



Maryland
Agricultural Land Preservation Foundation

Annual Report
Fiscal Years 2009 - 2010

Martin O'Malley

Governor

Anthony G. Brown

Lieutenant Governor

Earl F. Hance

Secretary of Agriculture

Mary Ellen Setting

Deputy Secretary of Agriculture

Robert F. Stahl, Jr.

Chair, MALPF Board of Trustees

Maryland Department of Agriculture

The Maryland Agricultural Land Preservation Foundation

Annual Report 2009 and 2010

50 Harry S. Truman Parkway, Room 104, Annapolis, Maryland 21401

5/1/2011

MDA 11.02.09



Maryland Department of Agriculture

Agriculture | Maryland's Leading Industry

Office of the Secretary

Martin O'Malley, Governor
Anthony G. Brown, Lt. Governor
Earl F. Hance, Secretary
Mary Ellen Setting, Deputy Secretary

The Wayne A. Cawley, Jr. Building
50 Harry S. Truman Parkway
Annapolis, Maryland 21401
Internet: www.mda.state.md.us

410.841.5700 Baltimore/Washington
301.261.8106 Washington, D.C.
410.841.5914 Fax
800.492.5590 Toll Free

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION

May 1, 2011

The Honorable Martin O'Malley, Governor
The Honorable Thomas V. Miller, Jr., President of the Senate
The Honorable Michael E. Busch, Speaker of the House

Gentlemen:

We are pleased to present the Annual Report of the Maryland Agricultural Land Preservation Foundation (MALPF) for Fiscal Years 2009 and 2010 in fulfillment of the requirements in both the Agriculture Article, § 2-506, and the State Planning Article, § 5-408(i). Maryland is a national pioneer and leader in land preservation, and the Foundation's program represents the core of the State's preservation efforts. The Foundation was created more than thirty years ago to implement one of the first state farmland preservation programs in the country.

Because of relatively low funding, the Foundation combined its funding from FY 2009 and 2010 into a single easement acquisition cycle. As of June 30, 2010, the Foundation has purchased or has offers pending to purchase perpetual preservation easements on 2,084 farms, totaling about 283,699 acres. Since the FY 2008 Annual Report, the Foundation purchased or acquired an option to purchase an additional 79 perpetual preservation easements on approximately 8,860 acres.

The Foundation's mission is to perpetuate a viable agricultural industry and help curb sprawl development by preserving a critical mass of Maryland's productive farmland. With the strong support of the Governor's Office, the General Assembly, the agricultural community, and Maryland's citizenry, we will continue our efforts by focusing on protecting the best quality farms, building on existing preservation areas to increase the size of contiguous blocks of preserved farmland, and finding additional incentives to bring critical farms into the Program. With the Foundation's county partners, we will work to maintain the agricultural support structure and direct non-agricultural development away from agricultural areas.

Your continued support allows us to protect more of this precious land as development pressures increase. Once farmland and woodland are lost to development, they are unlikely ever to return to productive agricultural use. We thank you for your past support, and we ask for your continued support into the future.

Sincerely,

Robert F. Stahl, Jr.
Chair, MALPF Board of Trustees

Earl F. Hance
Secretary of Agriculture

Carol S. West
Acting Executive Director

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Updated and Supplemental Information Online

Current Fact Sheets about the MALPF Program

<http://www.malpf.info/facts.html>

Maryland Annotated Code Applying to MALPF

<http://www.malpf.info/laws.html>

Code of Maryland (COMAR) Applying to MALPF

<http://www.malpf.info/laws.html>

Schedule and Agendas for MALPF Board Meetings

<http://www.malpf.info/agendas.html>

Minutes of MALPF Board Meetings

<http://www.malpf.info/minutes.html>

MALPF Model Deeds of Easement

<http://www.malpf.info/laws.html>

MALPF-related Reports

<http://www.malpf.info/reports.html>

MALPF Forms

<http://www.malpf.info/forms.html>

MALPF Audit Reports

http://www.ola.state.md.us/top_pgs/Publications/pubs_AGENCY_AGLAND.html

Rural Legacy Program, Department of Natural Resources

<http://www.dnr.state.md.us/rurallegacy/index.asp>

Farm and Ranch Lands Protection Program, USDA

<http://www.nrcs.usda.gov/programs/frpp/>

Maryland Agriculture and Resource Based Industry Development Corporation

<http://www.marbidco.org>

Maryland General Assembly - Information on Legislation

<http://mlis.state.md.us>

Maryland Department of Natural Resources Maryland's Protected Lands Data

<http://dnrweb.dnr.state.md.us/gis/plreports/report.asp>

Maryland StateStat

<http://www.gov.state.md.us/statestat/index.asp>

Maryland BayStat Chesapeake

<http://www.baystat.maryland.gov/>

Maryland AgPrint

<http://www.agprint.maryland.gov/>

Maryland GreenPrint

<http://www.greenprint.maryland.gov/>

Most Recent MALPF Easement Participation and Acquisition Data

<http://www.malpf.info/data.html>

Current Board of Trustees Membership

<http://www.malpf.info/board.html>

Current MALPF County Program Administrator Contact Information

<http://www.malpf.info/PAcontact.html>

Maryland Environmental Trust

<http://www.dnr.state.md.us/met/>

The Maryland Environmental Trust's Land Conservation Center

<http://www.conservemd.org>

Program Overview

Introduction

The Maryland Agricultural Land Preservation Foundation (MALPF) was created in 1977 by the Maryland General Assembly. It is an agency of the Maryland Department of Agriculture. MALPF purchases agricultural land preservation easements that forever restrict development on prime farmland and woodland.

Including FYs 2009 and 2010 funds, MALPF has now cumulatively purchased or has a pending contract to purchase permanent conservation easements on about 2,084 farms covering about 283,699 acres. The Foundation has preserved farmland in all of Maryland's 23 counties. Today, the Foundation manages a public investment of \$605,691,495, valued at about \$1,935,110,879 based on current per acre acquisition costs.

MALPF is one of the oldest and most successful programs of its kind in the nation. Combining MALPF with the State's Rural Legacy and GreenPrint Programs and the county farmland preservation programs, Maryland has preserved over 550,000 acres and more than 8.8% of the State's land base.

The Foundation's statutory mission is to preserve productive farmland and woodland for the continued production of food and fiber for the present and future citizens of the State. Preserving agricultural land helps curb the expansion of random urban development, protects wildlife habitat, and enhances the environmental quality of Maryland's waterways.

Program Administration

The Maryland Agricultural Land Preservation Foundation is governed by the Agriculture Article, §§2-501-2-515 of the Annotated Code of Maryland. A Board of thirteen trustees and a staff of seven administer the Program. The Board includes the Secretaries of Agriculture and Planning and the State's

Treasurer and Comptroller as *ex-officio* trustees. The other nine Board members serve "at-large" and come from various regions of the State and different kinds of agriculture. These nine members are appointed by the Governor for a four-year term with one reappointment possible. At least five at-large members are farmer representatives. Individual members represent the Maryland Agricultural Commission, the Maryland Farm Bureau, the Young Farmers' Advisory Board, the Maryland State Grange, and the Maryland forestry industry. The Governor appoints the Chair of the Board of Trustees from among the nine at-large members.

The Program partners with county governments. By statute, each county appoints a five-member (in Worcester County, a seven-member) advisory board to assist MALPF by providing information and recommendations about the Program's operations; assisting with the creation of Program rules, regulations and procedures; and setting easement purchase priorities. Each MALPF easement purchase has already been reviewed and approved by the county in which the property is located.

Each county designates a program administrator to act as the liaison between the agricultural community and MALPF. County program administrators also help monitor MALPF properties, help landowners prepare applications and requests, and advise landowners on the range of preservation options.

Eligibility Requirements

Each property must meet minimum size, soil productivity, and location criteria to qualify for the Program.

- The property's size must be at least fifty contiguous acres. A smaller property may qualify to participate if it is adjacent to land already permanently preserved, and together they compose a contiguous block of protected land of fifty acres or more.
- The property must contain at least

fifty percent of its soils classified as USDA soil capability Class I, II, or III and/or Woodland Group 1 or 2. These soils are considered prime, capable of producing agricultural commodities with reasonable yields and returns to ensure continuing profitability. (Because of changes to the classification of productive woodlands in the USDA soil survey, MALPF will update its eligibility criteria.)

- The property must be outside any ten-year water and sewer service plan, unless it is extraordinarily productive and of significant size.

Landowners in the Program

Owners of eligible farmland and/or woodland can sell or donate an agricultural land preservation easement on their properties to ensure that the properties remain in agriculture for-ever.

An *agricultural land preservation easement* is a legal contract between a landowner and MALPF that provides for the perpetual preservation of the landowner's property by restricting the property to agricultural use, requiring good stewardship of the land, and allowing the retention of limited and explicitly defined development rights. After signing, the deed of easement is recorded among the county land records so all future owners of the property will be aware of and bound by its terms and provisions.

The property continues to be owned privately. It may be bought, sold, leased or inherited without interference, as with all other land, but always subject to the recorded restrictions. MALPF is responsible to monitor the property to ensure compliance with the terms of the easement. No public access is required by such an easement.

Selling an Easement

Landowners interested in selling an easement to MALPF apply through their county program administrators. Easement purchases are made through a competitive application process. Local governments review and approve applications and then rank properties relative to other county properties

applying to the Program. MALPF makes offers to purchase easements based on these rankings and available funding.

When applying to sell an easement, landowners must include their *asking price*. The maximum amount that MALPF can pay for an easement is the landowner's asking price, the easement value, or a price cap determined by the county, whichever is the lowest. A property's *easement value* is determined by subtracting its *agricultural value* from the appraised fair market value. (See the Easement Value Formula text box below.) Those who sell an easement for less than the full easement value may qualify under IRS guidelines for certain tax benefits.

County ranking systems follow State guidelines emphasizing the quality of the property, the importance of a property for the county's strategic land-use objectives, contiguity to other preserved properties, and the willingness of the landowner to discount the asking price from the easement value. Each county ranking system assigns relative weight to each ranking element, but cannot use only one of these elements to rank its properties. Each county's ranking system is reviewed and approved by the county's governing authority and the MALPF Board of Trustees.

The Foundation continues to use the discount ratio for any offers made during the second statewide round, when the county allocation of funds has been exhausted. Properties are ranked by a ratio determined by dividing the landowner's asking price by the appraised easement value. A ratio of less than 1.0 indicates that the landowner is willing to sell an easement for less than the appraised easement value, letting MALPF purchase the easement at a discount. The landowner who offers the best discount to the State is ranked first. Discounting maximizes the number of easement acres the State can acquire during the second round.

Offers are generally made to landowners starting March or April and can continue into early fall until the available funds are exhausted. For the FY 2009-10 cycle, offers began in May, 2009. Settlement generally takes place one to eight months after the Maryland Board of Public Works

approves the accepted offer. Settlement may take longer if survey work is needed, acreage must be verified, additional owner signatures are needed, financial institutions or third party interests are discovered, or unforeseen title problems are identified. The Foundation continually evaluates ways to shorten the time to go to settlement.

Since 1985, the Foundation has required a Soil Conservation and Water Quality Plan for each applicant property. The required plan identifies existing soil conservation and water quality problems on the land and re-recommends needed conservation measures and an implementation schedule. The land-owner is responsible for implementing the plan according to schedule if an easement is purchased on the property. This requirement is included in the recorded Deed of Easement as a special condition. Thereby, the amount of land protected from erosion is increased, potential yield is protected, and the flow of sediment into Maryland's waterways is reduced or eliminated.

A Forest Stewardship Plan is required prior to easement settlement on properties with 25 or more contiguous acres of woodland. All properties are required to be in compliance with the Nutrient Management Program prior to easement settlement.

The original easement seller typically retains the right to construct a dwelling for his or her personal use and/or the use of an eligible child, subject to certain restrictions such as location review, meeting density requirements, and county approval. Easements sold by non-family corporations retain the right to construct one owner's house on the property as long as the corporation or the property does not transfer. Non-family corporations do not retain the right to construct houses for the use of children of corporation members.

Since October 1, 2003, an easement seller may choose to retain one unrestricted lot which, if not utilized, will survive the sale or transfer of the property, or up to three family lots (owner and children) which, if not utilized, will *not* survive the sale or transfer of the property.

Applications to Sell Easements

The Office of Real Estate within the Maryland Department of General Services contracts with two independent fee appraisers to estimate the fair market value of each approved applicant's property, not including improvements. Properties with fewer than 50 acres are appraised as if they were part of a 50-acre parcel.

The Office reviews each appraisal and recommends the appraisal that best represents the property and adheres to the appraisal specifications set by MALPF and included in its contract agreement with the appraiser.

The number of applications submitted to MALPF has varied widely. MALPF's county partners received 502 applications for the FY 2009-10 easement acquisition cycle, the largest number in the history of the Program. As recently as FY 2006, only 123 applications were submitted to the counties. No new applications were accepted by the State in FY 2004 or 2010. Because available funding was relatively limited, the MALPF Board of Trustees decided to limit the number of applications it would accept from each county partner to sixteen for the FY 2009-10 cycle, resulting in a total of 244 applications approved for MALPF.

MALPF made 75 easement offers accepted by landowners in the FY 2009-10 easement acquisition cycle (four of these offers were made with 100% county funds soon after the FY 2008 cycle ended and before offers were made to FY 2009-10 applicants). These 75 easements were purchased at a cost of about \$18,196,661 less than the total combined easement values because of competitive bidding. The total acquisition cost for FY 2009-10 is \$49,506,314, with an average per acre acquisition cost of \$5,941.

In FY 2010, the Foundation extended four additional offers using new county funds committed to easement acquisition and some recycled funds from late offer rejections. The acquisition cost of these offers totals \$2.8 million, of which \$1.8 million are funds committed by Montgomery and St. Mary's Counties. The regular commitment of FY

2010 State and local funds was used in the combined FY 2009/10 easement acquisition cycle.

Per Acre Values and Acquisition Costs

FY 2009-10 easement acquisition cycle data show that the rapid increase in Maryland real estate market values since FY 2002 has now probably peaked and started to decline. The average per acre appraised fair market value peaked in FY 2007 at \$10,341 then declined in FY 2009-10 16.1% to \$8,675. During the same period, the average per acre easement value peaked \$9,496 then declined 16.6% to \$7,918.

Acquisition costs have also started to decline. Average per acre acquisition costs rose from \$5,952 in FY 2007 to \$6,758 in FY 2008, an increase of \$806 per acre or 13.5%. However, in FY 2009-10, per acre acquisition costs declined 12.1% to \$5,941. Though only four offers were made in FY 2010, too small of a population to provide a good measurement, the overall per acre cost declined about another \$1,000 per acre, with an average per acre cost of \$4,958. MALPF expects this decline to continue at least one more easement acquisition cycle.

Easement Value Formula:

The Appraised Fair Market Value less the Agricultural Value equals the Easement Value		
The <i>appraised fair market value</i> is determined by at least two appraisals conducted by the State and any appraisal submitted by the landowner, if included with the application. The Department of General Services reviews the appraisals for the quality of their methodology to determine the preferred appraisal.	The <i>agricultural value</i> is determined by a formula required by statute that calculates a land rent based on soil productivity.	The <i>easement value</i> establishes the maximum compensation a landowner can be offered by the Foundation to purchase an agricultural land preservation easement.

**Applications by Landowners to Sell an Agricultural Conservation Easement to the
Maryland Agricultural Land Preservation Foundation
(FYs 2003 through 2009-10)***

County	FY 2003		FY 2005		FY 2006		FY 2007		FY 2008		FY 2009-10		TOTALS (FYs 2003-2009-10)			
	Received	Approved	Received	Approved	Received	Approved	Received	Approved	Received	Approved	Received	Approved	Received	Approved		
Allegany	0	0	0	0	0	0	1	1	5	5	6	6	12	12		
Anne Arundel	3	3	0	0	0	0	1	1	1	1	2	2	7	7		
Baltimore	29	29	17	8	11	11	20	20	26	26	23	17	126	111		
Calvert	3	3	0	0	0	0	0	0	0	0	0	0	3	3		
Caroline	37	35	13	13	12	11	41	41	55	55	60	16	218	171		
Carroll	22	21	16	15	13	13	23	23	36	36	20	20	130	128		
Cecil	15	15	6	6	3	3	24	24	29	29	38	16	115	93		
Charles	10	9	3	3	13	13	12	12	14	14	21	16	73	67		
Dorchester	33	23	8	8	8	8	7	7	14	14	26	16	96	76		
Frederick	21	21	8	7	2	2	20	20	30	30	33	16	114	96		
Garrett	3	3	4	4	2	2	5	5	3	3	7	7	24	24		
Harford	12	8	2	2	2	2	5	5	14	14	12	12	47	43		
Howard	2	2	3	3	0	0	1	1	0	0	0	0	6	6		
Kent	17	17	12	11	12	12	25	25	24	24	36	16	126	105		
Montgomery	3	3	0	0	1	1	3	3	1	1	2	2	10	10		
Prince George's	1	1	2	2	0	0	3	3	5	5	5	5	16	16		
Queen Anne's	33	33	5	5	1	1	20	20	46	46	75	16	180	121		
St. Mary's	33	26	12	10	15	15	33	33	41	41	41	13	175	138		
Somerset	7	5	2	2	0	0	22	22	24	24	21	16	76	69		
Talbot	22	22	13	13	10	10	21	21	31	31	37	16	134	113		
Washington	36	11	20	16	12	12	24	24	24	24	24	8	140	95		
Wicomico	6	6	3	3	0	0	5	5	5	5	10	10	29	29		
Worcester	8	8	4	4	6	6	9	9	16	16	4	4	47	47		
TOTALS	356	304	153	135	123	122	325	325	444	444	503	250	1,904	1,580		
AVERAGE NUMBER OF RECEIVED AND APPROVED APPLICATIONS (not including FY 2004):															317	263

* No applications were accepted in FY 2004. Two applications each were accepted in FY 2010 that were forwarded from Montgomery and St. Mary's Counties with a commitment to fund their offers with local funds. In FY 2009, funding was combined with FY 2010, and the number of applications approved and forwarded to MALPF was limited to a maximum of sixteen per county, or more if the county is willing to pay for the additional appraisals. "Received" applications are all applications submitted by landowners by the July 1 deadline to the counties. "Approved" applications are the applications that met all conditions for participation in the Program and received approvals by county and State authorities to be considered for funding. An "approved" application does not represent an easement purchase. Please consult the easement acquisition tables later in this report for the actual number of easements acquired. Please note that each year's number includes reapplications from landowners not receiving an offer or rejecting an offer from a previous year or years.

Program Funding

The Maryland Agricultural Land Preservation Foundation is primarily funded through dedicated revenues from the State's Real Estate Transfer Tax and its Agricultural Transfer Tax. The State Transfer Tax is a tax assessed on all real estate property transfers. The Foundation receives 17.05% of the State Transfer Tax remaining after certain funds are set aside by the State for long-term obligations and allocations. The Foundation receives additional State Transfer Tax revenue as a result of the creation and funding of the Rural Legacy Program in the Department of Natural Resources.

The Agricultural Transfer Tax is collected when farmland is sold and converted to another land use. The Foundation receives two-thirds of the Agricultural Transfer Tax collected by each county, while one-third is retained by the local jurisdiction for agricultural land preservation purposes. A county with a local agricultural land preservation program certified by the Foundation and the Maryland Department of Planning may retain 75% of the Agricultural Transfer Tax collected to spend for local land preservation purposes.

Many of the Foundation's county partners commit matching funds to help acquire easements. Most local funds derive from the counties' share of agricultural transfer taxes, but some add other county funds. The matching fund commitments are used to extend offers to landowners within each county on a 40% county and 60% State matching fund basis after State general allocation funds are committed. The total commitment of Matching Funds by counties for FY 2009-10 was \$13,368,669.02.

Because of past difficulties MALPF has had with FRPP requirements and values, it still had over \$7 million in federal grant funds unspent from the FYs 2005-06 grant agreements. The MALPF Board of Trustees decided at its April 2009 meeting that every offer made in the FY 2009-10 easement acquisition cycle include a minimum of 20% federal funds and the sample easement distributed be the easement including the al-

ready approved federal easement language. The amount of any federal matching funds committed to an offer settled with an installment purchase agreement or installment payment must be paid in cash at closing.

Because the federal funds committed in FY 2009-10 are already included in past State fund allocations and because MALPF is unable to make a final, firm commitment of federal matching funds to an offer until a third appraisal is secured late in the settlement process, FRPP funds are not included in the State fund allocation for the FY 2009-10 easement offers below. The MALPF Board held \$2 million in reserve from the FY 2009-10 cycle to protect itself from the uncertainty of its commitment of federal funds to each eligible offer, should the third appraisals for properties receiving FRPP funds provide for less than 20% of the acquisition costs that the Foundation anticipates.

Two other important decisions affected the FY 2009 easement acquisition cycle. First, the MALPF Board of Trustees combined its funding appropriations from FY 2009 and FY 2010 for a single round of offers to maximize the number of easement offers that can be made given limited funding availability. With this change, the Board allowed counties to make an additional commitment of matching funds given the inclusion of FY 2010 appropriations in the current offer cycle.

If MALPF used only the general allotted State funding of \$363,130.43 per county for FY 2009, some counties would not have enough funding even for an insufficient funds offer to the first applicant in Round One. Without combining two years' funding, these counties would see all of their general allocation funds rollover to Round Two statewide offers. Other counties would have enough for an insufficient funds offer for the first property on their offer list, but not enough for a full offer. Also, funds that would otherwise be spent on appraisals in FY 2010 will now go to easement acquisition.

Second, the Maryland General Assembly in 2009 Legislative Session moved MALPF's

FY 2010 funds derived from transfer tax revenues to the General Fund and fully replaced them with General Obligation (GO) bonds. On the one hand, bond funds cannot be used for installment purchase agreements or regular installment payments, significantly reducing the settlement options available for landowners. On the other hand, by combining two years' worth of funding appropriations, of which only one is bonded, MALPF retains sufficient flexibility to meet the demand for different settlement choices.

In Fall 2009, MALPF and the Department of Budget and Management were in discussions about the possible transfer to the General Fund of some FY 2009 revenues that will not be used to settle easements before June 1, 2010 or are not and will not be committed to installment-based settlements. These transferred funds would be swapped for GO bonds. As of the date of writing, this swap of cash for bond funds is part of the Budget and Reconciliation Finance Act of 2010 introduced to the 2010 Legislative Session. This action would help Maryland Government deal with its ongoing budget shortfall.

The following funding information for the combined FY 2009 and 2010 easement acquisition cycle is taken from the "Allocation of Funds Report" for FY 2009 dated June 22, 2009 adopted by the Board of Trustees at its

June 2009 meeting to allocate funds among county participants based on an estimation of the actual funds available for easement offers. This Report covers both the appropriations and county matching funds commitments for FY 2009 and FY 2010. The Foundation received legal advice from the Office of the Attorney General that combining two years' funding for a single easement acquisition round is consistent with State law.

These estimates are not absolute. For example, a county's funding commitment may not be completely fulfilled because of the impact of one or more rejected offers in the county. Further, a few counties provided additional funds to supplement insufficient funds offers and/or to make 100% county-funded offers to be processed and administered by MALPF. Finally, as explained earlier, because the continuing ability to commit federal funds was uncertain at the time the Allocation Report was issued, unspent federal funds were not included in the total available funds.

The funding information for the out-of-cycle FY 2010 offers that took place after offers for the FY 2009-10 cycle were ended is not based on an allocation of funds, but rather new county commitments and old State funds from offers rejected after the close of the FY 2009-10 cycle.

Funds Available for Easement Offers, FY 2009-10

In the 2008 and 2009 Legislative Sessions, the General Assembly approved the FY 2009 and FY 2010 budgets and authorized the FY 2009 and FY 2010 appropriations. The MALPF Board of Trustees approved taking both years' appropriations to make offers to applicants for the FY 2009 cycle. The following is the calculation of funds available to applicants for the FY 2009-10 easement acquisition cycle.

TOTAL 2009 APPROPRIATED STATE PAYGO FUNDS AVAILABLE FOR FY 2009 EASEMENT OFFERS.....	\$ 16,704,000.00
TOTAL 2010 APPROPRIATED STATE BOND FUNDS AVAILABLE FOR FY 2009 EASEMENT OFFERS.....	\$ 13,000,000.00
TOTAL LOCAL FUNDS AVAILABLE FOR FY 2009 EASEMENT OFFERS (INITIAL COMMITMENT).....	\$ 10,331,535.33
TOTAL LOCAL FUNDS AVAILABLE FOR FY 2009 EASEMENT OFFERS (FOLLOW-UP COMMITMENT)	\$ 3,037,133.69
TOTAL FUNDS AVAILABLE FOR FY 2009 EASEMENT OFFERS.....	<u>\$ 43,072,669.02</u>
TOTAL 2009 ALLOCATED STATE PAYGO FUNDS WITHHELD FROM FY 2009 EASEMENT OFFERS TO SECURE FRPP FUNDS.....	- \$ 2,000,000.00
TOTAL FUNDS AVAILABLE FOR FY 2009 EASEMENT OFFERS.....	<u>\$ 41,072,669.02</u>

Federal Farm and Ranch Lands Protection Program (FRPP) funds remain available to commit against FY 2009-10 offers. At the beginning of the FY 2009-10 easement acquisition cycle, MALPF had \$6,035,274 in unspent FRPP funds from the FY 2005 grant agreement, \$1,717,000 from the FY 2006 grant agreement, and a small residual amount from the FY 2004 grant agreement. MALPF will commit as much of the FY 2004 and FY 2005 grant agreement funding as possible during its FY 2009-10 easement acquisition cycle. The FY 2006 grant agreement funding will be more difficult to commit because of the more restrictive easement terms and the more difficult process that must be followed to go to settlement. FRPP funds will be committed to all easement offers on FRPP eligible properties at the rate of 20% of the total offer. This percentage of commitment will be increased if possible after the maximum commitment of federal funds is determined by the third appraisal as MALPF moves to settle on individual easement purchases. The funds withheld to secure FRPP funds will be used when the maximum federal funds that can be committed to an offer falls short of the 20% committed to each eligible property's offer to make good that shortfall.

Subsequent Funds Available for Easement Offers, FY 2010

After the easement offer cycle ended for FY 2009-10, the Foundation made four more easement offers. These offers were funded by new county commitments and State funds committed to pending offers rejected after the end of the FY 2009-10 offer cycle. Because the county funds are new funds, they are included in the bar chart depiction below with FY 2010 funding commitments.

TOTAL STATE FUNDS AVAILABLE FOR FY 2010 EASEMENT OFFERS	\$ 1,018,256.73
TOTAL LOCAL FUNDS AVAILABLE FOR FY 2010 EASEMENT OFFERS	\$ 1,772,979.63
TOTAL FUNDS AVAILABLE FOR FY 2010 EASEMENT OFFERS.....	<u>\$ 2,791,236.36</u>

Reports, New Regulations and Policy Recommendations and Changes

Introduction

The policy work of MALPF staff and Board members during FY 2009 and 2010 focused primarily on implementing the new civil penalties and confidentiality legislation from the 2009 legislative session; discussing and responding to policy initiatives from outside of MALPF on monitoring, the protection of forested land, and commercial energy production on MALPF-preserved land; continuing the discussion of easement values and unrestricted lot eligibility; and resolving pending audit issues.

Because of the long lead time necessary to develop, review, and submit proposed departmental bills to the Office of the Governor for the legislative session, bill proposals have typically been discussed by the MALPF Board almost a year before they are submitted as part of the Governor's legislative agenda to the General Assembly. Once proposed bills are submitted to Governor's Office, they remain confidential until the legislative session. Because of this lag between the initial discussion and the start of the legislative session, bill proposals can be forgotten by Board members, Board membership changes, the final shape of the bill proposal changes after submission to the Governor's Office because of input from other government agencies or for other reasons, and/or additional bills can be proposed to address pressing problems after the initial legislative agenda of the Board was developed.

At the April 2009 Board meeting, the Board of Trustees created a formal Legislative Committee under the chairmanship of Martha Clark, Board member from Howard County, charged to collect legislative proposals, develop, review, make recommendations on bill proposals to the full Board, and then track those proposals as they move through to the Governor's Office for review by the agencies and the Governor's staff. This Committee includes MALPF Board members, staff, and county program administrators. Not only

is the Committee charged with ongoing responsibility for new legislation, the Committee can also be directed by the Board or the Board Chair to review policy and possible changes to policy that may not be subject to changes in statute, including coordinating the development of new regulations to implement changes in statute and Board policy.

Proposals to change MALPF's policies and operations come from many sources, including recommendations from program reviews conducted by task forces created by the Maryland General Assembly, recommendations or concerns expressed by members of the General Assembly (often reflecting constituent issues), the Governor's Office, MALPF staff and Board of Trustees, county staff, program participants, other agencies, and groups such as the Maryland Farm Bureau, the Maryland Association of Counties, and the Maryland Municipal League. The Legislative Committee now provides a mechanism by which MALPF can review and make recommendations to the full Board on how to respond to the proposals of others with a single voice.

Easement Inspection Policy

Approved by the MALPF Board of Trustees, August 25, 2009

Historical records indicate The MALPF Board approved a motion on December 27, 1983 to develop an easement inspection policy in response to legislative auditor's comments. The proposed policy would require counties to perform inspections on a minimum of 10% of their existing state funded easement properties and 100% of their federally funded easement properties each year.

Easement Inspections

- All easement inspections will be conducted by the county offices.

MALPF Monitoring Coordinator, or an authorized representative.

- Properties with funds provided by the Federal Farmland Protection Program will be inspected annually.
- Easement inspections should be completed on the MALPF Easement Inspection Form found on the MALPF website.
- Copies of completed forms will be submitted by the county offices to the MALPF office, in care of the Monitoring Coordinator. If a MALPF representative completed the inspection then copies would be sent to the appropriate county office.
- An annual written report for the FRPP inspections will be submitted to NRCS by the Monitoring Coordinator no later than December 31.

Easement Inspection Completion Date

- All easement inspections will be completed by June 30, the end of the fiscal year period.

Inspection Tracking

- County inspections will be tracked throughout the fiscal year by the Monitoring Coordinator.
- County offices will be reminded periodically of the impending deadline and which properties require inspections.
- The MALPF Executive Director will submit a status report on easement inspection progress every quarter to the MALPF Board.

Non-compliance

If a county fails to meet its goals, it may submit a letter to MALPF with the reasons it missed the goal.

If the reason is accepted by MALPF, the county will be given the opportunity to make up the shortfall the following fiscal year.

Maryland Agricultural Land Preservation Foundation, Fiscal Year 2010 Annual Monitoring Report (March 10, 2011).

Introduction:

In order to maintain compliance with the restrictions of the MALPF deeds of easement, periodic inspection of properties is required. Occasionally, violations are brought to the Foundation's attention from neighboring landowners, but the majority of violations that occur are discovered when a MALPF representative visits a property.

In 1983 the Maryland Agricultural Land Preservation Foundation (MALPF) Board of Trustees approved a policy to inspect 10% of the Foundation's easements each year. In the mid to late 1990's MALPF added another purchasing partner, the Farm and Ranch Land Protection Program (FRPP), funded through the United States Department of Agriculture (USDA), and implemented by the Natural Resource Conservation Service (NRCS). FRPP requires that 100% of easements purchased with federal funds be inspected annually. These inspections are completed with a joint cooperation of MALPF staff and county program administrators.

In August 2009 the MALPF Board of Trustees supplemented its earlier policy by adding a mechanism for counties that fall short of their goal to make up the missed inspections the following year, in addition to that year's inspection goal. As indicated in the

chart below, MALPF, overall, met both the state and federal goals. The inspection policy only allows a county to make up a deficit for the previous year. It does not address a multi-year deficit. Cecil County had a deficit from FY 2009 of which 5 of the inspections had to be applied. When those were subtracted from the total inspections that Cecil County performed in FY 2010, a deficit of 5 remained. Cecil County completed 3 out of the required 8 inspections for FY 2010 (4%). The County was notified of the shortfall and MALPF staff is still working to have the remaining inspections completed.

Monitoring Results

For FY'09 MALPF had 132 federally-funded easements. Of this total, 122 easement properties were inspected. The ten easements not monitored were located in Cecil County. A total of 205 state easement inspections were conducted.

For FY'10, MALPF had 137 federally funded easements and all were inspected. A total of 235 state easement inspections were conducted. Not all issues were identified by on-site monitoring. Potential violations get identified in a number of ways, including neighbor complaints, requests through planning and zoning offices, and requests received by MALPF.

Resolving Violations

Review of the cumulative list of violations is ongoing and continuous. Numerous violations are resolved without having to go before the Board of Trustees; letters are sent to the landowners concerning the problems identified and offered suggestions for resolving the issues. These potential and actual violations are in various stages of being reviewed by legal counsel, the MALPF Board, and the MALPF staff.

The largest number of violations was in the minor category; missing or expired soil/forest plans. Many of these plans

either have been or are being updated but information often is not reported back to MALPF. These will be resolved as we are able to follow-up on the progress of the plans.

The second largest number of violations was in the major category; subdivisions. A number of subdivisions were discovered while reviewing the files and updating easement ownership information in the database. Each gets reviewed on a case-by-case basis.

Pending Legal Issues

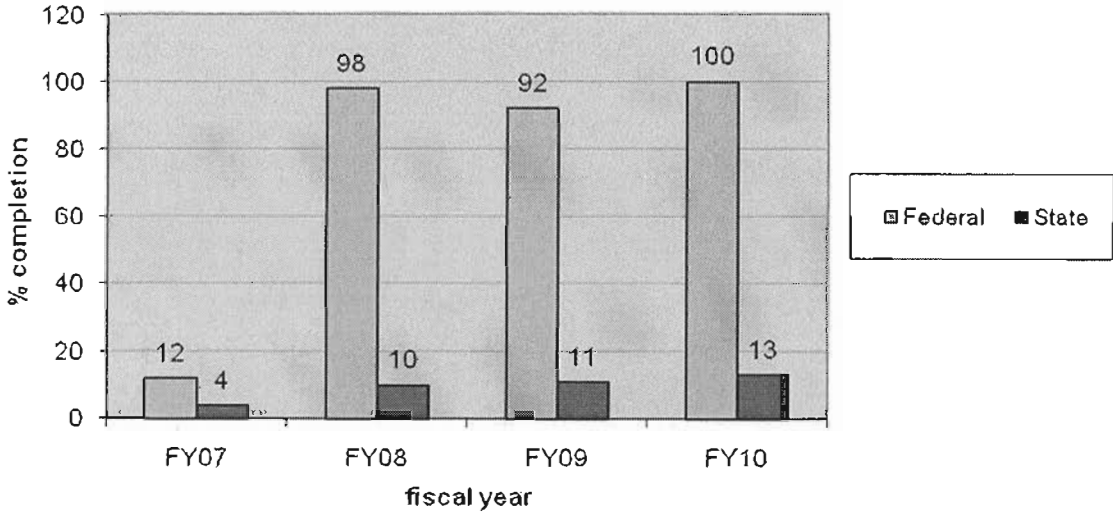
MALPF prevailed in a lawsuit in the Court of Specials Appeals over an illegal subdivision of an easement property in Washington County. The landowner appealed to the Court of Appeals, but they denied the Petition for Writ of Certiorari. The easement consisted of three parcels, and the landowner sold one parcel to a third party. MALPF has always held that multiple parcels are held together as a whole under an easement and cannot be divided unless following proper procedures. This landowner did not seek Foundation approval for the subdivision.

The recorded decision of the Court of Special Appeals in the Washington County case will be beneficial in resolving other future cases. Currently there are three pending cases that hopefully by referencing this case will provide enough leverage to resolve these pending cases without litigation.

Conclusion

13% of the state easements and 100% of the federal easements were inspected in FY 2010. The goals of 10% state and 100% federal easement inspections are realistic goals that can be achieved each year with the cooperation of county administrators, MALPF staff, and MALPF Board members using a variety of inspection techniques.

Fiscal year comparisons



Cooperative Arrangements with Other Agencies and Programs

Rural Legacy Program

In 1997, the Maryland General Assembly approved the Rural Legacy Program as a major component of then Governor Parris N. Glendening's Smart Growth and Neighborhood Conservation Initiative.

Located in the Maryland Department of Natural Resources and administered by the Rural Legacy Board, made up of the Secretaries of the Maryland Department of Agriculture, Department of Natural Resources and Department of Planning, the Program was established to protect natural resources, farms, forests and other sensitive environmental areas while maintaining the viability of resource-based economies and the proper management of tillable and wooded areas. The Program provides funds to local governments and land trusts to purchase interests in real property, as well as to purchase property in fee-simple, in designated Rural Legacy Areas (RLAs).

**TOTAL ACREAGE PRESERVED
BY THE RURAL LEGACY PROGRAM**
(Based on Board of Public Works approvals
as of 6/30/2010)

Fiscal Year	Rural Legacy Preserved Acreage
1999	376
2000	1,036
2001	13,844
2002	14,498
2003	10,376
2004	9,126
2005	1,345
2006	1,576
2007	1,823
2008	4,916
2009	3,563
2010	4,325
TOTALS	66,805

Source: RLP, DNR

On February 23, 1999, the Maryland Agricultural Land Preservation Foundation's Board of Trustees approved the concept of co-holding Rural Legacy easements on properties whose focus is primarily agricultural

and that generally meet the minimum qualifications of the Foundation's Program. Final approvals are given on a case-by-case basis and are contingent upon the Rural Legacy easements not having any language that could potentially conflict with MALPF program restrictions. Further, the Board requires a Memorandum of Agreement between the Rural Legacy sponsor and MALPF to outline easement monitoring and enforcement responsibilities.

Settlement of Rural Legacy easements is the financial responsibility of the Rural Legacy sponsor. There is no cost to MALPF other than administrative costs associated with ensuring easement monitoring and enforcement when accepting a co-held Rural Legacy easement. Co-held Rural Legacy easement acreage is not counted in MALPF's acreage totals, but is rather credited to the Rural Legacy Program as the State funding agency.

No new applications were made in FY 2009 and 2010 for co-held Rural Legacy easements. As of June 30, 2010, the Rural Legacy Program had permanently preserved a total of 66,805 acres statewide.

For more and updated information about the Rural Legacy Program, please consult the website at the Department of Natural Resources:

<http://www.dnr.state.md.us/rurallegacy/>

UPDATE: CO-HELD RURAL LEGACY EASEMENTS
(Status as of July 1, 2010)

	Number of Easements	Total Acreage	Average Farm Size (acreage)	Direct Cost of Easement Acquisition	Average Cost of Easement Acquisition per Property	Average Easement Acquisition Cost per Acre
Gunpowder River Rural Legacy Area (Baltimore County)						
Total approved	1	116.190	116.190	\$580,989.33	\$580,989.33	\$5,000.34
Total settled	1	116.190	116.190	\$580,989.33	\$580,989.33	\$5,000.34
Long Green Valley Rural Legacy Area (Baltimore County)						
Total approved	4	348.048	87.012	\$1,411,121.08	\$352,780.27	\$4,054.39
Total settled	4	348.048	87.012	1,411,121.08	352,780.27	4,054.39
Piney Run Rural Legacy Area (Baltimore County)						
Total approved	18	2,285.117	126.951	\$8,243,249.65	\$457,958.31	\$3,607.36
Total settled	18	2,285.117	126.951	\$8,243,249.65	\$457,958.31	\$3,607.36
Little Pipe Creek Rural Legacy Area (Carroll County)†						
Total approved	26	2,526.548	97.174	\$5,894,345.65	\$226,705.60	\$2,332.96
Total settled	26	2,526.548	97.174	\$5,894,345.65	\$226,705.60	\$2,332.96
TOTALS – All Rural Legacy Areas						
Total approved	49	5,275.903	107.671	\$16,129,705.71	\$329,177.67	\$3,057.24
Total settled	49	5,275.903	106.671	\$16,129,705.71	\$329,177.67	\$3,057.24

† Carroll County figures include one easement over a 49.336-acre property which is 100% funded with County Rural Legacy funds.

Rural Legacy easements co-held by the Maryland Agricultural Land Preservation Foundation are not included in the acre-age totals of easements held by MALPF. Such easements are counted in the protected lands totals for Maryland under the Rural Legacy Program's protected acreage.

The acreage and cost of easement acquisition reported for approvals are those given at the time of Board approval. The acreage and cost of easement acquisition reported for easement purchases which settled are those recorded at closing.

Maryland Department of General Services

The Maryland Department of General Services (DGS) is contracted to provide support services to the MALPF Program's easement acquisition process. The DGS Office of Real Estate contracts for two independent appraisals to be done on each applicant property to establish its fair market value. The appraisals are then reviewed by DGS review appraisers who recommend, based on the quality of the appraisals, the better value for MALPF staff to use in calculating the property's easement value (the maximum that can be offered to purchase the conservation easement).

The Office of the Attorney General at DGS also provides support by reviewing title, property descriptions, and arranging for title insurance and settlements, filing and moni-

toring title insurance claims, and assisting in the investigation of Easement violations, as well as advising on more general legal issues before the Foundation, such as compliance with the Open Meetings Act and State Finance and Procurement Article.

Federal Farm and Ranch Lands Protection Program

Please see the discussion in the Program Funding section.

**MALPF EASEMENTS WITH FEDERAL FUNDING COMMITMENTS FROM THE
FEDERAL FARM AND RANCH LANDS PROTECTION PROGRAM BY GRANT AGREEMENT**
(Federal FYs 1996-2006/ MALPF FYs 1997-2010)

Federal Grant Agreement	MALPF Fiscal Year	Number of Easements Acquired	Total Direct Cost of Easement Acquisition	Total FRPP Funding Commitment	FRPP Funds as a Percent of Total Easement Cost	Total FRPP Award	Total Acreage Acquired	Acreage Acquired with FRPP Funding
1996	1997	30	\$4,893,871.99	\$1,000,000.02	20.43%	\$1,000,000.00	4,320.9957	1,053.3245
1998	1999	18	\$4,367,813.79	\$1,166,666.56	26.71%	\$1,666,666.66	2,391.4668	792.2670
2001	2002	7	\$1,936,558.17	\$452,935.80	23.39%	\$452,935.80	1,096.8891	307.1628
2002	2003	*25	\$7,641,029.44	*\$2,151,400.00	28.16%	\$1,870,000.00	3,009.9000	1,049.4818
2003	2003	†30	\$10,074,611.95	†\$3,754,197.75	37.26%	\$4,040,301.00	4,192.6146	1,660.8750
2004	2005	16	\$5,011,291.10	\$1,773,334.81	35.39%	\$1,773,334.81	2,374.3654	936.0942
2004	2007	5	\$6,205,520.59	\$1,569,900.00	25.30%	\$6,205,520.59	813.0110	218.5381
2004	2008	3	\$2,737,921.41	\$897,500.00	32.78%	\$2,737,921.41	593.3200	186.7996
2005/6	2009/10	31	\$28,280,158.90	\$6,838,739.61	24.18%	\$28,280,158.90	4,115.9746	995.2427
TOTALS		165	\$71,148,777.34	\$19,604,674.55	29.78%	\$13,605,206.46	22,908.5372	6,311.3020

As of this annual report's date of publication, all easements with federal funding commitments have settled. Easements purchased in part with federal funds are also counted in the MALPF totals reported later in this document.

* Two easements made in this total included funds from both the 2002 and 2003 FRPP grant agreements. Subtracting the \$281,400 of FRPP funds used from the 2003 grant agreement gives a total 2002 FRPP Funding Commitment of \$1,870,000.00.

† Three additional easements drew in part on 2003 FRPP grant agreement funds, but two are included in the 2002 FRPP grant agreement totals and one is included in the 2004 FRPP grant agreement totals. Adding the 2003 funding committed to these three easements from the 2003 grant agreement commitment gives a total 2003 FRPP Funding Commitment of \$4,040,300.60.

**MALPF EASEMENTS WITH FEDERAL FUNDING COMMITMENTS FROM THE
FEDERAL FARM AND RANCH LANDS PROTECTION PROGRAM BY COUNTY**
(Federal FYs 1996-2006/ MALPF FYs 1997-2010)

County	Number of Easements Acquired	Total Direct Cost of Easement Acquisition	Total FRPP Funding Commitment	FRPP Funds as a Percent of Total Easement Cost	Total Acreage Acquired	Est. Acreage Acquired with FRPP Funding
Anne Arundel	4	\$2,812,055.52	\$428,959.35	15.25%	687.619	104.8619
Baltimore	14	\$9,660,027.66	\$2,085,986.87	21.59%	1,744.9768	376.7405
Calvert	3	\$2,510,487.50	\$362,867.77	14.45%	404.0390	58.3836
Caroline	11	\$2,863,222.67	\$1,209,545.04	42.24%	1,941.8139	820.2221
Carroll	5	\$1,553,002.54	\$466,489.24	30.04%	648.2020	194.7199
Cecil	14	\$5,904,489.22	\$1,076,039.38	18.22%	1,835.4087	332.5895
Charles	3	\$1,920,067.13	\$376,519.89	19.61%	773.8865	151.7591
Dorchester	13	\$3,273,351.97	\$1,102,124.23	33.67%	1,761.9848	593.2603
Frederick	12	\$5,938,376.07	\$1,927,940.12	32.47%	1,516.8486	492.5207
Garrett	1	\$153,435.00	\$52,631.58	34.30%	102.3400	35.1026
Harford	9	\$2,345,147.14	\$767,612.61	32.73%	475.1617	155.5204
Howard	1	\$331,875.00	\$77,777.00	23.44%	23.1250	5.4205
Kent	7	\$3,465,352.47	\$1,045,612.96	30.17%	1,450.0530	437.4810
Queen Anne's	17	\$6,459,907.61	\$2,087,212.32	32.31%	2,778.1300	897.6138
St. Mary's	12	\$8,347,561.10	\$2,550,282.75	31.03%	1,122.0210	347.9387
Somerset	7	\$831,379.15	\$306,749.15	36.90%	838.5820	309.4368
Talbot	8	\$2,666,828.26	\$904,369.25	33.91%	1,306.8482	443.1522
Washington	12	\$6,473,290.09	\$1,558,823.42	24.08%	1,767.2366	425.5506
Wicomico	7	\$2,167,619.77	\$737,107.33	34.01%	704.4944	239.5985
Worcester	5	\$1,471,301.47	\$440,024.29	29.91%	1,025.7660	306.8066
TOTALS	165	\$71,148,777.34	\$19,604,674.55	27.55%	22,908.5372	6,311.3020

Many numbers in this table have changed somewhat from those reported in the last annual report because the database is complete, with more accurate and verified data. As of this annual report's date of publication, all easements with federal funding commitments have settled. Easements purchased in part with federal funds are also counted in the MALPF totals reported later in this document.

Installment Purchase Agreement Program – Maryland Agriculture and Resource Based Industry Development Corporation

An installment purchase agreement (IPA) is a payment option made available for those selling easements to MALPF in addition to a lump-sum payment of the amount of the offer at the time of settlement or an installment payments plan that divides the principal amount unpaid at settlement into equal amounts to be paid annually from two to ten years. An IPA is typically from a minimum of 10 years up to 30 years. At settlement on the easement, the unpaid principal would be deferred for payment as a balloon payment until the end of the period of the agreement. During the period of the agreement, the IPA owner would be paid tax-free interest on the principal.

The payment of the principal and the interest is funded by investing in State and Local Government Securities (SLGS) – a form of U.S. Treasury obligation restricted to use by State and local government entities. This creates a self-funded IPA, meaning an IPA is completely funded by the investment of the full amount of the offer, rather than any promise of payments from future MALPF tax revenues.

MALPF worked with the Maryland Office of the Attorney General, the State Treasurer's Office, the Maryland Agriculture and Resource Based Industry Development Corporation (MARBIDCO), financial advising consultants, and private bond counsel to develop and make available IPAs to those receiving offers to purchase easements. The IPA settlement option was first made available to those receiving offers in the FY 2008 easement acquisition round. As of the date of writing, two landowners opted for the IPA settlement option. Both have gone to settlement. The limited initial interest can be attributed to the general unfamiliarity of applicants with this option, the relatively low rates of interest current at the time, and the expectation that a new administration in Washington would increase capital gains taxes.

MALPF staff and Board members believed initially that developing the IPA as a settlement option created the potential to purchase more easements now by committing future revenues. To this end, MALPF would have to dedicate a share of future revenues to interest payments. Such leveraging would allow MALPF to purchase additional easements at current prices when the properties are still available, rather than paying higher prices later and risk losing important farming properties to development. Because of constitutional constraints on the assumption of debt by government agencies longer than 15 years, MALPF believed that MARBIDCO, as a quasi-governmental organization, was not subject to the 15-year constitutional constraint and could provide a mechanism by which leveraging could be accomplished.

To this end, the General Assembly passed Senate Bill 662 in the 2008 Legislative Session. Among other provisions, the bill diverted \$4.0 million annually from MALPF's dedicated revenue streams to secure annual interest payments on IPAs.

Since this bill went into effect, the establishment of a leveraged IPA program based on the dedication of MALPF revenues to future interest payment obligations has not been possible. The Treasurer's Office in conjunction with the Office of the Attorney General has advised MALPF and MARBIDCO that this dedication of funds to leverage IPAs beyond 15 years is still unconstitutional because (1) MARBIDCO is still considered an entity of the State of Maryland and its debts count against the State's debt ceiling, and (2) a tax revenue stream is being dedicated to service a debt obligation.

Based on this advice, MALPF and MARBIDCO asked to have the dedication of tax revenues under SB 662 undone with the passage of SB 59 in the 2010 legislative session. MALPF can still do self-funded IPAs without a dedicated funding stream by providing grants directly to MARBIDCO for individual easement purchases to make the investments necessary for the installment purchase agreement settlement option.

Certification of County Agricultural Land Preservation Programs

Certification of Local Agricultural Land Preservation Programs (the "Certification Program") was created by the Maryland General Assembly in 1990 and is jointly administered by the Maryland Agricultural Land Preservation Foundation (MALPF) and the Maryland Department of Planning. Program participation by interested counties is voluntary. Counties with an effective local agricultural land preservation program seeking certification apply to both MALPF and Maryland Department of Planning. Currently, fifteen Maryland counties are certified under this program: Anne Arundel, Baltimore, Calvert, Caroline, Carroll, Cecil, Frederick, Harford, Kent, Montgomery, Queen Anne's, St. Mary's, Talbot, Washington, and Worcester.

The Certification Program allows counties to retain greater portions of the Agricultural Transfer Tax if they are able to demonstrate that they have an effective program to preserve agriculturally viable farmland. Certified counties are allowed to keep 75% of the Agricultural Transfer Tax revenue (uncertified counties retain 33% of the revenue). The increase in a county's share of Agriculture Transfer Tax helps support its agricultural land preservation program. All retained funds must be spent or encumbered for land preservation purposes within three years or the funds revert to MALPF.

Certification allows counties to create a preservation program that best meets local goals and needs. In combination with easement purchases, counties use other preservation tools such as agricultural zoning, transfer of development rights (TDRs), right-to-farm policies, and the designation of agriculture as the best use of certain lands. Other important aspects of local programs include defined areas targeted for preservation and established acreage goals. In addition to the Maryland Agricultural Land Preservation program, certified counties have typically also preserved land through private land trusts, Maryland Environmental Trust (MET), the Rural Legacy Program, and the Federal

Farmland Protection Program, among other organizations and programs.

New Certification Regulations

MALPF and the Department of Planning submitted regulations (COMAR 34.03.03.01) to update existing regulations to bring them into compliance with both HB 2 (2006) and HB 1354 (2007) and to reflect better how the certification program has operated since it was originally created. These regulations were submitted to the *Maryland Register* late in FY 2008, and, with minor revisions, became effective on January 26, 2009. The new and revised certification provisions of HB 2 and HB 1354 took effect for certification and recertification requests starting in FY 2009.

The revised regulations state that:

34.03.03.05H

Beginning July 1, 2008, the county's local plan includes a priority preservation area element that:

- (1) Identifies and delineates a priority preservation area that:
 - (a) Is large enough to support normal agricultural and forestry activities in conjunction with the amount of development permitted by the county in the priority preservation area under its local plan;
 - (b) Contains productive agricultural or forest soils or, where productive soils are lacking, is capable of supporting profitable agricultural and forestry enterprises; and
 - (c) Is governed by local policies, ordinances, regulations, and procedures that:
 - (i) Stabilize the agricultural and forest land base so that development does not convert or compromise

- agricultural or forest resources; and
- (ii) Support the ability of working farms in the priority preservation area to engage in normal agricultural activities; and
 - (d) Has been submitted to and certified by the Department and the Foundation under Regulation .06 of this chapter;
- (2) Establishes appropriate goals for the amount and types of agricultural resource land to be preserved in the priority preservation area and the rationale used to establish the goals, including a county acreage goal to protect at least 80 percent of the remaining undeveloped land in the priority preservation area, as calculated at the time the application is submitted;
 - (3) Describes the county's strategy to support normal agricultural and forestry activities in conjunction with the amount of development permitted in the priority preservation area;
 - (4) Includes maps showing the county's priority preservation area;
 - (5) Describes the priority preservation area in the context of the county's growth management plans;
 - (6) Describes the way in which preservation goals will be accomplished in the priority preservation area, including the county's strategy to protect land from development through zoning, preserve the desired amount of land with permanent easement, and maintain a rural environment capable of supporting normal agricultural and forestry activities;
 - (7) Includes an evaluation of the ability of the county's zoning and other land use management practices to limit the impact of subdivision and development, allow time for easement purchase, and achieve the Foundation's goals before development excessively compromises the agricultural and forest resource land;
 - (8) Identifies shortcomings in the

- abilities of the county's zoning and land management practices and identifies current or future actions to correct the shortcomings;
- (9) Describes the methods the county will use to concentrate preservation funds and other supporting efforts in the priority preservation area to achieve the goals of the Foundation and the county's acreage preservation goal; and
 - (10) Incorporates by reference or inclusion the county's agricultural land preservation program evaluation and program development strategy required under §§E and F of this regulation.

34.03.03.06

.06 Priority Preservation Area Certification.

To certify a priority preservation area under Regulation .05 of this chapter, the Department and the Foundation shall determine that:

- A. The priority preservation area element of the county's local plan includes a priority preservation area element as prescribed under Regulation .05H of this chapter;
- B. The area meets the requirements of Regulation .05H(1)(a)–(c) of this chapter;
- C. The size of the area is appropriate in relation to the county's agricultural land acreage preservation goal; and
- D. The local plan, plan implementation tools, and program development strategy are likely to be successful in controlling development and providing time to achieve State and county goals through easement acquisition in the priority preservation area before the area is excessively compromised by development.

34.03.03.08

.08 Certification Period.

Certification of a county program is effective for 3 years from the date the Department notifies the county that the county application has been approved, or from the date the county notifies the Department, and the Department confirms to the county in writing, that all conditions for approval have been met. If a county has submitted the second annual report which serves as the

county's application for recertification of the county pro-gram required under Regulation .11 of this chapter, certification of the county program shall remain in effect until the Department notifies the county that the application for recertification has been approved, approved with conditions, or denied.

34.03.03.12

.12 Counties Certified Before July 1, 2008.

- A. A county certified or recertified before July 1, 2008, may apply for recertification under this chapter.
- B. The Department and the Foundation may conditionally recertify a county under this regulation if they do not meet the requirements of Regulations .05H and .06 of this chapter, if the Department and Foundation determine that the county's program development strategy is likely to result in a priority preservation area and a priority preservation area element that will meet those requirements by July 1, 2010.

Data on the Maryland Agricultural Land Preservation Program

The Maryland Agricultural Land Preservation Foundation (MALPF) completed the population and verification of its new relational database at the end of 2010.

The original Oracle database was non-relational and designed and implemented in the early days of the Program to provide a reference source for staff and a base for generating form letters. This database was not intended to be used for program evaluation, research, or the production of statistics. As a result, data fields were never standardized, never fully populated (and some fields were abandoned), and never systematically verified or updated. The data produced had limited reliability and utility. This database was discontinued on the recommendation of the Department's Information Technology Services when the new database was sufficiently populated to process new easement applications.

Prior to this Annual Report, the data on MALPF provided was not created from the database because of its limitations, but was collected incrementally from primary sources, including district petitions, easement applications, offer approvals by the MALPF Board of Trustees and the Board of Public Works, staff reports, surveys, recorded documents (such as lot releases and deeds of easement), etc. Collecting data this way was subject to errors that, once introduced, were difficult to discover, track down and correct.

Staff became increasingly aware of this problem in recent years, starting the design of the new database in 2006. This new database has taken some time to populate because the number of data fields has been substantially increased, requiring new data to be entered by hand for each property and transferred data to be verified from the original documentation. With the assistance of several University of Maryland student interns, this task is now complete.

The data fields have been updated to reflect the current status of the Program and to be responsive to the kinds of information required by MALPF staff and Board members, the Maryland Department of Agriculture, the Governor's Office, the General Assembly, and others for policy analysis and development.

Staff is now using the database to process new applications and offers and I confident that the database has been fully populated and verified against the material in the files. Information will continue to be verified, maintained, and updated using a regular and systematic monitoring schedule, including on-site inspections and remote monitoring methods.

Beginning with the 2009/10 Annual Report, MALPF has recalculated the historical data provided in past annual reports to provide a more accurate and easily verifiable historical record. This recalculated data will be published in all subsequent annual reports and posted at the web-site.

Easement Participation

FY 2009/10

The adjusted total acreage base of agricultural preservation easements purchased or pending, as of December 2, 2009, was 283,699 acres, covering 2,084 individual properties. For the FY 2009/10 easement acquisition round (combining FYs 2009 and 2010 funding), the Foundation purchased or approved for purchase a total of 79 new agricultural conservation easements, protecting an additional 8,860 acres with deeds of easement restricting the land to agricultural use.

Acreage adjustments from recorded lot exclusions, option contracts not settling, and other changes in acreage, such as from a new survey before settlement on an easement, resulted in a net decrease of 111 acres in the Program's acreage base. One pending easement at the time of the last annual report failed to go to settlement because of title problems that were not easily resolved. These adjustments are incorporated into the cumulative totals reported in the table below.

During the FY 2009/10 easement acquisition round, St. Mary's County had the largest net increase in easement acreage with 1,188 acres. Other significant net acreage increases included 1,054 acres in Queen Anne's County and 595 acres in Caroline County.

The largest distribution of easement acreage continues to be the Upper Eastern Shore (Queen Anne's, Talbot, Cecil, Kent and Caroline Counties). This area accounts for 98,703 easement acres, or almost 35% of all easement acreage statewide. The Upper Shore Region continues to surpass the Central Region of Maryland in the number of easement acres, though it has continued to decline slightly in its relative proportion of total easement acreage from FY 2007.

The Central Region (Baltimore, Carroll, Harford, Howard and Montgomery Counties) now has a total of 86,400 acres enrolled in the easement program, accounting for 30.5% of statewide easement acreage, con-

tinuing its slow relative decline from 33.5% of the total at the end of FY 2002.

The third largest area of easement properties is the Western Region (Allegany, Frederick, Garrett and Washington Counties) with a total of 38,923 acres, or 13.7% of the total easement acreage.

The Southern Region (Anne Arundel, St. Mary's, Prince George's, Charles, and Calvert Counties) continues to increase its share of total easement acreage, from 8.2% in FY 2002 to 9.9% of easement acreage from the FY 2009/10 acquisition round, with a total of 28,051 acres.

The Lower Eastern Shore (Dorchester, Wicomico, Worcester and Somerset Counties) now has a relative share of statewide easement acreage of 11%, with 31,591 acres.

The easement numbers and acreage acquired continue to track the changes in the balance between declining funding availability and the recent changes in acquisition costs, finally beginning to stabilize. MALPF acquired about the same number of easements in the FY 2009/10 round as it did in FY 2008 (79, up from 77); however, it took two year's worth of funding to acquire the same number of easements as that acquired with one year's funding from FY 2008 to FY 2009/10. In effect, the annual acquisition of new easements dropped by half.

The charts at the end of this section depicting annual changes in new easements and acreage clearly show the wide annual variations with which MALPF must cope. These variations are a direct product of uncertain funding and a rapidly changing real estate market over this period. MALPF expects the number of new easements and acreage to decline again in FY 2011. The stagnant real estate market continues to limit the real estate transfer taxes revenues that fund the Program. Of more immediate concern, dedicated MALPF funds from real estate transfer tax revenues are at risk because of pressing State budget issues.

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION
EASEMENT PARTICIPATION
(Fiscal Years 2009/10)

COUNTY	TOTAL EASEMENTS ACQUIRED OR WITH CONTRACT STATUS (as of June 30, 2008)		EASEMENTS OFFERED AND ACCEPTED (FY 2009/10)		LESS RECORDED LOT EXCLUSIONS FROM EASEMENTS, CONTRACTS NOT SETTLING, AND OTHER NET ADJUSTMENTS		TOTAL EASEMENTS ACQUIRED OR WITH CONTRACT STATUS (as of December 2, 2009)		PERCENT OF TOTAL
	Number	Acreage	Number	Acreage	Number	Acreage	Number	Acreage	
Allegany	4	677.5920	2	209.8900	0	0.0000	6	887.4820	0.31%
Anne Arundel	38	4,782.4600	0	0.0000	0	4.6435	38	4787.1035	1.69%
Baltimore	204	21,900.9472	11	557.5970	0	1.9032	215	22,460.4474	7.92%
Calvert	36	4,753.5153	0	0.0000	0	0.0000	36	4,753.5153	1.68%
Caroline	217	30,717.4845	4	597.866	0	-2.3700	221	31,315.3505	11.04%
Carroll	351	41,495.0359	6	488.7600	0	3.5150	357	41,987.3109	14.80%
Cecil	91	14,314.6752	3	329.3026	0	0.6300	94	14,644.6078	5.16%
Charles	39	6,542.2943	2	268.5000	0	-46.3650	41	6,764.4293	2.38%
Dorchester	79	12,603.5440	3	622.1100	0	35.1690	82	13,260.8230	4.67%
Frederick	120	18,518.6161	3	482.3630	0	-0.7230	123	19,000.2561	6.70%
Garrett	48	6,242.7750	2	309.4300	0	-8.9400	50	6,543.2650	2.31%
Harford	124	13,288.6165	2	196.5320	0	-14.5400	126	13,470.6088	4.75%
Howard	31	4,024.4512	0	0.0000	0	0.0000	31	4,024.4512	1.42%
Kent	88	16,465.0694	1	320.3800	0	-3.1700	89	16,782.2794	5.92%
Montgomery	26	4,302.6194	2	151.7720	0	3.2510	28	4,457.6424	1.57%
Prince George's	9	689.2217	4	506.6930	0	4.3700	13	1,200.2847	0.42%
Queen Anne's	147	24,090.8366	6	1,062.2630	0	-8.1190	153	25,144.9606	8.87%
St. Mary's	88	9,357.9707	13	1,167.4700	0	20.3350	101	10,545.7757	3.72%
Somerset	37	4,774.3450	2	126.7800	0	0.0000	39	4,901.1250	1.73%
Talbot	67	10,760.7380	1	62.0000	0	23.0780	68	10,845.8160	3.82%
Washington	70	11,906.1879	5	597.6700	0	-12.3040	75	12,491.5639	4.39%
Wicomico	50	6,413.1540	4	364.4100	-1	-111.3080	54	6,666.2560	2.35%
Worcester	41	5,325.3585	3	437.7950	0	0.0000	44	6,763.1535	2.38%
TOTALS	2,005	274,947.5087	79	8,859.5836	-1	-110.9443	2084	283,698.5180	100%

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION
REGIONAL ANALYSIS:
PERCENTAGE OF TOTAL EASEMENT ACREAGE

(Fiscal Years 2002-2009/10)

REGIONS	2002	2003	2004	2005	2006	2007	2008	2009/10
WESTERN: Allegany Frederick Garrett Washington	13.0% 28,547 acres	13.2% 30,707 acres	13.3% 31,204 acres	13.5% 32,549 acres	13.4% 33,478 acres	13.4% 35,552 acres	13.6% 37,345 acres	13.7% 38,923 acres
CENTRAL: Baltimore Carroll Harford Howard Montgomery	33.5% 72,830 acres	32.5% 75,633 acres	32.7% 76,937 acres	32.3% 78,051 acres	32.0% 80,058 acres	31.1% 82,696 acres	30.9% 85,012 acres	30.5% 86,400 acres
SOUTHERN: Anne Arundel Calvert Charles Prince George's St. Mary's	8.2% 17,851 acres	8.9% 20,729 acres	9.0% 21,093 acres	9.4% 22,624 acres	9.4% 23,627 acres	9.3% 24,813 acres	9.5% 26,125 acres	9.9% 28,051 acres
UPPER SHORE: Caroline Cecil Kent Queen Anne's Talbot	35.3% 76,719 acres	34.6% 80,529 acres	34.4% 80,810 acres	34.2% 82,782 acres	34.5% 86,529 acres	35.3% 93,876 acres	35.0% 96,349 acres	34.9% 98,703 acres
LOWER SHORE: Dorchester Somerset Wicomico Worcester	10.0% 21,513 acres	10.8% 25,170 acres	10.7% 25,170 acres	10.7% 25,896 acres	10.7% 26,839 acres	10.8% 28,753 acres	11.0% 30,116 acres	11.0% 31,591 acres
TOTAL ACREAGE	217,460 acres	232,767 acres	235,215 acres	241,902 acres	250,530 acres	265,691 acres	274,948 acres	283,699 acres

Easement Acquisition Program

FY 2009/10

In an effort to capture the true 'acquisition' data, unlike with the previous Annual Reports, this section will provide information for easements that went to settlement between July 1, 2008 and June 30, 2010 (FY 2009 and 2010). There will be some overlap of data from the previous Annual Report as many of the offers made during the Foundation's FY 2008 easement acquisition cycle did not settle until FY 2009.

At the end of the FY 2009/10 easement acquisition round, the Foundation had protected or had a pending offer on a cumulative total of 283,699 acres. The average size of farms that settled during FY 2009/10 was approximately 124 acres.

Average Size of Newly Protected Farms
(FYs 2002-2009/10)

Fiscal Year	New Easements	New Easement Acreage	Average Farm Size
2002	156	19,191.7875	123.0243
2003	122	15,316.4889	125.5450
2004	19	2,453.1014	129.1106
2005	64	7,939.1190	124.0487
2006	66	8,781.0910	133.0468
2007	116	15,286.6390	131.7814
2008/9/10*	137	17,004.8163	124.1227
2002-10	699	87,512.5021	125.5598

* These numbers reflect offers made in FY 2008 and 2009/10 cycles that settled from July 1, 2008 to June 30, 2010.

The average per acre acquisition cost peaked in FY 2008 and has declined marginally to its FY 2007 level; average easement values have also declined. For properties that settled during the FY 2009/10

period, the per acre acquisition costs rose to \$6,820, up from \$6,758 in FY 2008. Per acre acquisition costs remain historically high, with current per acre costs three times greater than FY 2002 costs.

Relatively high offers as a percentage of fair market value still seem to be specific to certain counties as a function of conditions in and/or characteristics of those individual counties. This is an empirical question; further study can show whether or not there is empirical support to relate any specific county characteristic to discounting behavior by its applicants.

Agricultural values have remained substantially the same over recent years, though they have been a diminishing proportion of the value of the property. This trend was not expected to continue this year. MALPF staff expected that the agricultural use value of farm-land would likely increase in both actual value and as a percentage of the development value of the land (easement value).

Agricultural values did not increase in FY 2009/10. Agricultural use values were increasingly connected to energy markets that have stagnated, despite recent historic high prices. Further, the development value of farmland has also been stagnant along with the real estate market more generally. Thus, actual and relative agricultural values have continued to decline marginally from FY 2007 to FY 2009/10.

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION
EASEMENT ACQUISITION PROGRAM
 (Fiscal Year 2009/10*)

COUNTY	NUMBER OF EASEMENTS	TOTAL NUMBER OF ACRES	AVERAGE FARM SIZE IN ACRES	AVERAGE ASKING PRICE PER ACRE	AVERAGE FAIR MARKET VALUE PER ACRE	AVERAGE AGRICULTURAL USE VALUE PER ACRE	AVERAGE EASEMENT VALUE PER ACRE	ACQUISITION COST		DISCOUNT
								PER ACRE	TOTAL	
Allegany	1	177,000	177	\$6000.00	\$4,201.82	\$478.26	\$3,723.57	\$3,689.91	\$653,113.85	\$5,957.82
Anne Arundel	1	191,3700	191	\$19,000.00	\$20,002.56	\$552.92	\$19,449.64	\$13,853.13	\$2,651,073.91	\$1,071,004.12
Baltimore	13	1,130,2788	87	\$7,496.15	\$16,769.83	\$651.99	\$16,117.85	\$7,312.53	\$8,761,527.56	\$7,930,735.10
Calvert	0	0.0000	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Caroline	10	1,352,0880	135	\$5,012.50	\$6,161.31	\$1,036.28	\$5,030.93	\$3,260.23	\$4,559,724.09	\$1,859,926.58
Carroll	18	1,549,3660	86	\$6,535.00	\$10,057.07	\$630.65	\$9,426.42	\$6,361.50	\$10,075,272.11	\$4,572,040.16
Cecil	5	484,7230	97	\$10,420.00	\$12,150.39	\$882.96	\$11,267.43	\$8,428.31	\$4,668,367.04	\$1,069,036.48
Charles	5	814,3455	163	\$16,680.00	\$11,604.33	\$577.95	\$11,026.39	\$9,062.68	\$7,364,202.25	\$1,729,080.53
Dorchester	2	661,7090	331	\$4,250.00	\$8,308.15	\$892.43	\$7,415.71	\$3,578.56	\$2,344,048.25	\$2,740,308.43
Frederick	8	1,218,6064	152	\$7,106.25	\$9,825.49	\$892.76	\$8,932.74	\$6,796.07	\$8,044,006.53	\$2,331,483.49
Garrett	3	408,8600	136	\$4,713.33	\$3,536.70	\$603.85	\$2,932.84	\$2,810.47	\$1,181,883.31	\$53,102.04
Harford	7	714,272	102	\$14,856.29	\$13,928.57	\$785.37	\$13,143.20	\$12,418.16	\$9,087,822.65	\$378,282.70
Howard	0	0.0000	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Kent	4	1,021,1440	255	\$3,125.00	\$7,719.11	\$972.54	\$6,746.58	\$2,898.12	\$3,046,853.91	\$3,808,132.46
Montgomery	4	465,6710	116	\$10,037.50	\$14,500.51	\$659.72	\$13,840.79	\$8,994.35	\$4,165,642.88	\$1,766,057.59
Prince George's	8	601,3510	75	\$20,000	\$10,688.12	\$609.73	\$10,078.39	\$9,783.58	\$5,901,989.71	\$136,868.07
Queen Anne's	8	1,585,6820	198	\$6,040.50	\$8,829.59	\$846.67	\$7,982.93	\$5,213.98	\$9,465,578.41	\$3,441,375.18
St. Mary's	15	1,545,0940	103	\$12,800.00	\$10,622.92	\$558.35	\$10,023.55	\$8,656.63	\$12,874,482.51	\$2,118,161.17
Somerset	3	163,1820	54	\$7,583.33	\$6,984.98	\$973.33	\$6,011.65	\$5,888.20	\$922,246.58	\$23,808.76
Talbot	7	951,4642	136	\$8,214.29	\$15,197.34	\$837.55	\$14,225.17	\$6,662.08	\$6,892,069.52	\$6,274,452.86
Washington	7	712,6930	102	\$10,714.29	\$7,135.53	\$859.00	\$6,266.53	\$6,008.86	\$4,319,926.33	\$193,016.58
Wicomico	4	499,4024	125	\$4,675	\$8,236.83	\$445.59	\$7,791.24	\$4,360.73	\$2,140,205.00	\$1,758,636.46
Worcester	4	756,5140	189	\$2,725.00	\$3,303.03	\$411.48	\$2,891.54	\$2,301.15	\$2,073,930.57	\$366,523.18
TOTALS	137	17,004,8163	124	\$9,102.28	\$10,472.74	\$727.09	\$9,727.41	\$6,820.90	\$111,193,967.97	\$43,627,989.76

*This chart reflects easements that went to settlement between July 1, 2008 and June 30, 2010. All numbers are derived from the MALPF database.

Easement Acquisition – Historical Perspective

Two tables are provided for historical perspective on the MALPF easement acquisition program. The first, entitled "Historical Acquisition Program (Historical Perspective)," is a table that has been produced for past MALPF annual reports. It shows the history of easement acquisition values by year, summarizing the values to 1993 and then providing annual cumulative and per acre average asking price, fair market, agricultural, easement, and acquisition values starting in 1994. These figures do not include acreage adjustments such as lot releases and lot line adjustments, or acquisition cost adjustments such as lot paybacks.

An "Asking Price" is required by statute of all Program applicants. This Asking Price is the price the applicant would be willing to sell the property's easement to MALPF. Some counties rank their applicants in part based on the ratio between the Asking Price and the Easement Value representing the applicant's willingness to discount the sale of the easement to MALPF. Relative discounting may improve the probability of getting an offer in Round One in such counties. Round Two offers are based only on statewide ranking of discount ratios.

The Maryland Department of General Services (DGS) establishes Fair Market Values by contracting for two independent fee appraisals per property. These appraisals are reviewed to verify that the appraisals meet contracted standards, and DGS review appraisers recommend the preferred value to MALPF.

The Agricultural Value is the property's agricultural production value determined by a formula required by statute that calculates land rent based on soil productivity or the five-year average cash rent in the county, whichever is lower.

The Easement Value is derived from a property's Fair Market Value less the Agricultural Value. The maximum price paid for an easement is either the Asking Price or the Easement Value, whichever is less.

The Acquisition Cost is the actual amount paid to the landowner for the easement. This Cost does not include administrative or other costs, such as title review or settlement expenses.

Over the history of the Program, a total of 2,093 applicants have accepted easement offers out of the 2,771 offers made by the Foundation, a 76% acceptance rate. The acreage preserved for agriculture totals over 286,000 acres. The average size of preserved farm properties is 137 acres. (These acceptance and acreage numbers are not adjusted for accepted offers that failed to settle after the end of the easement acquisition cycle or lot releases or other acreage changes.)

The historic average asking price of landowners is \$2,598 per acre. The historic average easement value is \$3,016 per acre. The average historic acquisition cost is \$2,117 per acre. All of these averages are trending upward over time, with a steep increase in all but agricultural values since FY 2003, leveling off from FY 2007 to FY 2008 and dropping back slightly in FY 2009/10.

MALPF no longer uses discounting as the sole or the primary basis for ranking properties. Round One offers are made primarily based on the quality of the applicant properties, including the relative amount of prime soils and the strategic location of the properties. Some counties incorporate discounting as one element of county-specific ranking or place a cap on the per acre cost to purchase easements as a condition for county approval. Statewide Round Two offers continue to be based only on discount ratios.

The discount value shown in this table represents the total dollars saved by competitive bidding and the additional easement acres that the Foundation acquired each year with that savings. The total discount value divided by the average acquisition cost equals the additional acreage that the Foundation was able to protect under easement.

Because of competitive bidding and the resulting discounted values, the Foundation purchased easements with a cumulative savings of \$258,871,369. The Foundation purchased an estimated 109,444 acres more than it could have had it paid the maximum value for easements allowed under law. The competitive bidding mechanism continues to play an important role for the Foundation in making easement offers.

The table entitled "Acreage Preserved and Acquisition Funding: FYs 1980-2009/10," provides annual historical data from the beginning of the Program: the annual net

new acreage, the cumulative acreage preserved, the annual new funding for easement acquisitions, and the cumulative funding for acquisitions.

MALPF has preserved 283,699 acres (adjusted for lot releases and other acreage changes) using \$605,691,495 in public funds. Based on the current average per acre acquisition cost, this investment is estimated to be worth approximately \$1,035,110,879 as of June 30, 2009.

**MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION
EASEMENT ACQUISITION PROGRAM**
(Historical Perspective)

FISCAL YEAR	ACCEPTED OFFERS ACCEPTANCE RATE	TOTAL ACRES	AVERAGE FARM SIZE (acres)	ACCEPTED ASKING PRICE AVERAGE PER ACRE TOTAL AMOUNT	VALUES			ACQUISITION COST AVERAGE PER ACRE TOTAL AMOUNT	DISCOUNT VALUE ADDITIONAL ACRES TOTAL AMOUNT
					FAIR MARKET (appraised) AVERAGE PER ACRE TOTAL AMOUNT	AGRICULTURAL (formula) AVERAGE PER ACRE TOTAL AMOUNT	EASEMENT (appraisal & formula) AVERAGE PER ACRE TOTAL AMOUNT		
1977 to 1993	736 of 1,184 62%	106,976.5016	144	\$1,213 p/acre \$129,783,289	\$2,460 p/acre \$263,212,656	\$1,312 p/acre \$140,443,572	\$1,016 p/acre \$109,256,873	17,253 acres \$17,529,460	
1994 Cycle One & Two	49 of 54 91%	6,805.0084	138	\$1,918 p/acre \$13,052,329	\$3,639 p/acre \$24,760,750	\$718 p/acre \$4,884,325	\$1,617 p/acre \$11,000,311	5,489 acres \$8,876,113	
1995 Cycle One & Two	49 of 66 74%	7,868.7585	160	\$1,633 p/acre \$12,852,272	\$3,040 p/acre \$23,923,175	\$792 p/acre \$6,231,521	\$1,384 p/acre \$11,120,874	4,672 acres \$6,465,781	
1996	50 of 59 85%	6,575.4135	132	\$1,697 p/acre \$11,156,156	\$2,977 p/acre \$19,577,300	\$773 p/acre \$5,081,222	\$1,537 p/acre \$10,109,481	2,854 acres \$4,386,597	
1997	84 of 88 95%	11,808.4475	141	\$1,470 p/acre \$17,360,614	\$2,848 p/acre \$33,625,725	\$655 p/acre \$7,734,524	\$1,382 p/acre \$16,324,722	6,923 acres \$9,567,179	
1998	84 of 90 93%	12,469.7617	148	\$1,688 p/acre \$21,047,013	\$3,027 p/acre \$37,741,650	\$666 p/acre \$8,305,238	\$1,634 p/acre \$20,378,116	5,571 acres \$9,103,296	
1999	104 of 118 88%	14,274.4518	137	\$1,650 p/acre \$23,556,074	\$3,012 p/acre \$42,990,425	\$667 p/acre \$9,516,930	\$1,619 p/acre \$23,109,183	6,402 acres \$10,364,312	
2000	147 of 169 87%	19,367.1352	132	\$1,818 p/acre \$35,212,521	\$3,125 p/acre \$60,614,079	\$724 p/acre \$14,021,015	\$1,683 p/acre \$32,609,436	8,309 acres \$13,983,628	
2001	95 of 110 86%	12,986.5969	137	\$2,223 p/acre \$28,863,085	\$3,201 p/acre \$41,569,093	\$690 p/acre \$8,966,279	\$1,944 p/acre \$25,246,645	3,784 acres \$7,356,212	
2002	156 of 185 84%	19,191.7875	123	\$2,676 p/acre \$51,356,192	\$3,468 p/acre \$66,553,930	\$751 p/acre \$14,419,991	\$1,958 p/acre \$37,582,057	7,432 acres \$14,551,881	
2003	122 of 141 87%	15,316.4889	126	\$2,400 p/acre \$36,559,074	\$3,756 p/acre \$57,353,421	\$686 p/acre \$10,337,528	\$2,199 p/acre \$33,687,626	6,061 acres \$13,328,266	
2004	19 of 19 100%	2,453.1014	129	\$3,779 p/acre \$9,270,783	\$4,914 p/acre \$12,054,600	\$657 p/acre \$1,611,462	\$2,982 p/acre \$7,315,417	1,049 acres \$3,127,721	
2005	64 of 103 62%	7,939.1190	124	\$3,189 p/acre \$25,321,454	\$5,293 p/acre \$42,022,800	\$759 p/acre \$6,026,268	\$2,802 p/acre \$22,246,850	4,907 acres \$13,749,682	
2006	66 of 84 79%	8,781.0910	133	\$5,475 p/acre \$48,072,673	\$8,474 p/acre \$73,971,904	\$790 p/acre \$6,936,655	\$2,178 p/acre \$39,443,428	12,668 acres \$27,591,821	
2007	116 of 130 89%	15,286.6390	132	\$8,010 p/acre \$122,450,953	\$10,341 p/acre \$158,079,982	\$845 p/acre \$12,911,075	\$5,952 p/acre \$90,980,431	9,104 acres \$54,188,476	
2008	77 of 87 89%	9,684.6917	126	\$8,620 p/acre \$83,478,280	\$10,336 p/acre \$100,105,436	\$808 p/acre \$7,827,423	\$6,792 p/acre \$65,773,730	3,902 acres \$26,504,282	
2009/10	75 of 84 89%	8,332.4396	111	\$8,860 p/acre \$73,821,832	\$8,676 p/acre \$72,288,580	\$757 p/acre \$6,311,573	\$5,941 p/acre \$49,506,273	3,063 acres \$18,196,662	
TOTALS	2,093 of 2,771 76% (unadjusted)	286,117.4332 (unadjusted acreage)	137	\$2,598 p/acre \$743,214,594 (unweighted average)	\$3,951 p/acre \$1,130,445,506 (unweighted average)	\$949 p/acre \$271,566,601 (unweighted average)	\$2,117 p/acre \$605,691,453 (unweighted average)	109,444 acres \$258,871,369 (unweighted average)	

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION
ACREAGE PRESERVED AND ACQUISITION FUNDING: FYs 1980-2009/10

Fiscal Year	Annual Historical Data	Annual Net New MALPF Acreage	Cumulative Acreage Preserved by MALPF	Annual New Funding for Easement Acquisitions	Cumulative Funding for Easement Acquisitions
1980		0	0	\$2,138,910	\$2,138,910
1981		7,821	7,821	\$4,697,073	\$6,835,983
1982		7,035	14,856	\$5,629,526	\$12,465,509
1983		8,540	23,396	\$6,736,910	\$19,202,419
1984		5,499	28,895	\$4,931,295	\$24,133,714
1985		8,346	37,241	\$6,991,637	\$31,125,351
1986		10,900	48,141	\$8,640,733	\$39,766,084
1987		10,901	59,042	\$8,478,243	\$48,244,327
1988		10,379	69,421	\$8,198,193	\$56,442,520
1989		9,303	78,724	\$11,399,272	\$67,841,792
1990		19,729	98,453	\$29,942,321	\$97,784,113
1991		-19	98,434	0	\$97,784,113
1992		-29	98,405	0	\$97,784,113
1993		8,341	106,746	\$11,472,760	\$109,256,873
1994		6,783	113,529	\$11,000,311	\$120,257,184
1995		7,851	121,380	\$11,120,874	\$131,378,058
1996		6,552	127,932	\$10,109,481	\$141,487,539
1997		11,797	139,729	\$16,324,722	\$157,812,261
1998		12,460	152,189	\$20,378,116	\$178,190,377
1999		14,241	166,430	\$23,109,183	\$201,299,560
2000		18,781	185,211	\$32,609,436	\$233,908,996
2001		12,966	198,177	\$25,246,645	\$259,155,641
2002		19,283	217,460	\$37,582,057	\$296,737,698
2003		15,307	232,767	\$33,687,626	\$330,425,324
2004		2,448	235,215	\$7,315,417	\$337,740,741
2005		6,687	241,902	\$22,246,850	\$359,987,591
2006		8,628	250,530	\$39,443,428	\$399,431,019
2007		15,162	265,690	\$90,980,431	\$490,411,450
2008		9,258	274,948	\$65,773,730	\$556,185,180
2009/10		8,749	283,699	\$49,506,315	\$605,691,495
TOTALS		283,699		\$605,691,495	

The acreage numbers are net numbers (in other words, corrections from new surveys, lot releases, the exercise of the right of eminent domain, etc., have been incorporated into each year's totals). The data are by fiscal year and represent offers made with that fiscal year's appropriations. Data published here may not be consistent with the numbers re-reported in current or past annual reports or elsewhere because the adjustments are done differently and at different times.

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County Program Administrators

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION

<p>(01) ALLEGANY Dave Dorsey Allegheny County Government 701 Kelly Road, Suite 220 Cumberland, MD 21502 (301) 777-2199</p>	<p>(09) DORCHESTER Rodney Banks Planning & Zoning Post Office Box 107 Cambridge, MD 21613 (410) 228-3234</p>	<p>(17) QUEEN ANNE'S Donna Landis-Smith Dept. of Econ. Dev. & Ag. 160 Coursevall Drive Centreville, MD 21617 (410) 758-1255</p>
<p>(02) ANNE ARUNDEL Barbara Polito Dept. of Recreation & Parks 1 Harry S. Truman Pkwy, MS3225 Annapolis, MD 21401 (410) 222-7317 x-3553</p>	<p>(10) FREDERICK Anne Bradley Planning & Zoning Winchester Hall Frederick, MD 21701 (301) 600-1474</p>	<p>(18) ST. MARY'S Donna Sasscer Dept. of Econ. & Com. Dev. Post Office Box 653 Leonardtown, MD 20650-0653 (301) 475-4200 x-1405</p>
<p>(03) BALTIMORE Wally Lippincott, Jr. Dept. of Enviro. Protection 105 West Chesapeake Ave, Suite #400 Towson, MD 21204 (410) 887-3854</p>	<p>(11) GARRETT John Nelson, Planning Director Garrett County Planning Office 203 South 4th Street Oakland, MD 21550 (301) 334-1920</p>	<p>(19) SOMERSET Tom Lawton Planning & Zoning Somerset County Office Complex 11916 Somerset Avenue Princess Anne, MD 21853 (410) 651-1424</p>
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