



Larry Hogan, Governor
Boyd Rutherford, Lt. Governor
Mark Belton, Secretary
Joanne Throwe, Deputy Secretary

October 31, 2018

The Honorable Larry Hogan
Governor
State House
Annapolis, Maryland 21401-1991

The Honorable Thomas V. Miller, Jr.
President, The Senate of Maryland
State House, H-107
Annapolis, Maryland 21401-1991

The Honorable Michael E. Busch
Speaker, Maryland House of Delegates
State House, H-101
Annapolis, Maryland 21401-1991

Re: Submission of Report from the Rural Legacy Program

Agency: Maryland Department of Natural Resources

Report Authority: § 5-9A-07(g) of the Natural Resource Article (MSAR #255)

Dear Governor, President Miller and Speaker Busch:

Enclosed is the Department of Natural Resources, Land Acquisition and Planning, Rural Legacy Program Fiscal Year 2018 Annual Report as required by § 5-9A-07(g) of the Natural Resource Article. Maryland's Rural Legacy Program was established in 1997 by the General Assembly to protect the State's 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.

Should you have any questions or comments regarding this report, please feel free to contact Director, Legislative and Constituent Services (Acting), Stephen Schatz, directly at 410-260-8004, or by email at stephen.schatz@maryland.gov.

Sincerely,

Mark Belton
Secretary

cc: Sarah Albert, Department of Legislative Services Library
Ryane Necessary, Legislative Policy Committee

THE
RURAL
LEGACY
PROGRAM



Annual Report Fiscal Year
2018

(July 1, 2017 thru June 30, 2018)



RURAL LEGACY PROGRAM– FISCAL YEAR 2018 ANNUAL REPORT

Legislative Requirement for the Annual Report

Twenty reports have been submitted annually on the progress of the Rural Legacy Program pursuant to Section 5-9A-07(g) of the Natural Resource Article.¹ This report covers the time period from July 1, 2017, through June 30, 2018 (FY18) and includes the 20th cycle of grant applications submitted for FY19. The Rural Legacy Board (RLB) is required to report annually to the Governor and the General Assembly on: (1) the financial status of the Program for the preceding fiscal year, including the amount of grants encumbered and disbursed; (2) the number of applications received; (3) the number and location of Rural Legacy Areas designated, and (4) the Program's progress in contributing to land preservation efforts. This report is intended to satisfy these requirements based upon the Rural Legacy Program statistics for FY18 and the grants applied for that fiscal year.

Background

Maryland's Rural Legacy Program was established in 1997 by the General Assembly to protect the state's 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 conservation easements and property in fee simple in designated Rural Legacy Areas. The program is focused on a community-up approach to land preservation, stressing partnerships among federal, state, and local governments and nonprofit land trusts. Counties are encouraged to initiate other land conservation measures to build upon the land preservation accomplishments achieved through Rural Legacy Program funds.

Rural Legacy Program Criteria

The Rural Legacy Program is a strategic land conservation program based on private, local, state and federal government partnerships. The statutory criteria, which is the basis for designation of Rural Legacy Areas and funding awards, includes analysis of a wide range of natural and cultural resources, availability of a variety of tools to accomplish conservation, strength of public and private partnerships and support of land use mechanisms.

Rural Legacy Program staff and sponsors continue to ensure adherence to the Rural Legacy statute. The program has encouraged local land conservation initiatives by promoting partnerships between state and local governments with nonprofit land trust organizations.

Rural Legacy Areas represent a targeted strategy of land conservation through local and state partnerships. Creation of Rural Legacy Areas involves a combined effort by county governments, land trusts, and landowners to protect what is collectively regarded as the best of Maryland's concentrated natural, cultural and agricultural resources. Communities and local governments desiring to protect working farms and forests, support the local resource-based economy, and conserve natural resources and open space are able to do so through Rural Legacy Program grants.

Strategic Conservation

Conservation under the Rural Legacy Program meets the standards set for land conservation policy including:

¹ The 1998-99 Fiscal years were combined into one Grant Cycle and one Annual Report.

- A focus on the most strategic lands to protect the Chesapeake Bay and its tributaries as well as the most significant natural and agricultural resources.

The law states that the program “is established to enhance natural resource, agricultural, forestry and environmental protection...while maintaining the viability of resource-based land usage and proper management of tillable and wooded areas through accepted agricultural and silvicultural practices for farm production and timber harvests.” The emphasis on resource protection in the program’s statutory criteria combined with the program sponsors’ grassroots knowledge of regionally significant areas throughout the state ensures that Rural Legacy Areas and acquisitions represent strategic conservation of resources. Easement requirements include Soil Conservation and Water Quality Plans, Forest Management Plans, and riparian buffers which ensure water quality benefits and protect the Chesapeake Bay and its tributaries.

- Application of the best scientific information and technology to identify resource lands that are important, the potential threats to these lands, and the areas in which preservation goals can be maximized.

Proposed Rural Legacy Areas and specific properties proposed for conservation under Rural Legacy Program grants are analyzed under the Green Infrastructure Assessment. Pertinent statistical data are also obtained through state agency land conservation databases in order to target areas for preservation where the maximum return on investment will be achieved.

- Establish a process for collaboration and coordination among state and local land conservation programs to identify geographic and natural resource areas.

Proposed applications for designation and funding are reviewed by all of the state agencies involved in land conservation including the Department of Natural Resources, the Department of Agriculture and the Department of Planning. The Rural Legacy Advisory Committee, an eleven-member multidisciplinary committee appointed by the Governor, and the Rural Legacy Board (Secretaries of Natural Resources, Agriculture and Planning) represent a coordinated and collaborative approach to review and propose Rural Legacy Areas for designation and grant recommendations.

- Establish an EVS (Easement Valuation System), which is a points-based method to determine the value of a perpetual conservation easement.

In 1999, the Department of Natural Resources, in conjunction with the Department of Planning, developed the Rural Legacy Model EVS. In turn, each of the Rural Legacy sponsors used this to develop their own EVS. The authority to do so rests in the Rural Legacy Statute and Regulations. *See Natural Resources Article Sec. 5-9A-05 (stating that the Rural Legacy Board shall establish a method for appraisal of real property interests and evaluate each Area’s methodology for prioritizing and valuing or appraising easements); COMAR 08.05.01.07 (stating “Appraisal of Easement Values... the Rural Legacy Board may develop a model easement valuation methodology...a sponsor may develop its own easement valuation methodology”).* All sponsor EVSs must be approved by Rural Legacy Natural Resources, Planning and Agriculture staff (as designees of the Rural Legacy Board).

Rural Legacy Program Advisory Committee and Board

The FY18 Rural Legacy Advisory Committee members and their area of representation on the committee consisted of:

Maureen Heimbuch, Business (Chair)
David Foltz, Private Land Owner
James W. Constable, Maryland Environmental Trust
Michael Calkins, Maryland Agricultural Land Preservation Foundation
Frank Dudek, Forest Industry
Elizabeth Zucker, Environmental Organization
Joshua A. Hastings, Land Conservation
Kyle Murray, Mineral Resource Industry
Honorable Daniel Colmer, Municipal Corporation
Jeff Degitz, County Parks and Recreation
Vacant, Agriculture Industry

The FY18 Rural Legacy Board members included:

Secretary Mark Belton, Maryland Department of Natural Resources (Chair)
Secretary Wendi Peters, Maryland Department of Planning
Secretary Joseph Bartenfelder, Maryland Department of Agriculture

Program Progress and Accomplishments in FY18

The Rural Legacy Program supports the goals of strategic conservation through focused land preservation in designated Rural Legacy Areas where it will make the greatest difference in enhancing the state's green infrastructure in order to improve the health of the Chesapeake Bay and protect the state's agricultural and natural resources. Rural Legacy Program conservation easements require the appropriate best management practices and management plans as well as establishing and maintaining riparian buffers on the Chesapeake Bay and its tributaries. In order to derive even greater benefits to Maryland's waterways, program sponsors are encouraged, whenever possible, to negotiate a minimum of 100 foot riparian buffers into easement terms.

In FY18, 4,849.75 acres were preserved by the Rural Legacy Program in Rural Legacy Areas throughout the state. From inception of the program to the end of FY18 (June 30, 2018), the Rural Legacy Program had preserved 95,235 acres of Maryland's most scenic landscapes and critical natural resources that support the state's resource-based industries.

Stewardship of Rural Legacy easements is a priority of the program. In order to protect the state's fiscal investment, Rural Legacy sponsors are required to monitor program properties to ensure compliance with the terms and conditions of conservation easements. Site visits must be performed at a minimum of once every three years. Monitoring reports are submitted to the program and any violations are documented and corrective actions are taken. In FY18, 100 percent of the program easements in the cycle due for monitoring were monitored to ensure that conservation practices are being followed and maintained on Rural Legacy Program conservation easements.

The Financial Status of the Program

Since the program's inception in FY98 through FY18, the Rural Legacy Program has received a total of \$322.493 million in funding, including \$22.914 million authorized in the FY18 budget.

These funds have been awarded by the Rural Legacy Board and approved by the Board of Public Works as grants to Rural Legacy Program sponsors.

FY18 Grant Applications Received

Applications are submitted on a yearly basis by Rural Legacy Program sponsors. Applications include requests for grant funding, area boundary expansions and proposed new area designations. In February 2018, 24 applications requesting over \$87 million were submitted for FY18 grants.

FY18 Grant Applications Reviewed

The Rural Legacy Advisory Committee's recommendations for funding distribution were based on review of the applications and through the use of an objective scoring approach in which a scoring matrix ranked various criteria based on Department of Natural Resources, Department of Planning and Department of Agriculture information. The criteria included: Natural and Working Resources, Planning and Land Use, Leveraging, Ability to Administer, and other factors such as Stewardship, need for funding, and unique circumstances that would enhance or hinder an area's ability to spend grant funding. In addition, bonus points were given under the categories of enlarged stream buffers, public access and social benefits. The Rural Legacy Advisory Committee gave additional consideration given to areas with projects "ready to go" and the need for immediate funding to make those projects happen.

FY18 Recommendations and Approval

Based on the review of the grant applications submitted, and informed by the objective scoring approach, the committee made recommendations to the Rural Legacy Board to approve the two area expansions requested grant awards totaling \$23,313,725. The grant award amount represents the total FY18 Rural Legacy Program budget allocation of \$22,913,725, plus \$400,000 of funds reallocated.² The Rural Legacy Board, chaired by Secretary Belton, accepted these recommendations and the Board of Public Works approved the two area expansions and FY18 grant awards as outlined below Oct. 4, 2017 as Agenda Item 13A on the Department of Natural Resources Real Property Agenda.

1. Agricultural Security Corridor Rural Legacy Area: *Caroline, Cecil, Dorchester, Kent and Talbot counties*

Grant of \$719,000 to acquire conservation easements and fee simple interests to protect a range of resources that includes forests, farmland, wetlands, historic sites, and endangered species habitat in the Agricultural Security Corridor in five counties on the Eastern Shore. Conservation of property in this area will support the local resource-based economy, including agricultural production of grains and hay and dairy, beef and poultry operations. The Board approved the designation of the Agricultural Security Corridor Rural Legacy Area in 1998.

2. Anne Arundel South Rural Legacy Area: *Anne Arundel County*

Grant of \$1,456,000 to acquire conservation easements to protect agricultural, woodland, natural and cultural resource values and tributaries to the Chesapeake Bay and Patuxent River. The Board approved the designation of the Anne Arundel South Rural Legacy Area in 2000.

² Mid-Maryland Montgomery Rural Legacy Area was awarded \$400,000 in FY14. The Sponsor (the County) ultimately had not been able to use these funds. The Rural Legacy Advisory Committee therefore voted to reallocate those funds, bringing the total funds to available to award to \$23,313,725.

3. Bear Creek Rural Legacy Area: *Garrett County*

Grant of \$1,380,000 to acquire conservation easements to protect the county's most productive working farms, standing timber, scenic views from the cove overlook, natural habitats, wetlands, and waterways in the Bear Creek drainage basin. Conservation within the area will provide water quality benefits to the Youghiogheny River, the state's only designated Wild and Scenic River. The Board approved designation of the Bear Creek Rural Legacy Area in 2002.

4. Deer Creek Rural Legacy Area (Formerly Lower Deer Creek): *Harford County*

Grant of \$1,080,000 to acquire conservation easements and fee simple interests within the watershed of Deer Creek, a state-designated Scenic River, and adjacent to Rocks-Susquehanna State Park to protect historic farmland, forests, natural and cultural areas. This area is located within the Lower Susquehanna Heritage Greenway, a certified Maryland Heritage Area. The Board approved the designation of the Lower Deer Creek Rural Legacy Area in 1999.

5. Dividing Creek Rural Legacy Area: *Somerset and Worcester counties*

Grant of \$1,560,000 to acquire conservation easements to protect significant woodland, farmland and wetlands. The area includes one of the most pristine and ecologically significant watershed basins on the mid-Atlantic. It includes exemplary plant and wildlife habitat, prime farmland and large blocks of working forests and over 10 miles of shoreline of Dividing Creek. The Board approved the designation of the Dividing Creek Rural Legacy Area in 2008.

6. Fair Hill Rural Legacy Area: *Cecil County*

Grant of \$1,803,000 to acquire conservation easements to protect farmland, forests, natural areas and historic sites in the northeast corner of Cecil County contiguous to Fair Hill Natural Resources Management Area. Conservation of property in this area will support the local resource-based economy, including equestrian activities. The Board approved the designation of the Fair Hill Rural Legacy Area in 1999.)

7. Foreman Branch/Lands End Rural Legacy Areas: *Queen Anne's County*

Grant of \$2,759,073 to acquire conservation easements to protect environmentally significant tributaries of the Chester and Corsica rivers, including farmland, forest land, wetlands and wildlife habitat. The Board approved the designation of the Foreman Branch and Lands End Rural Legacy Areas in 1998.

8. Huntersville Rural Legacy Area: *St. Mary's County*

Grant of \$1,474,971 to acquire conservation easements to protect forests, natural and archeological areas, farmland and historic sites. Portions of the area are designated by the Smithsonian Center for Natural Areas as critical wildlife habitat in need of protection. The Board approved the designation of the Huntersville Rural Legacy Area in 1998.

9. Little Pipe Creek Rural Legacy Area/Upper Patapsco: *Carroll County*

Grant of \$993,000 to acquire conservation easements and fee simple interests to protect farmland, woodland, natural and cultural land within the Little Pipe Creek and upper Monocacy River watersheds. Conservation within the area will provide water quality benefits not only for the two watersheds, but also for the underground aquifers that supply many residents with

drinking water. The Board approved the designation of the Little Pipe Creek Rural Legacy Area in 1998 and Upper Patapsco Rural Legacy Area in 2004.

10. Manor Rural Legacy Area: *Baltimore and Harford counties*

Grant of \$1,949,000 to acquire easements and fee simple interests to protect farmland, woodlands and significant natural and cultural resources in My Lady's Manor National Historic District and along the Little Gunpowder Falls, a Class 3 Trout Stream. The Board approved the designation of the Manor Rural Legacy Area in 2000.

11. Mattapany Rural Legacy Area: *St. Mary's County*

Grant of \$771,543 to match Navy Readiness and Environmental Protection Integration program funds to acquire conservation easements and fee simple interests to protect the area's rich farmland, forests, wetlands, historic sites and wildlife habitat. Conservation within the area will provide water quality benefits to the Chesapeake Bay and the St. Mary's River Watershed. The Board approved the designation of the Mattapany Rural Legacy Area in 2006.

Expansion of 6,899 acres. The expansion includes lands close to the Navy's main Patuxent Air Station complex and the associated Webster Field complex, and would allow the Rural Legacy Program to leverage funding with the Navy's Readiness and Environmental Protection Integration Program.

12. Mid-Maryland Frederick-Carrollton Manor Rural Legacy Area: *Frederick County*

Grant of \$2,000,000 to acquire conservation easements to protect farmland, forestland, Civil War historic sites and a greenbelt around the historic Town of Burkittsville. Conservation of property in the area will protect the view surrounding the Appalachian Trail and South Mountain Battlefield State Park, which are nationally significant natural and cultural resources. The Board approved the designation of the Mid-Maryland Frederick Rural Legacy Area in 1998 and the Carrollton Manor Rural Legacy Area in 2004.

13. Mid-Maryland Washington Rural Legacy Area: *Washington County*

Grant of \$1,359,000 to acquire conservation easements to protect farmland, forests and Civil War sites within view of Washington Monument State Park, South Mountain Battlefield State Park, Antietam National Battlefield and its approaches. Conservation within the area will provide water quality benefits to the Potomac River, a Maryland designated Scenic River. The Board approved the designation of the Mid-Maryland Washington Rural Legacy Area in 1998.

14. Nanticoke Rural Legacy Area: *Dorchester County*

Grant of \$850,000 to acquire conservation easements to protect forest, agricultural, natural areas and shoreline in Dorchester County. The area includes one of the most pristine and ecologically significant watershed basins on the mid-Atlantic. It includes exemplary plant and wildlife habitat and over 16 miles of shoreline along the Nanticoke River and Marshyhope Creek. The area will provide a greenbelt around the rural historic village of Vienna. The Board approved designation of the Nanticoke Rural Legacy Area in 2001.

15. Patuxent-Prince George’s Rural Legacy Area: *Prince George’s County*

Grant of \$350,000 to acquire conservation easements to protect farmland, forests natural areas and historic properties. The Patuxent River Rural Legacy Area of Prince George’s County encompasses farmland, forests and natural resources along the Patuxent River watershed between Route 50 and Hughesville. It contains rural scenic roads, historic villages, farmland, forests, the Patuxent River Park, Patuxent River Natural Resource Management Area and the Merkle Wildlife Management Area at Jug Bay. The area is also rich in historic structures, many of which have been acquired for public use in the Patuxent Park system. The Board approved the designation of the Patuxent-Prince George’s Rural Legacy Area in 1998.

16. Piney Run Rural Legacy Area: *Baltimore County*

Grant of \$2,494,138 to acquire conservation easements to protect farmland, forests, natural areas and historic properties within and near National Register Historic Districts. Conservation within the area will provide water quality benefits to the Prettyboy and Loch Raven reservoirs, two of the drinking supply reservoirs for the Baltimore Metropolitan Area. The Board approved the designation of the Piney Run Rural Legacy Area in 1998.

17. Quantico Rural Legacy Area: *Wicomico County*

Expansion of 21,131 acres. This expansion will help protect the water quality of the Paleochannel, an underground riverbed that stores approximately 7 billion gallons of fresh water, and provides potable water for Salisbury and Wicomico County. It will also allow the Rural Legacy Program to leverage funding with the Navy’s Readiness and Environmental Protection Integration Program.

18. Zekiah Rural Legacy Area: *Charles County*

Grant of \$315,000 to acquire conservation easements to protect farmland, forests and natural and historic properties contiguous to Zekiah Run. This area contains the largest natural hardwood swamp in the state and is considered by the Smithsonian Institution to be one of the most important ecological areas on the East Coast. The Board approved the designation of the Zekiah Watershed Rural Legacy Area in 1998.

Designated Rural Legacy Areas

Rural Legacy Areas are located in all of Maryland’s 23 counties. The existing areas cover approximately 900,000 acres of Maryland’s most significant natural resource, agricultural, open and scenic lands. To date, there are 31 designated Rural Legacy Areas in Maryland:

Rural Legacy Area	Counties	Sponsor
Agricultural Security Corridor	Caroline, Cecil, Dorchester, Kent, Talbot	Eastern Shore Land Conservancy
Anne Arundel South	Anne Arundel	Anne Arundel County
Baltimore Coastal	Baltimore	Baltimore County
Bear Creek	Garrett	Garrett County
Calvert Creeks	Calvert	Calvert County
Carrollton Manor	Frederick	Carrollton Manor Land Trust
Coastal Bays	Worcester	Worcester County

Deer Creek (formerly Lower Deer Creek)	Harford	Harford County
Dividing Creek	Somerset, Worcester	Somerset County, Worcester County, The Nature Conservancy
Fair Hill	Cecil	Cecil Land Trust
Foreman Branch (formerly Chino Farms)	Queen Anne's	Queen Anne's County
Gunpowder	Baltimore	Gunpowder Valley Conservancy
Huntersville	St. Mary's	Patuxent Tidewater Land Trust, St. Mary's Co.
Lands End	Queen Anne's	Queen Anne's County
Little Pipe Creek	Carroll	Carroll County
Long Green Valley	Baltimore	Long Green Valley Land Trust
Manor	Baltimore and Harford	The Manor Conservancy
Mattapany	St. Mary's	Patuxent Tidewater Land Trust, St. Mary's Co.
Mid-Maryland Frederick	Frederick	Frederick County
Mid-Maryland Montgomery	Montgomery	Montgomery County
Mid-Maryland Washington	Washington	Washington County
Nanticoke	Dorchester	The Nature Conservancy, The Conservation Fund, Dorchester County
North Calvert	Calvert	Calvert County
Patuxent – Prince George's	Prince George's	Prince George's Soil Conservation District
Piney Run	Baltimore	The Land Preservation Trust
Quantico Creek	Wicomico	Wicomico County
Upper Patapsco	Carroll	Carroll County
Upper Patuxent – Howard	Howard	Howard County
Upper Patuxent - Montgomery	Montgomery	Montgomery County
Zekiah Watershed	Charles	Charles County
Mountain Ridge	Allegany	Allegany County

Summary

Strong interest in the Rural Legacy Program continues as shown by the amount of funds requested for the FY18 grant cycle. As in previous years, the amount requested far exceeded the amount of funding available. Over the 20 application cycles (FY98/99 through FY18), requests for grant funds have totaled \$1,914,550,000 for \$322,493,000 in available funding. In the FY19 grant cycle, this trend continues: the Department of Natural Resources received applications totaling over \$59 million for \$25.018 million in available FY19 funding. Rural Legacy Program funding increased by nearly 9 percent between FY18 and FY19, as a law signed by Governor Hogan in April 2016 (Chapter 0010) continues to increase state funding for critical land conservation, preservation and recreation programs. The Governor's FY19 budget provided full funding for land preservation and recreation programs, including the Rural Legacy Program, through the distribution of state transfer tax revenues for the first time in several fiscal years.

At the end of FY18 the program had permanently conserved over 95,235 acres. Sustained funding will be needed to support local governments and land trusts to meet the goal of conserving the Rural Legacy Areas throughout the state. This partnership of local government, land trusts, landowners and the State of Maryland continues to make a substantial commitment of supporting the preservation of the state's most valuable agricultural, natural, open space resources and scenic landscapes.

Acknowledgements:

The Rural Legacy Program staff would like to acknowledge the Rural Legacy Area sponsors, the Rural Legacy Advisory Committee, the Rural Legacy Board and the staffs of the Departments of Natural Resources, Planning and Agriculture for their dedicated work on behalf of the Rural Legacy Program. It is through the Rural Legacy Program's targeted objectives the state's open space land is preserved, the health of the Chesapeake Bay and water quality of our waterways is improved, our resource-based economies thrive, and our wildlife, cultural heritage and natural resources are protected ...a legacy to be passed on to all Maryland citizens and future generations to come.

Rural Legacy Program, Land Acquisition & Planning
Maryland Department of Natural Resources
580 Taylor Avenue, Annapolis, Maryland 21401
dnr.maryland.gov
410-260-8424
TTY users call via the MD Relay

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