

Certification of County Agricultural Land Preservation Programs
Re-Certification Request – Carroll County
(Summary of Certification Letter dated February 03, 2006)

The Maryland Department of Planning and the Maryland Agricultural Land Preservation Foundation would like to thank you for submitting Carroll County's 2003 and 2004 annual reports for the Agricultural Certification Program. We are pleased to advise you that the County's agricultural preservation program has been recertified for the period from July 1, 2005 through June 2007.

We do have an ongoing concern about something that lies well within the County's purview: development in the rural areas. The County Master Plan establishes a goal that a minimum of 75% of new population growth will be accommodated within existing or expanded community planning areas. In our review of the 2002 certification report, we said the following:

[T]he goal was met during the FY 01 – 02 period; more than 75% of new growth occurred in existing or planned community areas. However, during the same period, the percent of the County's subdivision lots in the Agricultural Zone increased from 7.2% to 16.2%.

This year's certification report, however, indicates that of the total number of new residential lots that received final approval in the fiscal years 2000-2004, 54.5% (1,842) lay in unincorporated areas, while 45.6% (1,547) were in incorporated cities and towns (pages IV-14-15 of the draft LPPRP). Why do these figures, even for the years 2001-02, look so different from what was reported last time? What is the implication for the County's program of this amount of growth in rural areas, and how will the program address it?

Please advise us at your earliest convenience. If our understanding of the figures is accurate, addressing the issue should be a major focus by the County during this certification period.

Highlights of the County's farmland preservation efforts during the recertification period were:

- Almost 5,000 acres preserved in two years through a variety of programs.
- Extraordinary levels of local funding: over \$12,000,000.
- Use of Federal farmland protection funds.
- Land conversion for FYs 1998-2002 was lower than projected in 1995. As a result, the County is on track to preserve 100,000 acres, though the target date is 2028 instead of the 2020 goal in the Master Plan.
- A commitment of almost \$40 million in County funds, beyond the agricultural land transfer tax, for easement acquisition over the next six fiscal years.

With the County program making good use of so many preservation tools, many of the County's recommendations for program improvement involve the MALPF program. Many of your ideas are in various stages of gestation, as noted below:

- A statewide critical farms program. We are happy to report that MALPF and MDP will be working on draft legislation to be introduced in the next session of the Legislature.
- Restoration of POS funds. At least two bills to accomplish this were introduced in the Legislature this past session, but they did not pass.
- Implementing the funding recommendations of the MALPF Task Force. A bill to implement the recommendations was sponsored by Delegates Cane and Stull, who served on the Task Force, and others. It was later withdrawn because it contained tax increases that were not politically viable.
- Setting a cap to percentage of FMV for MALPF easements. The MALPF Board discussed this idea a few years ago but did not reach a conclusion.
- Using MALPF's share of an offer to fund a County Installment Purchase Agreement (IPA) easement to be held jointly by the State and the County. As the certification report noted, the creation of a Statewide IPA program would obviate the need for this. In 2004, the Legislature

gave MALPF the authority to create an IPA. MALPF will be working with its consultants, MDP, the Department of Budget and Management, Comptroller's office, the Treasurer's office, and the Attorney General's office to determine the following:

- A. How much land could be preserved through an IPA program by servicing IPA agreements with dedicated revenues and general obligation bonds.
- B. Appropriate limits on installment purchase agreement commitments so that debt can be serviced and not use up all the funds available for easement purchase. The Foundation can arrive at these limits to the IPA program by establishing:
 - 1. Revenue estimates for FY 2008 through FY 2022 from existing and new funding sources.
 - 2. Current and projected interest rates and real estate costs.
 - 3. Discount rates on easement purchase price offered by landowners choosing the installment purchase option.

After that, the law would have to be amended to dedicate an appropriate portion of MALPF's funding sources to debt service on IPAs.

- Eliminate the MALPF district. This idea has been mentioned with growing frequency, but has not been on the agenda of the MALPF Task Force or MALPF's Policy Review Committee. We recommend that you work with your fellow program administrators to identify the pros and cons of eliminating the district. If you find support for eliminating the district, and present your ideas to the Board for action by the Policy Review Committee.

The Maryland Department of Planning and the Maryland Agricultural Land Preservation Foundation look forward to assisting you in achieving County and State goals during the next certification period. We thank you for your commitment to improve your already successful program.