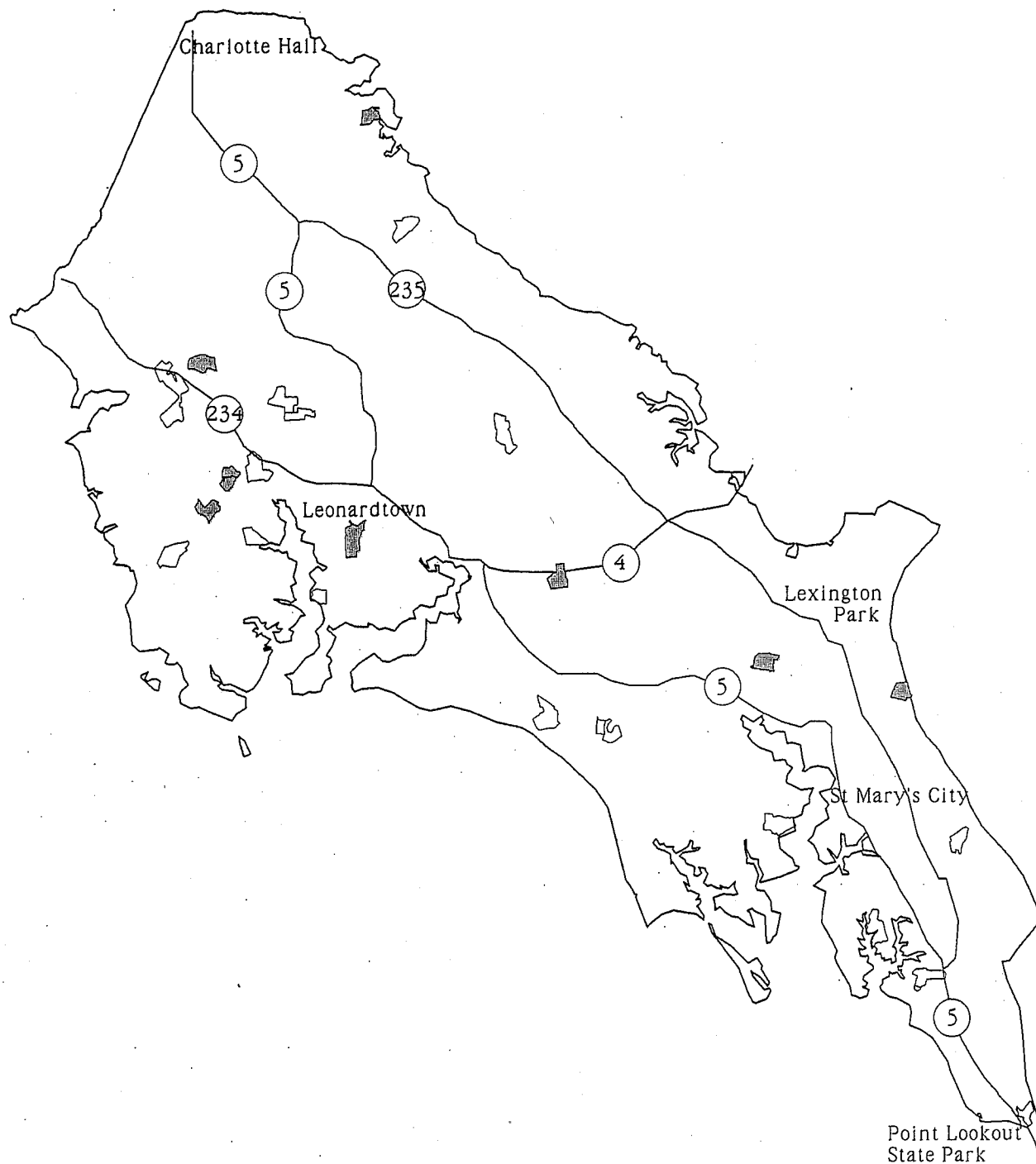


Key:



<i>Feature</i>	<i>Symbol</i>	<i>Number</i>	<i>Acreage</i>
Easements		5	878
Districts		23	3,578

Produced for MALPF by:
 Coastal Resources Division, Tidewater Administration
 Maryland Department of Natural Resources
 with the assistance of
 Image Processing & Remote Sensing Center
 Salisbury State University

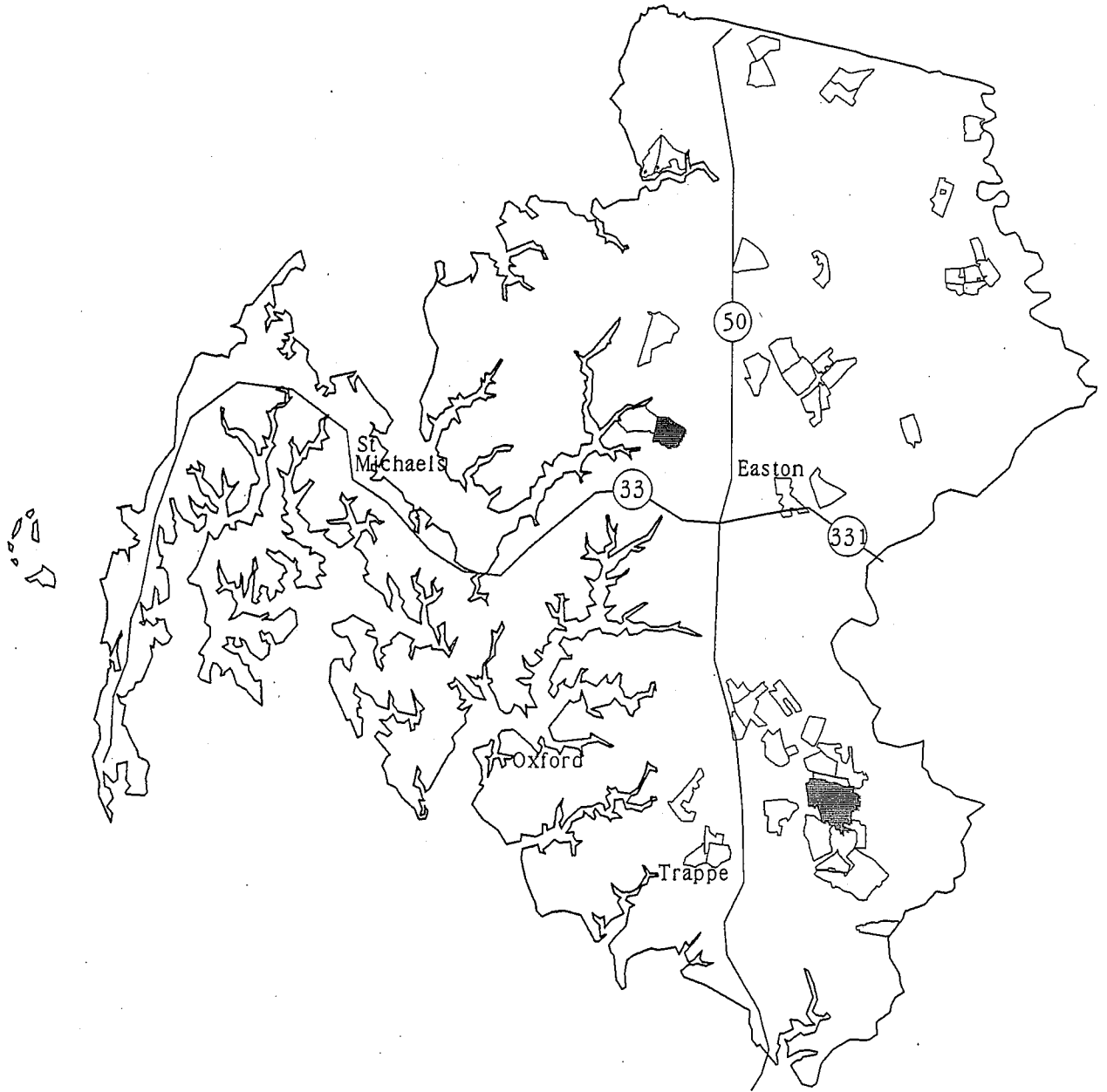
ST. MARY'S COUNTY
AGRICULTURAL EASEMENTS/DISTRICTS





Produced for MALPF by:
 Coastal Resources Division, Tidewater Administration
 Maryland Department of Natural Resources
 with the assistance of
 Image Processing & Remote Sensing Center
 Salisbury State University

<u>Feature</u>	<u>Symbol</u>	<u>Number</u>	<u>Acreage</u>
Easements		12	1,798
Districts		24	3,756

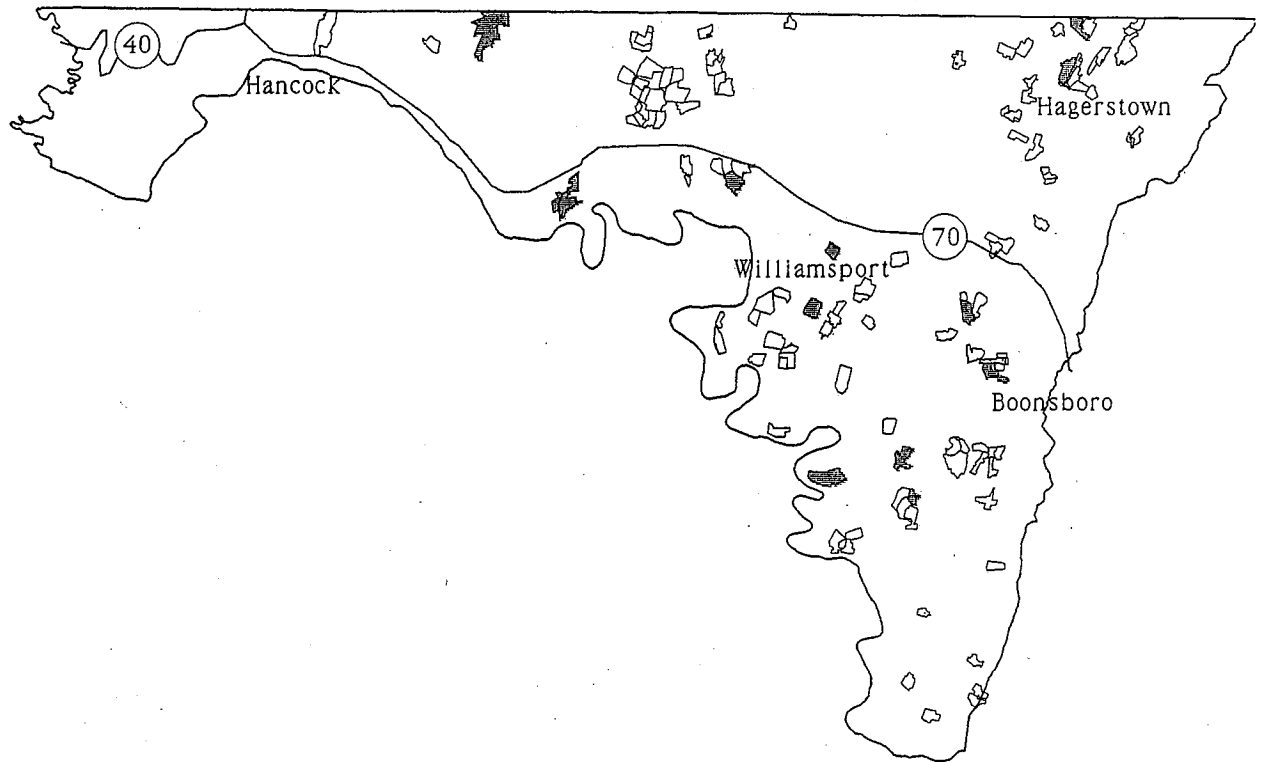
TALBOT COUNTY
AGRICULTURAL EASEMENTS/DISTRICTS



Produced for MALPF by:
 Coastal Resources Division, Tidewater Administration
 Maryland Department of Natural Resources
 with the assistance of
 Image Processing & Remote Sensing Center
 Salisbury State University

Key:			
<i>Feature</i>	<i>Symbol</i>	<i>Number</i>	<i>Acreage</i>
Easements		4	1,534
Districts		41	7,147

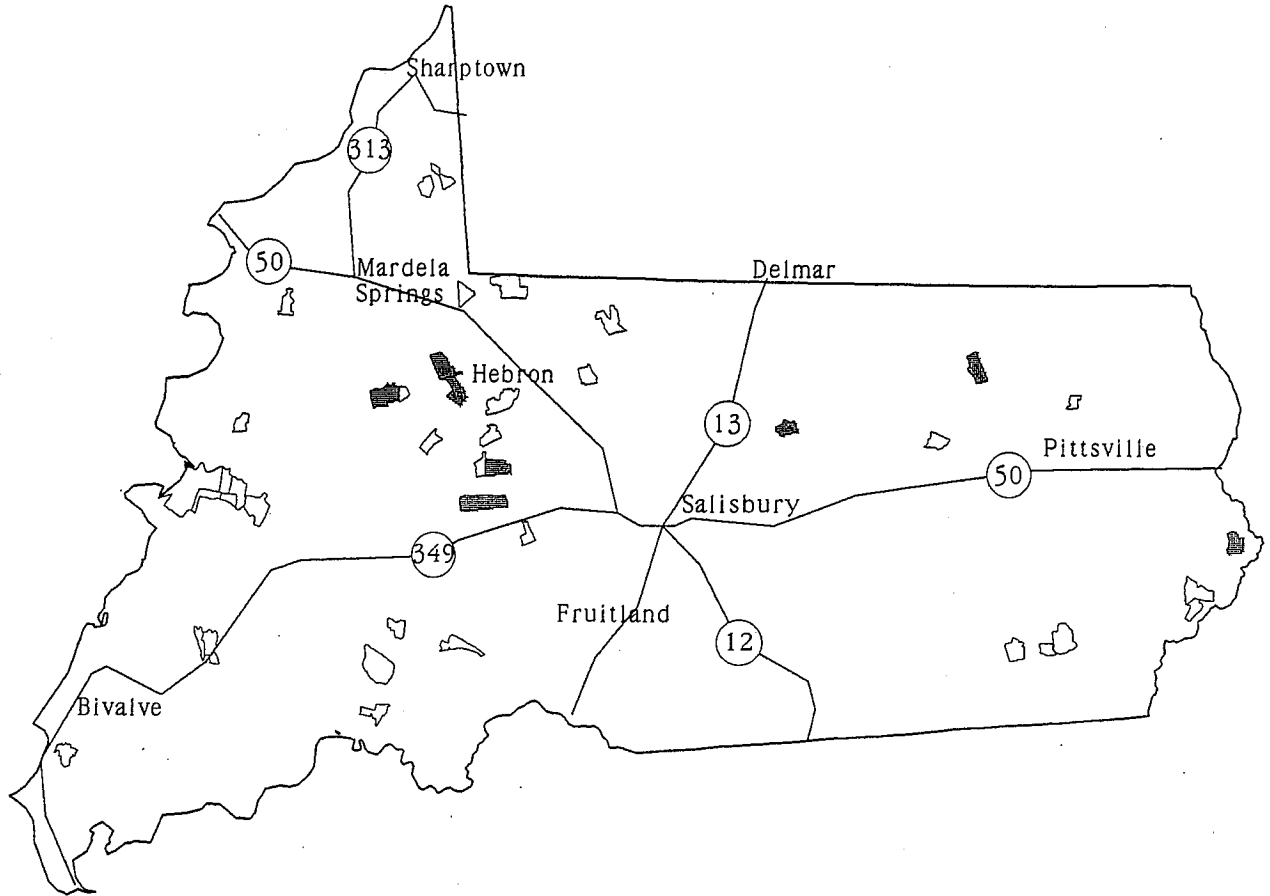
WASHINGTON COUNTY
AGRICULTURAL EASEMENTS/DISTRICTS





Produced for MALPF by:
 Coastal Resources Division, Tidewater Administration
 Maryland Department of Natural Resources
 with the assistance of
 Image Processing & Remote Sensing Center
 Salisbury State University

Key:			
<u>Feature</u>	<u>Symbol</u>	<u>Number</u>	<u>Acreage</u>
Easements		12	3,216
Districts		103	15,449

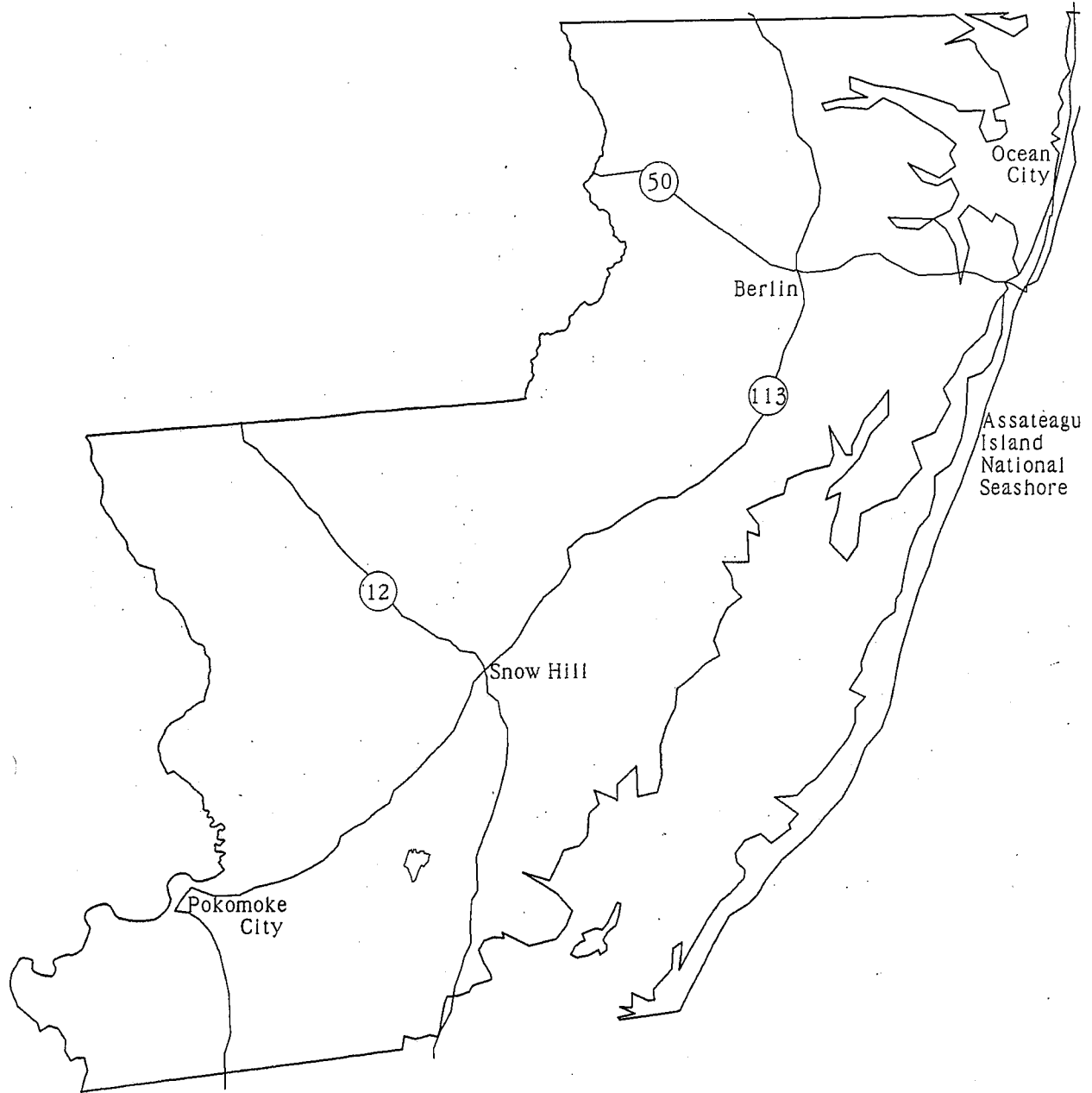
WICOMICO COUNTY
AGRICULTURAL EASEMENTS/DISTRICTS



Produced for MALPF by:
 Coastal Resources Division, Tidewater Administration
 Maryland Department of Natural Resources
 with the assistance of
 Image Processing & Remote Sensing Center
 Salisbury State University

Key:			
<i>Feature</i>	<i>Symbol</i>	<i>Number</i>	<i>Acreage</i>
Easements		9	1,348
Districts		47	7,067

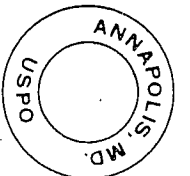
WORCESTER COUNTY
AGRICULTURAL EASEMENTS/DISTRICTS



Produced for MALPF by:
 Coastal Resources Division, Tidewater Administration
 Maryland Department of Natural Resources
 with the assistance of
 Image Processing & Remote Sensing Center
 Salisbury State University

Key:			
<u>Feature</u>	<u>Symbol</u>	<u>Number</u>	<u>Acreage</u>
Easements		0	0
Districts		1	246

MARYLAND DEPARTMENT OF AGRICULTURE
50 Harry S. Truman Parkway
Annapolis, Maryland 21401



BULK RATE
U.S. POSTAGE
PAID
Permit No. 318