

*Anne Arundel County – March 2005*

**Certification of County Agricultural Land Preservation Programs**  
**Re-Certification Request – Anne Arundel County**  
**(Report Summary dated March 22, 2005)**

**COUNTY AGRICULTURAL PRESERVATION GOALS**

- The County's goal is to preserve 20,000 acres by 2010. As of June 30, 2004, Anne Arundel County had preserved 10,033 acres through permanent agricultural preservation easements. Of these, MALPF easements preserve 4,055 acres, County easements preserve 5,123 acres, and Rural Legacy easements preserve 855 acres. Though not counting toward the 20,000-acre goal, State districts preserve an additional 3,273 acres in five-year term easements, and County districts preserve an additional 2,629 acres in ten-year term easements.

**ATTRIBUTES OF LOCAL PROGRAM**

- The County has an established local agricultural land preservation program for agricultural and woodland district properties.
- The County has an established local purchase of Development Rights (PDR) program, which enables the county to purchase easements independently from the State program.
- The County has been a consistent participant in the MALPF matching funds program (it will not participate in the 2005 matching funds program because no properties have been put forward).
- The County provides a 100% tax credit on land up to \$250,000 of the assessed value of structures for 10-year district agreement and easement properties that participate in the County and MALPF programs.
- The Installment Purchase Agreement (IPA) program established in 1999 continues to function effectively. This County program is based on the selling landowner receiving interest on unpaid and untaxed principal for the period of the agreement. This interest is exempt from federal, state, and local income taxes. The principal is paid as a lump-sum payment at the end of the period of the agreement. During the reporting period, eight new properties were purchased using the IPA option, permanently protecting 743 acres. To date, seventeen landowners have used the IPA option, protecting over 1,800 acres of farmland and woodland.
- The County continued the "Bonus" County Funding Program to provide cash payments to supplement State easement offers in certain instances; in the 2003 easement offer cycle, the County made up the difference on an insufficient funds offer for the Franklin property.
- The County maintains restrictive zoning to protect agricultural land from random urban development. Current RA zoning is one dwelling unit per twenty acres (1:20).

**QUALIFYING EXPENDITURES AND USE OF CERTIFICATION FUNDS**

- The County meets the certification requirements for qualifying expenditures and use of certification funds and has provided a record of revenues and expenditures.
- In FY 2003, the County collected \$915,374 in agricultural land transfer tax, remitting \$228,843 to the State while retaining \$686,530. The County also issued \$1,569,055 in County IPA obligations and \$460,000 in general fund appropriation.
- In FY 2004, the County collected \$178,024 in agricultural land transfer tax, remitting \$44,506 to the State while retaining \$133,518. The County also issued \$1,721,000 in County IPA obligations.
- As of June 30, 2003, and June 30, 2004, the balance of the agricultural transfer tax fund in the County is \$0.00 (zero). Agricultural transfer tax revenues over the reporting period have been used exclusively for the purchase of development rights.

**PROGRAM ACCOMPLISHMENTS DURING THE REPORTING PERIOD**

FY 2003

- No MALPF easements were purchased in FY 2003.
- The County PDR program purchased six easements for 476 acres.

FY 2004

- Two MALPF easements were purchased totaling 263 acres.
- The County PDR program purchased three easements for 267 acres.

#### Other highlights

- According to the County, an additional 615 acres were preserved by the Rural Legacy Program during the reporting period.
- The County Executive appointed a group of local farmers and other interested parties to a committee to review and evaluate for recommendations the current Agricultural and Woodland Preservation Program. This committee made recommendations for amending the then proposed family conveyance policy and changes to the easement document to reflect farming changes since the tobacco buyout. The committee has completed its report and made its recommendations to the County Council.

#### **EVALUATION OF COUNTY'S ANNUAL REPORT**

- During the reporting period, FY 2002-2004, the County preserved 1,621 acres of farmland and woodland.
- During the reporting period, the County had 685 acres converted to non-agricultural uses while 1,621 acres were preserved. During the past three certification periods (six years), 6,001 acres were preserved while 2,677 acres were subdivided.
- New subdivision regulations are under consideration that would eliminate the family conveyance and replace it with a streamlined minor subdivision process. The density would be one in twenty (1:20) with a bonus density of one unit per each fifty acres. This is still under discussion and not expected to be resolved until no earlier than April. However modified, family conveyances will be more restrictive than current regulations allow.
- The County is also in the process of adopting legislation that will exempt agricultural structures from paying impact fees and providing costly traffic impact studies.

#### **PROGRAM DEVELOPMENT STRATEGY**

##### A. Evaluation

- Strengths :
  - Ongoing strong financial commitment to easement purchases.
  - Large, contiguous blocs of preserved land formed in Harwood, Lothian, and West River (from 1,000 to 1,500 acre blocs).
  - Two full-time employees staff the program.
  - Support activities include five farmers' markets operating in the County and a sixth under consideration.
- Weaknesses:
  - Easement priority ranking did not reward fully the family-owned or operated farm.
  - Fragmentation continues to occur due at least in part to family conveyance provisions in RA zoning.
  - The County has chosen not to pursue a transfer development rights (TDR) program to transfer density from the rural sending areas to be designated receiving areas slated for more density in its development.
  - Easement acquisition costs are high at \$4,500 per acre in FY 2002 (fourth highest in the State) and are expected to continue to increase.

##### B. Description of Updated Program Development Strategy

- An updated program development strategy includes the following:
  - Protect agricultural land through appropriate zoning.
  - Redirect the emphasis of the program back to farming as a viable industry and to agricultural production as a factor in the County.
- Achieving these objectives depends on the following:
  - Revise the program regulations to assist family farms through higher priority ranking and allowing additional uses on agricultural property, such as horse boarding, breeding, training, and riding lessons, secondary processing, sporting clays, and others. Obtain approval from the County council for any revisions.
  - Protect land zoned RA by eliminating family conveyance and following one dwelling per

- twenty acre zoning density.
- Market the preservation program through public meetings, agricultural land preservation advisory board contacts, information on the County's web site, and signs on preserved properties.
- Continue working to identify additional or alternative markets for local products.

#### **COUNTY'S FOCUS ON PRESERVING AGRICULTURAL LAND**

- The County's goal to preserve 20,000 acres by 2010 was recommended to the County Executive by the Agricultural and Woodland Oversight Committee in 1993. As of June 30, 2004, Anne Arundel County had preserved 10,033 acres through permanent agricultural preservation easements.
- At the current pace, the County's acquisition of new easements will not reach its goal of 20,000 acres under permanent easement by 2010.
- The County's ability to reach this acreage objective is certainly affected to some degree by the State's budget problems (MALPF and Rural Legacy); however, no applicants have come forward for the State program for the 2005 easement offer cycle to qualify for Anne Arundel's share of the general allocation and any matching funds that could be leveraged.

#### **FOUNDATION STAFF RECOMMENDATION**

- The County program continues to appear to be highly likely to succeed in supporting viable agricultural operations and preserving agricultural land in perpetuity. Foundation staff recommends approval of recertification for another two-year period starting July 1, 2005.
- It should be noted that the RA-zoned area of the County continues to experience fragmentation due at least to some degree from the family conveyance policy and easement costs continue to increase. While it is expected that the family conveyance policy will be more restrictive once the current review process is completed, the issue will remain unresolved for at least another month if not longer and will be evaluated more thoroughly at next recertification.