Preserving Ohio's Farmland

A Report of Recommendations to the Ohio House Subcommittee on Growth and Land Use

Submitted by

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American Farmland Trust
Saving the Land that Sustains Us

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Executive Summary

Ohio has experienced a loss of over seven million acres of farmland since 1950, an area roughly equivalent to 23 Ohio counties. Agriculture is vital to the state and local economies, employing one in seven Ohioans and stabilizing the cost of local community services. Land in agriculture can have tremendous environmental benefits, including supporting wildlife habitat and groundwater recharge. And as the rural landscape becomes fragmented, so does much of our state's cultural heritage. Accordingly, the current trend of farmland loss may result in severe consequences on the economic stability, environmental integrity and cultural identity of the state.

While many important first steps have been taken towards farmland preservation policy in Ohio, most notably creation of the Ohio Agricultural Easement Purchase and Donation Programs, there is much work to be done. This report details the following recommendations to support a comprehensive farmland preservation agenda for Ohio:

- Reauthorization of the Clean Ohio Fund
- Increased funding for the Agricultural Easement Purchase Program
- Legislation to enable the transfer of development rights
- Legislation to enable the creation of agricultural security areas
- Legislation to enable counties and townships to levy impact fees
- Legislation to enable zoning for the support of agriculture
- Creation of a state agricultural viability program
- Incentives and guidelines for local comprehensive land use planning
- Elimination of the five-acre exemption from subdivision review
- Incentives for "Smart Growth" planning and development

Together with the current available tools for farmland preservation and rural land use planning, these recommendations would create a suite of policy options for Ohio townships and counties who are striving to protect their agricultural resources. It is only through such a diverse and comprehensive approach that we can truly alter the current farmland loss and fragmentation trends that Ohio is experiencing today, and thereby ensure that future generations may enjoy the many economic, environmental and cultural benefits of a strong and viable agricultural land base.

Background

Farmland Loss Trends

The issue of farmland loss is of paramount importance in the United States today. Our nation's economy depends on agriculture and agriculture-related industry for 13% of the gross domestic product and 17% of the labor force[1]. Land in agriculture stabilizes local infrastructure costs and promotes economic development by generating more dollars in local tax revenues than it requires in community services, supporting a local job market, and creating opportunities for agritourism. Environmental benefits from well-managed agriculture include wildlife habitat, flood control, wetland and watershed protection, and air quality improvement. Furthermore, farmland retention preserves the rural heritage that characterizes much of the American landscape. Despite the clear economic, environmental and social benefits that agriculture provides, the United States continues to lose over 600,000 acres of prime farmland every year to development[2]. (See Appendix A for more general information on the consequences of farmland loss.)

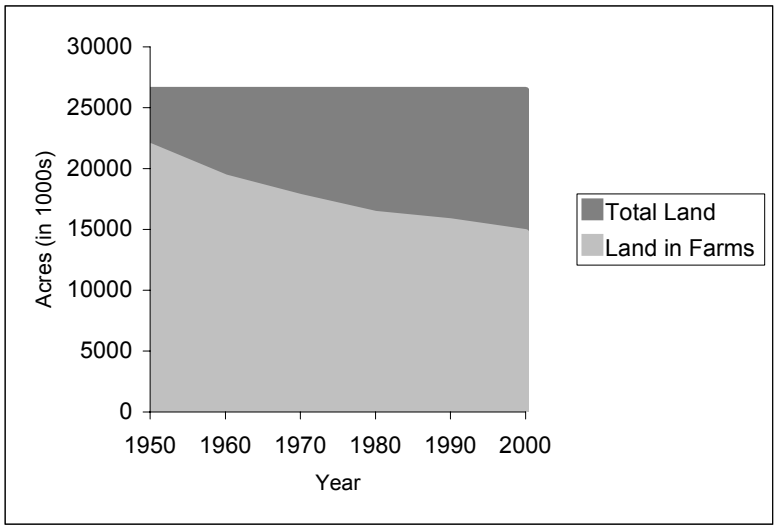

Figure 1: Farmland Loss in Ohio 1950-2000[3]

The State of Ohio, one of only five states consisting of nearly 50% prime farmland[4], has lost over seven million acres of farmland between 1950 and 2002[5] (see Figure 1). This

[1] Source: Lipton, Edmondson and Manchester. 1998. *The Food and the Fiber System: Contributing the U.S. and World Economies.* ERS, USDA. Agriculture Information Bulletin No. 742.
[2] Source: NRCS, USDA. 2001. *National Resource Inventory: Highlights*.
[3] Source: Based upon NASS, USDA, *Census of Agriculture Historical Highlights*
[4] Source: Ohio Department of Agriculture. 2002. *Ag Info*. ; and NRCS, USDA. 2000. *1997 National Resources Inventory Summary Report, Table 9*.

loss represents over 30% of the total state land in agriculture, an area equivalent to roughly 23 Ohio counties. This trend has earned Ohio the dubious honor of second rank in the nation for the amount of prime farmland lost to development between 1987 and 1997. Furthermore, Ohio ranked only 22nd in population growth between 1990 and 2000[6], but ranked 8th in the nation for rate of urbanization during that same period[7], clearly showing that the conversion of agriculture is occurring at a far greater rate than the population is growing. These trends have significant consequences on Ohio's state and local economies, as well as on the quality of life in our cities and countryside.

Agriculture is a leading industry in Ohio. Agriculture and related industry provide one in seven jobs in Ohio, and contribute approximately $36 billion to the annual state economy.[8] Furthermore, agriculture remains the economic backbone of many rural counties, generating more in annual cash receipts than any other industry. Maintaining a large and viable land base in agriculture also serves to stabilize local costs of community services. For example, recent Cost of Community Services studies in Clark and Knox Counties showed that farmland and open space generated over three times the amount in tax revenue than they required in community services. Figure 2 shows the average cost of community services per generated tax dollar by land use type for Clark and Knox Counties. (See Appendix B for detailed study findings from Clark and Knox Counties, and Appendix C for information on Cost of Community Services studies.)

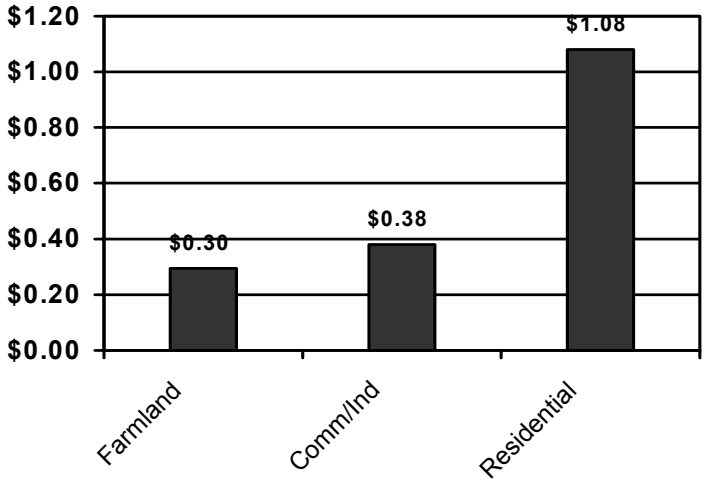

Figure 2: Average Cost of Community Services per Tax Dollar by Land Use, Clark and Knox Counties[9]

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[5] Source: NASS, USDA. 2004. *Census of Agriculture – Historical Highlights.* http://www.nass.usda.gov
[6] Source: U.S. Census Bureau. 2000.
[7] Source: NRCS, USDA. 2001. *National Resource Inventory: Highlights*.
[8] Source: Sporleder, Thomas L. *OHFOOD: An Ohio Food Industries Input-Output Model, Version 6.0*, Department of Agricultural, Environmental, and Development Economics, Ohio State University, May 2003.
[9] Sources: American Farmland Trust, 2003, *Clark County Ohio Cost of Community Services Study*; American Farmland Trust, 2003, *Knox County Ohio Cost of Community Services Study*

Well-managed land in agriculture also provides numerous environmental benefits to Ohio. Landowners on over 600,000 acres of farmland developed NRCS-approved conservation plans in 2002 and 2003.[10] Millions of additional acres fall under earlier plans. These conservation plans include measures such as conservation tilling, nutrient management, and use of stream buffer strips, that promote wetland conservation, surface and groundwater quality, wildlife habitat, cleaner air, and decreased soil erosion.

Furthermore, loss of farmland to impervious development can have severe environmental impacts. The adage "Pavement is the final crop," rings of truth and harsh consequence. Researchers suggest that impervious surfaces in excess of 10% of a watershed's land base impair surface water quality and ecological integrity of the river system.[11] As Ohio continues to trade its agricultural land for developed land uses, water quality impairment will necessarily follow. Consequently, Ohio's growth pattern over the past 40 years (see Figure 3) causes concern for the environmental impacts of farmland and open space loss.

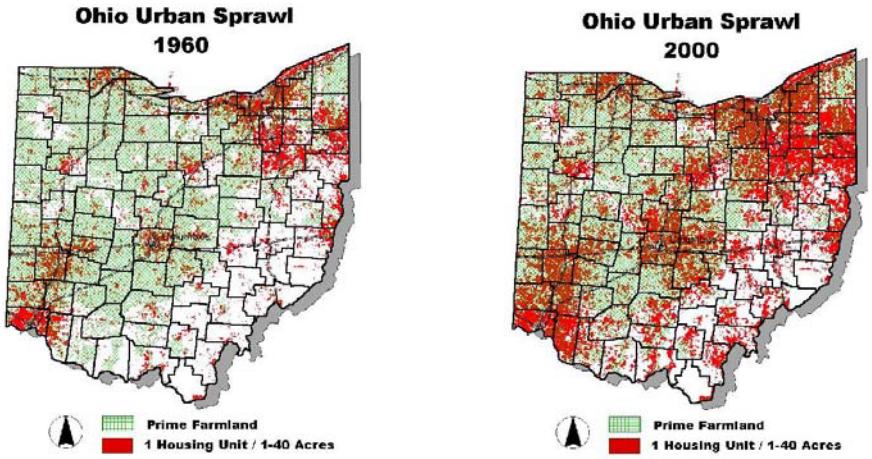

Figure 3: Ohio Urban Sprawl, 1960 and 2000[12]

Finally, loss of agricultural land has social and cultural consequences as well. The fragmentation of farmland greatly disrupts the rural character and picturesque landscape with which many Ohioans identify. Ohio's recent Bicentennial Barn Project provides evidence for this cultural identification with farmland. Over 2000 landowners volunteered their barns to participate in the program, and each of the 88 completed barns has generated local celebration and pride. They have also become a cultural phenomenon, attracting hundreds of visitors who spend their vacations visiting the Ohio countryside. Ohioans clearly feel a connection with their agricultural resources.

[10] Source: Natural Resources Conservation Service – Ohio, 2004, Performance Results Management System.
[11] Source: Center for Watershed Protection, 2002, *Impervious Cover Model*
[12] Source: American Farmland Trust, based upon United States Census Bureau Data, 1960 and 2000

Ohio enjoys many benefits from its agricultural land base, and faces considerable consequence when that land base is lost. Therefore we need to examine closely the current land use policy and practices that promote the continued conversion of productive agriculture to non-agriculture land uses.

Farmland Preservation Policy in Ohio

Since Governor Voinovich's Ohio Farmland Preservation Task Force in 1996-1997, farmland preservation policy has gained tremendous momentum in Ohio. Many recommendations included in that report have come to fruition. In 1998, the Office of Farmland Preservation opened in the Ohio Department of Agriculture. The following year saw the issuance of $10,000 Community Development Block Grants to 59 counties to support the creation of locally developed farmland preservation plans. The 2000 passage of the Clean Ohio Fund bond initiative generated $25 million to fund a state-level agricultural easement purchase program for four years, clearly showing Ohioans' support of farmland preservation and other conservation issues.

In its first three funding cycles, the Clean Ohio Agricultural Easement Purchase Program will have preserved 51 farms, comprising over 10,000 acres in 17 counties[13], and has been very successful in generating additional funds through federal grants and local matches. (See Appendix D for a map of AEPP funded farms, and Appendix E for a breakdown of AEPP dollars.) The Ohio Department of Agriculture Office of Farmland Preservation oversees two other easement programs: the Ohio Agricultural Easement Donation Program and the Southern Ohio Tobacco Agricultural Easement Purchase Program. These programs have preserved 1400 acres on 11 farms and 3000 acres on 14 farms, respectively. Although the latter program has now ended, the Agricultural Easement Donation Program still receives much landowner interest. The Office of Farmland Preservation is currently negotiating new donated easements on over 2000 acres in Ohio. By the end of 2004, these three programs together will have preserved over 15,000 acres of farmland.

Additional policy tools, such as the differential tax assessment offered by the Current Agricultural Use Value program and right-to-farm protections provided by the Agricultural District program, also serve to promote farmland retention. However together these tools still fall short of a comprehensive approach to farmland protection, and Ohio still lags significantly behind other states in farmland preservation policy. Many of the recommendations from the Voinovich Task Force call for the development of additional policy tools, but have not been implemented. Those recommendations deserve reexamination and consideration. (See Appendix F for an excerpt from the Voinovich Task Force Report.)

[13] Note: The AEPP may receive federal dollars later in 2004, in which case the 2004 round of AEPP may be able to preserve up to 1500 additional acres on 10 farms.

Farmland preservation efforts have made many strides in Ohio over the past eight years, however obstacles remain and the loss of productive agriculture continues. Although the 10,000 acres preserved by the state program is a significant first step, it is minute compared to the 156,600+ acres that have applied to the program, and the 30,000+ acres of farmland that is lost each year in Ohio[14]. The long-term success of farmland preservation in Ohio will depend not only on a continuation of current state and local programs, but also the development of a suite of additional policy options to give local jurisdictions the necessary tools to preserve their agricultural resources. The recommendations in the following section represent essential steps towards a diverse and comprehensive approach to farmland preservation in Ohio.

[14] Source: NASS, USDA. 2004. *Census of Agriculture: Historical Highlights, Table 1*.

Recommendations

1. Reauthorization of the Clean Ohio Fund

The Clean Ohio Fund was designed to be a four-year pilot program to preserve green space, build recreational trails, revitalize brownfields, and preserve farmland. The program has been enormously successful and popular, funding projects throughout the state and spurring both economic development and land use policy change. The farmland preservation component of Clean Ohio, which will receive only $25 million of the $400 million bond initiative, has been by far the most competitive of the four programs. By the end of 2004, the program will have funded only five percent (51 of 1012) of applications received. (See Appendix D for maps of Clean Ohio funded projects and, specifically, Clean Ohio Agricultural Easement Purchase Program preserved farms.)

The Clean Ohio Fund dollars are set to expire in 2006, assuming the program is fully funded in the next state biennial budget. Reauthorization of the program must occur in 2005 to assure that no funding gap occurs. This program has been enormously successful at leveraging federal dollars and generating local matches. (See Appendix E for a breakdown of program funds.) A funding gap could create a missed opportunity to bring federal dollars to Ohio. Measures should be taken to reauthorize the Clean Ohio Fund at its current amount, at minimum, or due to the tremendous public support for the program, at an increased amount.

Several other states have passed larger bond initiatives to support farmland preservation and other conservation programs. For example, New Jersey passed a $1 billion bond initiative in 1998 to fund a suite of conservation programs over 30 years. $400 million is dedicated to farmland preservation efforts in the state. A similarly larger bond initiative should be considered in Ohio.

2. Increased Funding for the Agricultural Easements Purchase Program

Although the Clean Ohio dollars serve as an important first step for farmland preservation in Ohio, the current level of funding does not adequately address the need for farmland protection in Ohio or the demand for the program among landowners. Currently the Agricultural Easement Purchase Program is over-subscribed by twenty applications for every one recipient. In order for farmland preservation to succeed in Ohio, blocks of viable farmland must be preserved throughout the state. This cannot be achieved when funding allows easement purchase on only 10 to 20 farms per year.

If the Clean Ohio Fund bonds are not considerably increased, then an additional source of revenue should be identified to expand the Ohio Agricultural Easement Purchase Program to better meet the need for the program. Other states have used a variety of mechanisms to fund the purchase of agricultural easements, including bonds, sales tax, property tax, conveyance fees, lottery proceeds, cigarette tax, and general appropriations.

(See Appendix G for more information on other state purchase of agricultural conservation easement programs.)

Potential sources of revenue include:

- *State real estate transfer fee*. Currently the Ohio Revised Code allows counties to levy conveyance fees (mandatory 1 mill and permissive 3 mills) on all real estate transfers. If the state required an additional .25 mill conveyance fee to fund the state farmland preservation program, it would generate approximately $10 million per year. A .50 mill fee would generate approximately $20 million per year.[15]

  Delaware and Maryland have both used a similar conveyance fee to fund their purchase of agricultural easements programs.

- *CAUV Recoupment*. The Current Agricultural Use Value program permits differential property tax assessment for working lands. When farms withdraw from CAUV, they are subject to a recoupment fee equal to previous three years' tax savings. The recoupment dollars are deposited into the county general funds. In 2003, Ohio counties reported a total of $7,075,878 in CAUV recoupment. This is likely a gross underestimate of actual recoupment, as 29 counties did not report their recoupment dollars to the state.

  Increasing the recoupment period would raise additional revenue that could support farmland preservation. Increasing the period from three to five years would raise an additional $4.7 to $7.0 million per year. Increasing the period from three to seven years would raise an additional $9.4 to $14.0 million.[16] Also, there is currently no penalty besides recoupment for CAUV recipients who are found to be ineligible. Creating an ineligibility fee could serve as a revenue source for farmland preservation while also discouraging land speculation.

  Several states, including Maryland and New York, use an agricultural transfer tax, similar in intent and structure to CAUV recoupment fees, to fund their purchase of agricultural easements programs.

- *New building permit fee*. Currently local jurisdictions may charge a building permit fee to cover administrative costs incurred by the jurisdiction due to the new development. Enabling legislation to permit counties and townships to levy impact fees would allow local jurisdictions, or the state, to collect a fee on

[15] Calculated from the 2002 Ohio Department of Taxation Data Series on Real Estate Conveyance Fees; for 2002, .25 Mill = $9,896,337 and .50 mill = $19,792,675.

[16] Calculated from the 2003 reported CAUV recoupment dollars to the Ohio Department of taxation. Additional recoupment from a five-year period equals $4,717,275 based on actual 2003 recoupment reported by 59 counties. Additional recoupment equals $7,035,937 when adjusted for all 88 counties. Similarly, for a seven-year period, $9,434,481 equals the additional recoupment based on actual 2003 data from 59 counties; $14,071,451 equals additional recoupment adjusted for all 88 counties.

development to mitigate the impact on public facilities, such as roads, parks and schools. Legislation could also allow fees to be assessed for farmland mitigation.

Between 1995-2000, 359,842 new homes were built in Ohio, averaging 71,968.4 homes per year.[17] Based on this five-year average, a new building permit fee of $100 on every new home would raise $7,196,840 per year that could be put towards farmland preservation. A fee of $250 would raise $17,992,100 per year.

- *Farmland Preservation License Plates*. Many worthwhile causes, including wildlife habitat and scenic rivers, use special issue Ohio license plates to generate revenue. These plates require a pre-determined donation that is put towards the cause. The amount of revenue generated from these special issue plates depends on amount of donation and interest in the cause. While the amount of revenue would unlikely suffice as a sole source of funding to purchase agricultural easements, the additional funds would help support the program and the plates would call attention to the important issue of farmland preservation.

The above suggestions involve increasing fees from sources that are typically dedicated to local general revenue funds. To lessen opposition for such measures from local jurisdictions, a mechanism could be established whereby any county could keep the additional revenue, or a portion thereof, for exclusive use towards an approved local farmland preservation program, or urban revitalization program in the case of built-out counties. Such programs should follow state guidelines and be subject to some state oversight. Maryland has used a similar structure for revenue from their agricultural transfer tax: any county with an approved farmland preservation program may keep the majority of the revenue. This mechanism provides an incentive for counties to develop farmland preservation programs and rewards those that already have done so.

3. Legislation to Enable the Transfer of Development Rights

Transfer of development rights (TDR) programs are heralded as a win-win policy tool for both developers and preservationists. Under TDR programs, developers in a "receiving area" (an area planned for higher density development) may develop at a higher density if they purchase development rights from a landowner in a "sending area" (an area planned for land preservation). A permanent easement is then placed on the land from which the development rights have been transferred. Thus the developer makes a larger profit by selling more units, the landowner is compensated for preserving the land – and this all occurs at minimal public cost.

TDR programs in other states have been very successful at creating vibrant high-density urban and suburban development and preserving thousands of acres of out-lying farmland. (See Appendix H for information on TDRs and data from other programs.) There has been much interest in TDR program development in Ohio. Creation of a TDR

[17] Source: Ohio Department of Development, Office of Strategic Research. *Ohio County Profiles*.

program was one of the recommendations of the Voinovich Task Force, and TDRs have been the topic of several recent statewide meetings and conferences.

While municipalities, and home-rule counties and townships currently have the legal authority to attempt TDR-like programs, enabling legislation is necessary to make the tool available to the majority of the state. Furthermore, as appropriate sending and receiving areas may not always exist within the same political jurisdiction, enabling legislation for TDRs should provide a mechanism for regional programs by allowing the transfer of development rights between counties, townships and municipalities.

4. Legislation to Enable the Creation of Agricultural Security Areas

An Agricultural Security Area (ASA) program is a voluntary land use tool under which farmers place term land use restrictions on their property in exchange for a package of benefits. ASA programs offer several advantages over other policy tools. ASA programs do not place regulatory controls on landowners and communities, and their short-term nature (typically 10 to 30 years) allows reassessment of preservation goals as land use trends change over time. Furthermore, the benefits offered as the incentive for enrollment can be tailored to the specific needs and values of a state or community. These advantages have made ASA programs popular and successful in 16 states since the creation of the first ASA program in 1965.

There is very clear, demonstrated interest for ASA programs in Ohio. At the state level, Governor Voinovich's 1997 Ohio Farmland Preservation Task Force recommended the creation of such a program. At the county level, a quarter of the 59 counties that have completed farmland preservation plans called for state enabling legislation for ASAs. And at the individual landowner level, the over 1000 applications to the Ohio Agricultural Easement Purchase Program received since 2002 attest to Ohio landowner desire to participate in farmland preservation programs.

The current House Bill 414, which passed the Ohio House in May 2004, would create an Agricultural Security Area program in Ohio whereby landowners agree not to develop their land for non-agricultural purposes during a ten-year enrollment period in exchange for a tax abatement of up to 75% on new agriculture-related investments. The bill could serve as a first step toward a multi-tiered program, similar to that in California, that would include varying benefits dependent on the degree of land restriction. For example, landowners agreeing to a thirty-year restriction would receive greater incentives than those in the ten-year program. Such flexibility would allow local jurisdiction to tailor programs to fit their needs and land use projections.

5. Legislation to Enable Counties and Townships to Levy Impact Fees

Impact fees are assessed to alleviate the burden that residential development places on public facilities, such as roads, parks and school. Impact fees are typically used as a

regulatory tool, fueled by the belief that developers, who reap the benefit of new development, should share the burden that development otherwise places on taxpayers.

Municipalities in Ohio are currently enabled to levy impact fees. This authority should be extended to townships and counties, as many unincorporated areas in Ohio are experiencing more rapid development than Ohio's municipalities. Cost of Community Services studies have clearly shown that residential development costs more in public services than in generates in tax revenue. (See Appendices B and C for more information on cost of community services data.) Impact fees would give an additional policy tool to counties and townships to balance residential growth with preservation goals.

In addition, counties and townships should be enabled to exempt development from impact fees, within the context of a comprehensive plan. For example, if a county desires growth near a municipality and preservation of the countryside, it could charge an impact fee for development that occurs in areas designated for preservation, and exempt from impact fees those developments that occur near the municipality. Such a structure essentially would create a voluntary urban growth boundary.

6. Legislation to Enable Zoning for the Support of Agriculture

Zoning for agriculture is a powerful tool currently employed by 24 states to protect large blocks of farmland from conversion to other land uses. Zoning can support agriculture by reducing conflict with adjacent land uses and stabilizing the land base time horizon. This stabilizing effect frees farmers from the impacts of rapidly changing land uses, allowing them to better plan for the future of their agricultural operations. While regulatory tools such as zoning are often politically and publicly unpopular, communities that desire to zone for agriculture should have that policy option available to them.

Over half of the 59 completed county farmland preservation plans recommend agricultural zoning. Several Ohio counties have enacted large-lot rural residential zoning with the intent to preserve agricultural resources, and done so with tremendous public support. However, enabling authority from the General Assembly would allow greater creativity in zoning policy and demonstrate clear legal support for agricultural zoning.

Currently the Ohio Revised Code permits counties and townships to zone "to promote public health, safety and morals." Legislation to enable counties and townships to zone on the basis of "general welfare," an authority granted to Ohio municipalities, would likely extend defensible zoning authority to include environmental considerations. However, a stronger approach would be to explicitly enable zoning for the purposes of supporting agriculture. Enabling legislation should clearly link agricultural retention to the public interest by stating the economic, environmental and cultural importance of agriculture in Ohio. Such language would greatly help the numerous jurisdictions in Ohio interested in this policy tool.

7. Creation of an Ohio Agricultural Viability Program

One of the most powerful ways to ensure farmland retention is to support the economic viability of farming. To that end, several states have created agricultural viability programs to promote business planning and investment in agricultural operations. Agricultural viability programs can use a variety of tools, including business planning, marketing assistance, or loan/grant dispersal. For example, the Ohio Family Farm Loan Program, administered by the Ohio Department of Agriculture, is one of 24 similar state programs that help new farmers secure low-interest loans to start or expand agricultural operations. (See Appendix I for general information on agricultural economic development.)

Ohio would benefit from an expanded agricultural viability program that not only provides loan assistance, but also offers guidance on other issues pertaining to agricultural economic development. A useful model is the Massachusetts program that links farmers with agricultural, economic and environmental consultants to develop comprehensive business plans for their farm. Farmers may then vie for state grants to fund capital improvements in their plan. In return, participating landowners place term easements on their property. Such a comprehensive approach in Ohio would accomplish the dual goals of strengthening the agricultural industry and preserving farmland.

8. Incentives and Guidelines for Local Comprehensive Land Use Planning

Local comprehensive land use plans are created from a community vision and provide the framework for the future of not only farmland, but other land uses as well. Such plans can be powerful tools for local jurisdictions to examine land use trends in their community, and designate areas appropriate for growth and preservation. Currently local comprehensive land use planning occurs voluntarily, with little incentive and no guidelines from the state. One notable exception is the Ohio Agricultural Easement Purchase Program, which allots 20% of points on comprehensive plan criteria. Such criteria provide an incentive to plan for counties wishing to participate in the program.

Additional incentives for comprehensive planning should be built into state policies and programs. Participation in future state programs such as Agricultural Security Area programs and Transfer of Development Rights programs should be contingent on local comprehensive planning. State transportation allocations could also be linked to extent of local planning. In addition, local jurisdictions, particularly those that have not engaged in recent land use planning, would greatly benefit from state language offering guidelines for the comprehensive planning process and plan inclusions.

9. Elimination of the 5-Acre Exemption from Subdivision Review

Ohio Revised Code currently exempts from subdivision review any parcel of land greater than five acres. This law has created a proliferation of 5.01-acre developments

throughout the state. This policy has resulted in massive farmland loss in rapid five-acre chunks, and has precluded the use of conservation design tools such as cluster development. Because counties do not have the authority to review these five-plus acre parcels for compliance with local zoning and other rules, many of these developments occur with little oversight on lot shape, road frontage and access issues, and appropriateness of septic systems and drainage issues.

Twenty-eight county farmland preservation plans expressly recommend the modification or elimination of the 5-acre exemption from subdivision review. The current Senate Bill 115, which passed the Ohio Senate in February 2004, addressed this issue by revising platting law to redefine "subdivision" in Section 711.001 of the Ohio Revised Code as any division of land into new parcels, any one of which being less that *twenty* acres – effectively changing the five-acre exemption to a 20-acre exemption. However the sub-bill that passed out of committee in the Ohio House restored the original five-acre definition.

Platting law should be reformed to eliminate the five-acre exemption from subdivision review. Local jurisdictions should be granted the authority to review subdivided parcels greater than five acres.

10. Incentives for "Smart Growth" Planning and Development

Growth is necessary to promote economic development and address the needs of a growing population. However, the type and location of growth can be managed to minimize economic and environmental impact. Unplanned, haphazard growth burdens local economies, impairs the environment, and fragments the rural landscape. Planned, well-managed growth builds strong vibrant communities while preserving important agricultural and other natural resources. Policies that promote "smart growth" principles, including infill development, brownfield revitalization, historic preservation, and transportation planning, also support farmland preservation by redirecting growth away from agricultural resources to more urban areas.

Therefore, in addition to the expansion of farmland preservation programs and policy tools, Ohio should also promote policies and programs that direct growth to areas most appropriate for development. Policies could include tax incentives for infill development and brownfield revitalization, loan programs for historic preservation, and transportation planning that focuses on strengthening existing infrastructure and promoting public transport. Furthermore, Ohio would benefit from a state level Smart Growth Task Force that could build upon the work of the Ohio House Subcommittee on Growth and Land Use by pulling together experts from around the state to examine land use trends in Ohio and recommend actions for reform.

Conclusion

The case for farmland preservation in Ohio is clear: agriculture provides many economic, environmental and cultural benefits that vanish when farmland is converted to other uses. As Ohio continues to lose over 30,000 acres of farmland each year, the need for policy change is immediate and great. There is tremendous support for policy change for farmland retention, evidenced by the 1012 applications to the Ohio Agricultural Easement Purchase Program, the 59 counties that have completed local farmland preservation plans, and the majority of Ohioans who voted in support of the Clean Ohio Fund in 2000.

Successful farmland preservation requires a broad and diverse toolbox of policy options at the state and local levels. Ohio has experienced only marginal success at preserving agriculture land because our tools are too few and our funds, too low. The recommendations detailed herein provide the framework for a more comprehensive farmland preservation agenda for the state through the creation of new programs and enabling legislation, as well as the strengthening of existing programs and policy. These recommendations will require leadership and resolve for implementation, and promise the reward of many economic, environmental and cultural benefits for future generations of Ohioans.

Resources

Organizations and agencies working on farmland preservation issues in Ohio:

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A. "Why Save Farmland?"

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FACT SHEET

WHY SAVE FARMLAND?

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January 2003

AMERICA'S AGRICULTURAL LAND IS AT RISK

Fertile soils take thousands of years to develop. Creating them takes a combination of climate, geology, biology and good luck. So far, no one has found a way to manufacture them. Thus, productive agricultural land is a finite and irreplaceable natural resource.

America's agricultural land provides the nation —and world—with an unparalleled abundance of food and fiber products. The dominant role of U.S. agriculture in the global economy has been likened to OPEC's in the field of energy. The food and farming system is important to the balance of trade and the employment of nearly 23 million people. Across the country, farmland supports the economic base of many rural and suburban communities.

Agricultural land also supplies products with little market value, but enormous cultural and ecological importance. Some are more immediate, such as social heritage, scenic views, open space and community character. Long-range environmental benefits include wildlife habitat, clean air and water, flood control, groundwater recharge and carbon sequestration.

Yet despite its importance to individual communities, the nation and the world, American farmland is at risk. It is imperiled by poorly planned development, especially in urban-influenced areas, and by the complex forces driving conversion. USDA's Economic Research Service (ERS) developed "urban influence" codes to classify each of the nation's 3,141 counties and county equivalents into groups that describe the degree of urban influence.[1] AFT found that in 1997, farms in the 1,210 most urban-influenced counties produced 63 percent of dairy products, 86 percent of fruits and 86 percent of vegetables.[2]

According to USDA's National Resources Inventory (NRI), from 1992 to 1997 more than 11 million acres of rural land were converted to developed use—and more than half of that conversion was agricultural land. In that period, an average of more than 1 million agricultural acres were developed each year. And the rate is increasing—up 51 percent from the rate reported in the previous decade.

Agricultural land is desirable for building because it tends to be flat, well drained and generally is more affordable to developers than to farmers and ranchers. Far more farmland is being converted than is necessary to provide housing for a growing population. Over the past 20 years, the acreage per person for new housing almost doubled.[3] Most of this land is outside of existing urban areas. Since 1994, lots of 10 to 22 acres accounted for 55 percent of the growth in housing area.[4] The NRI shows that the best agricultural soils are being developed fastest.

THE FOOD AND FARMING SYSTEM

The U.S. food and farming system contributes nearly $1 trillion to the national economy—or more than 13 percent of the gross domestic product—and employs 17 percent of the labor force.[5] With a rapidly increasing world population and expanding global markets, saving American farmland is a prudent investment in world food supply and economic opportunity.

Asian and Latin American countries are the most significant consumers of U.S. agricultural exports. Latin America, including Mexico, purchases an average of about $10.6 billion of U.S. agricultural exports each year. Asian countries purchase an average of $23.6 billion/year, with Japan alone accounting for about $10 billion/year.[6] Even as worldwide demand for a more diverse diet increases, many countries are paving their arable land to support rapidly expanding economies. Important customers today, they are expected to purchase more agricultural products in the future.

While domestic food shortages are unlikely in the short term, the U.S. Census predicts the population will grow by 42 percent in the next 50 years. Many developing nations already are concerned about food security.

The Farmland Information Center is a public/private partnership between American Farmland Trust and the USDA Natural Resources Conservation Service that provides technical information about farmland protection.

WHY SAVE FARMLAND?

The Farmland Information Center offers publications, an on-line library and technical assistance. For additional information on farmland protection, Call (800) 370-4879. Or visit us on the web at www.farmlandinfo.org

Of the 78 million people currently added to the world each year, 95 percent live in less developed regions.[7] The productivity and diversity of American agriculture can ensure food supplies and continuing preeminence in world markets. But this depends upon an investment strategy that preserves valuable assets, including agricultural land, to supply rapidly changing global demand.

FISCAL AND ECONOMIC STABILITY

Saving farmland is an investment in community infrastructure and economic development. It supports local government budgets and the ability to create wealth locally. In addition, distinctive agricultural landscapes are often magnets for tourism.

People vacation in the state of Vermont or Steamboat Springs, Colo., because they enjoy the scenery created by rural meadows and grazing livestock. In Lancaster, Pa., agriculture is still the leading industry, but with Amish and Mennonites working in the fields, tourism is not far behind. Napa Valley, Calif., is another place known as a destination for "agro tourism." Tourists have become such a large part of most Napa Valley wineries that many vintners have hired hospitality staff. Both the valley and the wines have gained name recognition, and the economy is thriving.

Agriculture contributes to local economies directly through sales, job creation, support services and businesses, and also by supplying lucrative secondary markets such as food processing. Planning for agriculture and protecting farmland provide flexibility for growth and development, offering a hedge against fragmented suburban development while supporting a diversified economic base.

Development imposes direct costs to communities, as well as indirect costs associated with the loss of rural lands and open space.[8] Privately owned and managed agricultural land generates more in local tax revenues than it costs in services. Carefully examining local budgets in cost of community services (COCS) studies shows that nationwide farm, forest and open lands more than pay for the municipal services they require, while taxes on residential uses consistently fail to cover costs.[9] (See COCS fact sheet.) Related studies measuring the effect of all types of development on municipal tax bills find that tax bills generally go up as communities become more developed. Even those communities with the most taxable commercial and industrial properties have higher-than-average taxes.[10]

Local governments are discovering that they cannot afford to pay the price of unplanned development. Converting productive agricultural land to developed uses creates negative economic and environmental impacts. For example, from the mid-1980s to the mid-1990s, the population of Atlanta, Ga., grew at about the same rate as that of Portland, Ore. Due to its strong growth management law, the size of Portland increased by only 2 percent while Atlanta doubled in size. To accommodate its sprawling growth, Atlanta raised property taxes 22 percent while Portland lowered property taxes by 29 percent. Vehicle miles traveled (and related impacts) increased 17 percent in Atlanta but only 2 percent in Portland.[11]

ENVIRONMENTAL QUALITY

Well-managed agricultural land supplies important non-market goods and services. Farm and ranch lands provide food and cover for wildlife, help control flooding, protect wetlands and watersheds, and maintain air quality. They can absorb and filter wastewater and provide groundwater recharge. New energy crops even have the potential to replace fossil fuels.

The federal government owns 402 million acres of forests, parks and wildlife refuges that provide substantial habitat for wildlife. Most of this land is located in 11 western states. States, municipalities and other non-federal units of government also own land. Yet public agencies alone cannot sustain wildlife populations. Well-managed, privately

owned agricultural land is a critical resource for wildlife habitat.

With nearly 1 billion acres of land in farms, agriculture is America's dominant land use. So it is not surprising that farming has a significant ecological impact. Ever since the publication of Rachel Carson's *Silent Spring*, environmentalists have called attention to the negative impacts of industrial agricultural practices. However, converting farmland to development has detrimental long-term impacts on environmental quality.

Water pollution from urban development is well documented. Development increases pollution of rivers and streams, as well as the risk of flooding. Paved roads and roofs collect and pass storm water directly into drains instead of filtering it naturally through the soil.[12] Septic systems for low-density subdivisions can add untreated wastes to surface water and groundwater—potentially yielding higher nutrient loads than livestock operations.[13] Development often produces more sediment and heavy metal contamination than farming does and increases pollutants—such as road salt, oil leaks from automobiles and runoff from lawn chemicals—that lead to groundwater contamination.[14] It also decreases recharge of aquifers, lowers drinking-water quality and reduces biodiversity in streams.

Urban development is a significant cause of wetland loss.[15] Between 1992 and 1997, NRI showed that development was responsible for 49 percent of the total loss. Increased use of automobiles leads to traffic congestion and air pollution. Development fragments and often destroys wildlife habitat, and fragmentation is considered a principal threat to biodiversity.[16]

Keeping land available for agriculture while improving farm management practices offers the greatest potential to produce or regain environmental and social benefits while minimizing negative impacts. From wetland management to on-farm composting for municipalities, farmers are finding ways to improve environmental quality.

HERITAGE AND COMMUNITY CHARACTER

To many people, the most compelling reasons for saving farmland are local and personal, and much of the political support for farmland protection is driven by grassroots community efforts. Sometimes the most important qualities are the hardest to quantify—such as local heritage and sense of place. Farm and ranch land maintain scenic, cultural and historic landscapes. Their managed open spaces provide beautiful views and opportunities for hunting and fishing, horseback riding, skiing, dirt-biking and other recreational activities. Farms and ranches create identifiable and unique community character and add to the quality of life. Perhaps it is for these reasons that the contingent valuation studies typically find that people are willing to pay to protect agricultural land from development.

Finally, farming is an integral part of our heritage and our identity as a people. American democracy is rooted in an agricultural past and founded on the principle that all people can own property and earn a living from the land. The ongoing relationship with the agricultural landscape connects Americans to history and to the natural world. Our land is our legacy, both as we look back to the past and as we consider what we have of value to pass on to future generations.

Public awareness of the multiple benefits of working lands has led to greater community appreciation of the importance of keeping land open for fiscal, economic and environmental reasons. As a result, people increasingly are challenging the perspective that new development is necessarily the most desirable use of agricultural land—especially in rural communities and communities undergoing transition from rural to suburban.

ENDNOTES

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B. Data from Clark and Knox Counties Cost of Community Services Studies.

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Table 1: Clark County Cost of Community Services Data

Combined County & School Services	FY 2001 Actual	Residential	Commercial/ Industrial	Farmland
a) Total Revenues	$ 209,915,289	$ 173,680,601	$ 31,169,891	$ 5,064,796
b) Total Expenditures	$ 206,758,452	$ 193,418,767	$ 11,827,312	$ 1,512,373
Net contribution (a-b)	$ 3,156,837	-$ 19,738,166	$ 19,342,580	$ 3,552,423
Land use ratio*		**$1.00: $1.11**	**$1.00: $0.38**	**$1.00: $0.30**

Table 2: Knox County Cost of Community Services Data

Combined County & School Services	FY 2001 & 2002 Actual	Residential	Commercial/ Industrial	Farmland
a) Total Revenues	$ 96,834,422	$ 79,426,164	$ 11,255,520	$ 6,152,737
b) Total Expenditures	$ 89,721,239	$ 83,679,759	$ 4,253,495	$ 1,787,985
Net contribution (a-b)	$ 7,113,183	-$ 4,253,595	$ 7,002,025	$ 4,364,752
Land use ratio*		**$1.00: $1.05**	**$1.00: $0.38**	**$1.00: $0.29**

C. "Cost of Community Services Studies."

2002. *American Farmland Trust Fact Sheet Series*. 5 pages.

FARMLAND INFORMATION CENTER

FACT SHEET

COST OF COMMUNITY SERVICES STUDIES

American Farmland Trust

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DESCRIPTION

Cost of Community Services (COCS) studies are a case study approach used to determine the fiscal contribution of existing local land uses. A subset of the much larger field of fiscal analysis, COCS studies have emerged as an inexpensive and reliable tool to measure direct fiscal relationships. Their particular niche is to evaluate working and open lands on equal ground with residential, commercial and industrial land uses.

COCS studies are a snapshot in time of costs versus revenues for each type of land use. They do not predict future costs or revenues or the impact of future growth. They do provide a baseline of current information to help local officials and citizens make informed land use and policy decisions.

METHODOLOGY

In a COCS study, researchers organize financial records to assign the cost of municipal services to working and open lands, as well as to residential, commercial and industrial development. Researchers meet with local sponsors to define the scope of the project and identify land use categories to study. For example, working lands may include farm, forest and/or ranch lands. Residential development includes all housing, including rentals, but if there is a migrant agricultural work force, temporary housing for these workers would be considered part of agricultural land use. Often in rural communities, commercial and industrial land uses are combined. COCS studies findings are displayed as a set of ratios that compare annual revenues to annual expenditures for a community's unique mix of land uses.

COCS studies involve three basic steps:

1. Collect data on local revenues and expenditures.
2. Group revenues and expenditures and allocate them to the community's major land use categories.
3. Analyze the data and calculate revenue-to-expenditure ratios for each land use category.

The process is straightforward, but ensuring reliable figures requires local oversight. The most complicated task is interpreting existing records to reflect COCS land use categories. Allocating revenues and expenses requires a significant amount of research, including extensive interviews with financial officers and public administrators.

HISTORY

Communities often evaluate the impact of growth on local budgets by conducting or commissioning fiscal impact analyses. Fiscal impact studies project public costs and revenues from different land development patterns. They generally show that residential development is a net fiscal loss for communities and recommend commercial and industrial development as a strategy to balance local budgets.

Rural towns and counties that would benefit from fiscal impact analysis may not have the expertise or resources to conduct a study. Also, fiscal impact analyses rarely consider the contribution of working and other open lands uses, which are very important to rural economies.

American Farmland Trust (AFT) developed COCS studies in the mid-1980s to provide communities with a straightforward and inexpensive way to measure the contribution of agricultural lands to the local tax base. Since then, COCS studies have been conducted in at least 102 communities in the United States.

FUNCTIONS & PURPOSES

Communities pay a high price for unplanned growth. Scattered development frequently causes traffic congestion, air and water pollution, loss of open space and increased demand for costly public services. This is why it is important for citizens and local leaders to understand the relationships between residential and commercial growth, agricultural land use, conservation and their community's bottom line.

The **FARMLAND INFORMATION CENTER** (FIC) is a clearinghouse for information about farmland protection and stewardship. The FIC is a public/private partnership between USDA's Natural Resources Conservation Service and American Farmland Trus

COST OF COMMUNITY SERVICES STUDIES

For additional information on farmland protection and stewardship contact the Farmland Information Center. The FIC offers a staffed answer service, online library, program monitoring, fact sheets and other educational materials.

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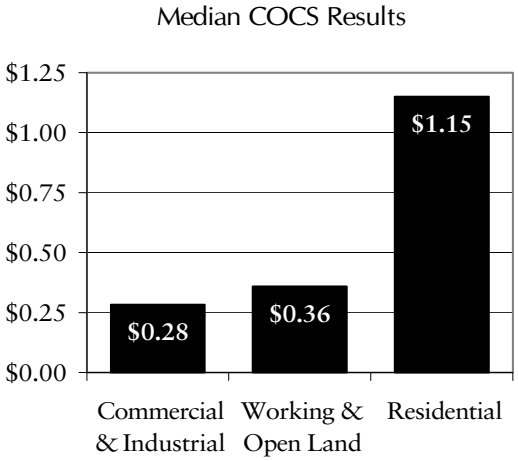
COCS studies help address three claims that are commonly made in rural or suburban communities facing growth pressures:

1. Open lands—including productive farms and forests—are an interim land use that should be developed to their "highest and best use."
2. Agricultural land gets an unfair tax break when it is assessed at its current use value for farming or ranching instead of at its potential use value for residential or commercial development.
3. Residential development will lower property taxes by increasing the tax base.

While it is true that an acre of land with a new house generates more total revenue than an acre of hay or corn, this tells us little about a community's bottom line. In areas where agriculture or forestry are major industries, it is especially important to consider the real property tax contribution of privately owned working lands. Working and other open lands may generate less revenue than residential, commercial or industrial properties, but they require little public infrastructure and few services.

COCS studies conducted over the last 20 years show working lands generate more public revenues than they receive back in public services. Their impact on community coffers is similar to that of other commercial and industrial land uses. On average, because residential land uses do not cover their costs, they must be subsidized by other community land uses. Converting agricultural land to residential land use should not be seen as a way to balance local budgets.



Median cost—per dollar of revenue raised—to provide public services to different land uses.

The findings of COCS studies are consistent with those of conventional fiscal impact analyses, which document the high cost of residential development and recommend commercial and industrial development to help balance local budgets. What is unique about COCS studies is that they show that agricultural land is similar to other commercial and industrial uses. In every community studied, farmland has generated a fiscal surplus to help offset the shortfall created by residential demand for public services. This is true even when the land is assessed at its current, agricultural use.

Communities need reliable information to help them see the full picture of their land uses. COCS studies are an inexpensive way to evaluate the net contribution of working and open lands. They can help local leaders discard the notion that natural resources must be converted to other uses to ensure fiscal stability. They also dispel the myths that residential development leads to lower taxes, that differential assessment programs give landowners an "unfair" tax break and that farmland is an interim land use just waiting around for development.

One type of land use is not intrinsically better than another, and COCS studies are not meant to judge the overall public good or long-term merits of any land use or taxing structure. It is up to communities to balance goals such as maintaining affordable housing, creating jobs and conserving land. With good planning, these goals can complement rather than compete with each other. COCS studies give communities another tool to make decisions about their futures.

SUMMARY OF COST OF COMMUNITY SERVICES STUDIES, REVENUE-TO-EXPENDITURE RATIOS IN DOLLARS

Community	Residential including farm houses	Commercial & Industrial	Working & Open Land	Source
Colorado				
Custer County	1 : 1.16	1 : 0.71	1 : 0.54	Haggerty, 2000
Saguache County	1 : 1.17	1 : 0.53	1 : 0.35	Dirt, Inc., 2001
Connecticut				
Bolton	1 : 1.05	1 : 0.23	1 : 0.50	Geisler, 1998
Durham	1 : 1.07	1 : 0.27	1 : 0.23	Southern New England Forest Consortium, 1995
Farmington	1 : 1.33	1 : 0.32	1 : 0.31	Southern New England Forest Consortium, 1995
Hebron	1 : 1.06	1 : 0.47	1 : 0.43	American Farmland Trust, 1986
Litchfield	1 : 1.11	1 : 0.34	1 : 0.34	Southern New England Forest Consortium, 1995
Pomfret	1 : 1.06	1 : 0.27	1 : 0.86	Southern New England Forest Consortium, 1995
Georgia				
Carroll County	1 : 1.29	1 : 0.37	1 : 0.55	Dorfman and Black, 2002
Grady County	1 : 1.72	1 : 0.10	1 : 0.38	Dorfman, 2003
Thomas County	1 : 1.64	1 : 0.38	1 : 0.66	Dorfman, 2003
Idaho				
Canyon County	1 : 1.08	1 : 0.79	1 : 0.54	Hartmans and Meyer, 1997
Cassia County	1 : 1.19	1 : 0.87	1 : 0.41	Hartmans and Meyer, 1997
Kentucky				
Lexington-Fayette	1 : 1.64	1 : 0.22	1 : 0.93	American Farmland Trust, 1999
Oldham County	1 : 1.05	1 : 0.29	1 : 0.44	American Farmland Trust, 2003
Maine				
Bethel	1 : 1.29	1 : 0.59	1 : 0.06	Good, 1994
Maryland				
Carroll County	1 : 1.15	1 : 0.48	1 : 0.45	Carroll County Dept. of Management & Budget, 1994
Cecil County	1 : 1.17	1 : 0.34	1 : 0.66	American Farmland Trust, 2001
Cecil County	1 : 1.12	1 : 0.28	1 : 0.37	Cecil County Office of Economic Development, 1994
Frederick County	1 : 1.14	1 : 0.50	1 : 0.53	American Farmland Trust, 1997
Harford County	1 : 1.11	1 : 0.40	1 : 0.91	American Farmland Trust, 2003
Kent County	1 : 1.05	1 : 0.64	1 : 0.42	American Farmland Trust, 2002
Wicomico County	1 : 1.21	1 : 0.33	1 : 0.96	American Farmland Trust, 2001
Massachusetts				
Agawam	1 : 1.05	1 : 0.44	1 : 0.31	American Farmland Trust, 1992
Becket	1 : 1.02	1 : 0.83	1 : 0.72	Southern New England Forest Consortium, 1995
Deerfield	1 : 1.16	1 : 0.38	1 : 0.29	American Farmland Trust, 1992
Franklin	1 : 1.02	1 : 0.58	1 : 0.40	Southern New England Forest Consortium, 1995
Gill	1 : 1.15	1 : 0.43	1 : 0.38	American Farmland Trust, 1992
Leverett	1 : 1.15	1 : 0.29	1 : 0.25	Southern New England Forest Consortium, 1995
Middleboro	1 : 1.08	1 : 0.47	1 : 0.70	American Farmland Trust, 2001
Southborough	1 : 1.03	1 : 0.26	1 : 0.45	Adams and Hines, 1997
Westford	1 : 1.15	1 : 0.53	1 : 0.39	Southern New England Forest Consortium, 1995
Williamstown	1 : 1.11	1 : 0.34	1 : 0.40	Hazler et al., 1992
Michigan				
Marshall Twp., Calhoun Cty.	1 : 1.47	1 : 0.20	1 : 0.27	American Farmland Trust, 2001
Newton Twp., Calhoun Cty.	1 : 1.20	1 : 0.25	1 : 0.24	American Farmland Trust, 2001
Scio Township	1 : 1.40	1 : 0.28	1 : 0.62	University of Michigan, 1994

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Community	Residential including farm houses	Commercial & Industrial	Working & Open Land	Source
Minnesota				
Farmington	1 : 1.02	1 : 0.79	1 : 0.77	American Farmland Trust, 1994
Lake Elmo	1 : 1.07	1 : 0.20	1 : 0.27	American Farmland Trust, 1994
Independence	1 : 1.03	1 : 0.19	1 : 0.47	American Farmland Trust, 1994
Montana				
Carbon County	1 : 1.60	1 : 0.21	1 : 0.34	Prinzing, 1999
Gallatin County	1 : 1.45	1 : 0.16	1 : 0.25	Haggerty, 1996
Flathead County	1 : 1.23	1 : 0.26	1 : 0.34	Citizens for a Better Flathead, 1999
New Hampshire				
Deerfield	1 : 1.15	1 : 0.22	1 : 0.35	Auger, 1994
Dover	1 : 1.15	1 : 0.63	1 : 0.94	Kingsley et al., 1993
Exeter	1 : 1.07	1 : 0.40	1 : 0.82	Niebling, 1997
Fremont	1 : 1.04	1 : 0.94	1 : 0.36	Auger, 1994
Groton	1 : 1.01	1 : 0.12	1 : 0.88	New Hampshire Wildlife Federation, 2001
Stratham	1 : 1.15	1 : 0.19	1 : 0.40	Auger, 1994
Lyme	1 : 1.05	1 : 0.28	1 : 0.23	Pickard, 2000
New Jersey				
Freehold Township	1 : 1.51	1 : 0.17	1 : 0.33	American Farmland Trust, 1998
Holmdel Township	1 : 1.38	1 : 0.21	1 : 0.66	American Farmland Trust, 1998
Middletown Township	1 : 1.14	1 : 0.34	1 : 0.36	American Farmland Trust, 1998
Upper Freehold Township	1 : 1.18	1 : 0.20	1 : 0.35	American Farmland Trust, 1998
Wall Township	1 : 1.28	1 : 0.30	1 : 0.54	American Farmland Trust, 1998
New York				
Amenia	1 : 1.23	1 : 0.25	1 : 0.17	Bucknall, 1989
Beekman	1 : 1.12	1 : 0.18	1 : 0.48	American Farmland Trust, 1989
Dix	1 : 1.51	1 : 0.27	1 : 0.31	Schuyler County League of Women Voters, 1993
Farmington	1 : 1.22	1 : 0.27	1 : 0.72	Kinsman et al., 1991
Fishkill	1 : 1.23	1 : 0.31	1 : 0.74	Bucknall, 1989
Hector	1 : 1.30	1 : 0.15	1 : 0.28	Schuyler County League of Women Voters, 1993
Kinderhook	1 : 1.05	1 : 0.21	1 : 0.17	Concerned Citizens of Kinderhook, 1996
Montour	1 : 1.50	1 : 0.28	1 : 0.29	Schuyler County League of Women Voters, 1992
Northeast	1 : 1.36	1 : 0.29	1 : 0.21	American Farmland Trust, 1989
Reading	1 : 1.88	1 : 0.26	1 : 0.32	Schuyler County League of Women Voters, 1992
Red Hook	1 : 1.11	1 : 0.20	1 : 0.22	Bucknall, 1989
Ohio				
Clark County	1 : 1.11	1 : 0.38	1 : 0.30	American Farmland Trust, 2003
Knox County	1 : 1.05	1 : 0.38	1 : 0.29	American Farmland Trust, 2003
Madison Village	1 : 1.67	1 : 0.20	1 : 0.38	American Farmland Trust, 1993
Madison Township	1 : 1.40	1 : 0.25	1 : 0.30	American Farmland Trust, 1993
Shalersville Township	1 : 1.58	1 : 0.17	1 : 0.31	Portage County Regional Planning Commission, 1997

SUMMARY OF COST OF COMMUNITY SERVICES STUDIES, REVENUE-TO-EXPENDITURE RATIOS IN DOLLARS

Community	Residential including farm houses	Commercial & Industrial	Working & Open Land	Source
Pennsylvania				
Allegheny Township	1 : 1.06	1 : 0.14	1 : 0.13	Kelsey, 1997
Bedminster Township	1 : 1.12	1 : 0.05	1 : 0.04	Kelsey, 1997
Bethel Township	1 : 1.08	1 : 0.17	1 : 0.06	Kelsey, 1992
Bingham Township	1 : 1.56	1 : 0.16	1 : 0.15	Kelsey, 1994
Buckingham Township	1 : 1.04	1 : 0.15	1 : 0.08	Kelsey, 1996
Carroll Township	1 : 1.03	1 : 0.06	1 : 0.02	Kelsey, 1992
Hopewell Township	1 : 1.27	1 : 0.32	1 : 0.59	The South Central Assembly for Effective Governance, 2002
Maiden Creek Township	1 : 1.28	1 : 0.11	1 : 0.06	Kelsey, 1998
Richmond Township	1 : 1.24	1 : 0.09	1 : 0.04	Kelsey, 1998
Shrewsbury Township	1 : 1.22	1 : 0.15	1 : 0.17	The South Central Assembly for Effective Governance, 2002
Stewardson Township	1 : 2.11	1 : 0.23	1 : 0.31	Kelsey, 1994
Straban Township	1 : 1.10	1 : 0.16	1 : 0.06	Kelsey, 1992
Sweden Township	1 : 1.38	1 : 0.07	1 : 0.08	Kelsey, 1994
Rhode Island				
Hopkinton	1 : 1.08	1 : 0.31	1 : 0.31	Southern New England Forest Consortium, 1995
Little Compton	1 : 1.05	1 : 0.56	1 : 0.37	Southern New England Forest Consortium, 1995
Portsmouth	1 : 1.16	1 : 0.27	1 : 0.39	Johnston, 1997
West Greenwich	1 : 1.46	1 : 0.40	1 : 0.46	Southern New England Forest Consortium, 1995
Texas				
Bandera County	1 : 1.10	1 : 0.26	1 : 0.26	American Farmland Trust, 2002
Bexar Cunty	1 : 1.15	1 : 0.20	1 : 0.18	American Farmland Trust, 2004
Hays County	1 : 1.26	1 : 0.30	1 : 0.33	American Farmland Trust, 2000
Utah				
Cache County	1 : 1.27	1 : 0.25	1 : 0.57	Snyder and Ferguson, 1994
Sevier County	1 : 1.11	1 : 0.31	1 : 0.99	Snyder and Ferguson, 1994
Utah County	1 : 1.23	1 : 0.26	1 : 0.82	Snyder and Ferguson, 1994
Virginia				
Augusta County	1 : 1.22	1 : 0.20	1 : 0.80	Valley Conservation Council, 1997
Clarke County	1 : 1.26	1 : 0.21	1 : 0.15	Piedmont Environmental Council, 1994
Culpeper County	1 : 1.22	1 : 0.41	1 : 0.32	American Farmland Trust, 2003
Frederick County	1 : 1.19	1 : 0.23	1 : 0.33	American Farmland Trust, 2003
Northampton County	1 : 1.13	1 : 0.97	1 : 0.23	American Farmland Trust, 1999
Washington				
Skagit County	1 : 1.25	1 : 0.30	1 : 0.51	American Farmland Trust, 1999
Wisconsin				
Dunn	1 : 1.06	1 : 0.29	1 : 0.18	Town of Dunn, 1994
Dunn	1 : 1.02	1 : 0.55	1 : 0.15	Wisconsin Land Use Research Program, 1999
Perry	1 : 1.20	1 : 1.04	1 : 0.41	Wisconsin Land Use Research Program, 1999
Westport	1 : 1.11	1 : 0.31	1 : 0.13	Wisconsin Land Use Research Program, 1999

American Farmland Trust's Farmland Information Center acts as a clearinghouse for information about Cost of Community Services studies. Inclusion in this table does not necessarily signify review or endorsement by American Farmland Trust.

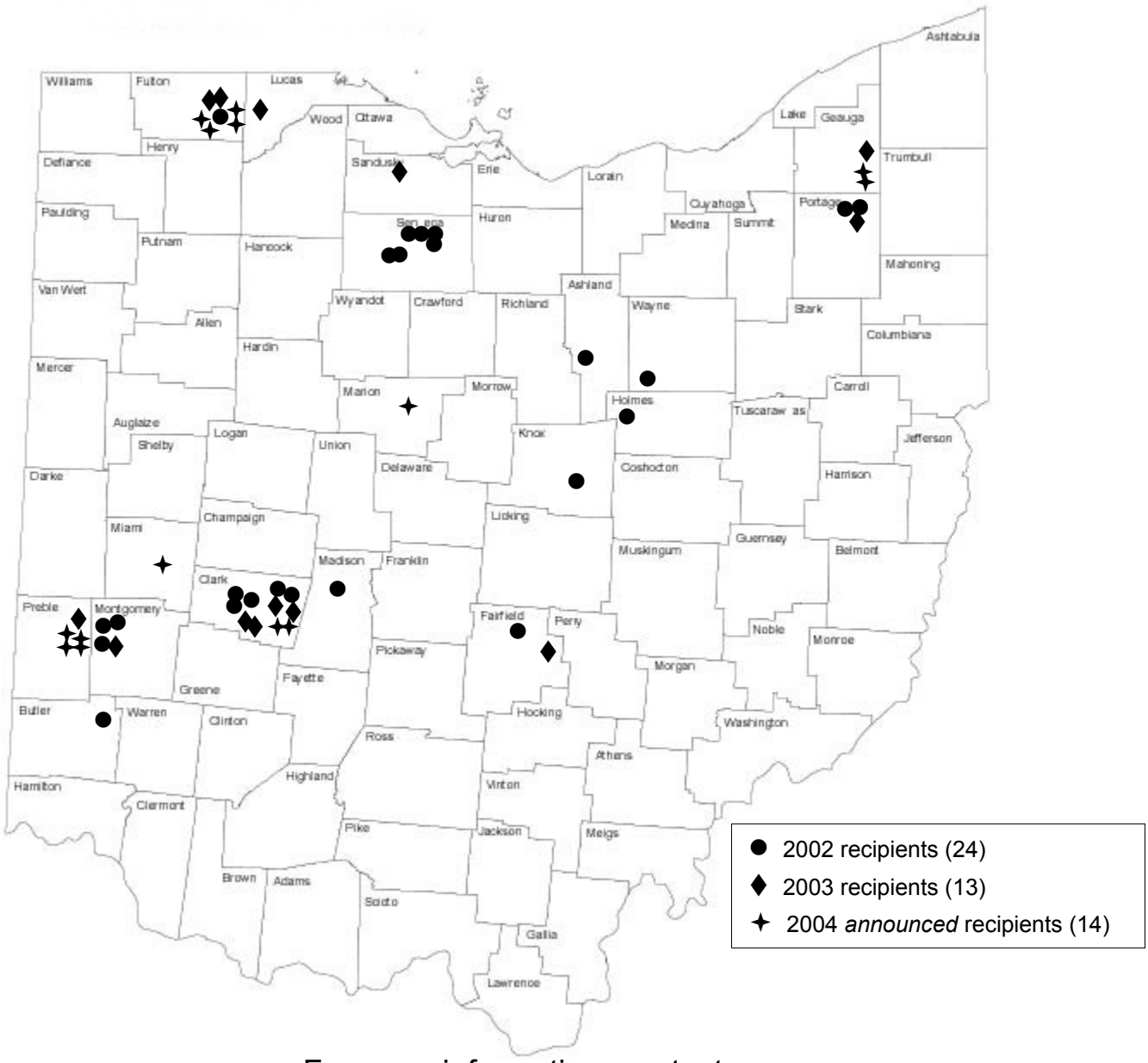
D. Maps of Clean Ohio supported projects.

2004 Map of Clean Ohio Agricultural Easement Purchase Program recipients. *American Farmland Trust.* July 2004. 1 page.

Map of Clean Ohio funded projects. *Office of Governor Bob Taft*. January 2004. 1 page
NOTE: Only 23 of the 37 projects funded (as of January 2004) under AEPP are noted on this map. See the first map for a complete display of up to date AEPP funded farms and projected funded farms.

Ohio Agricultural Easement Purchase Program

Recipients *as of July 2004*



For more information, contact:

The Ohio Department of Agriculture
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614-728-6210
www.ohioagriculture.gov/farmland.stm

American Farmland Trust
Ohio Office
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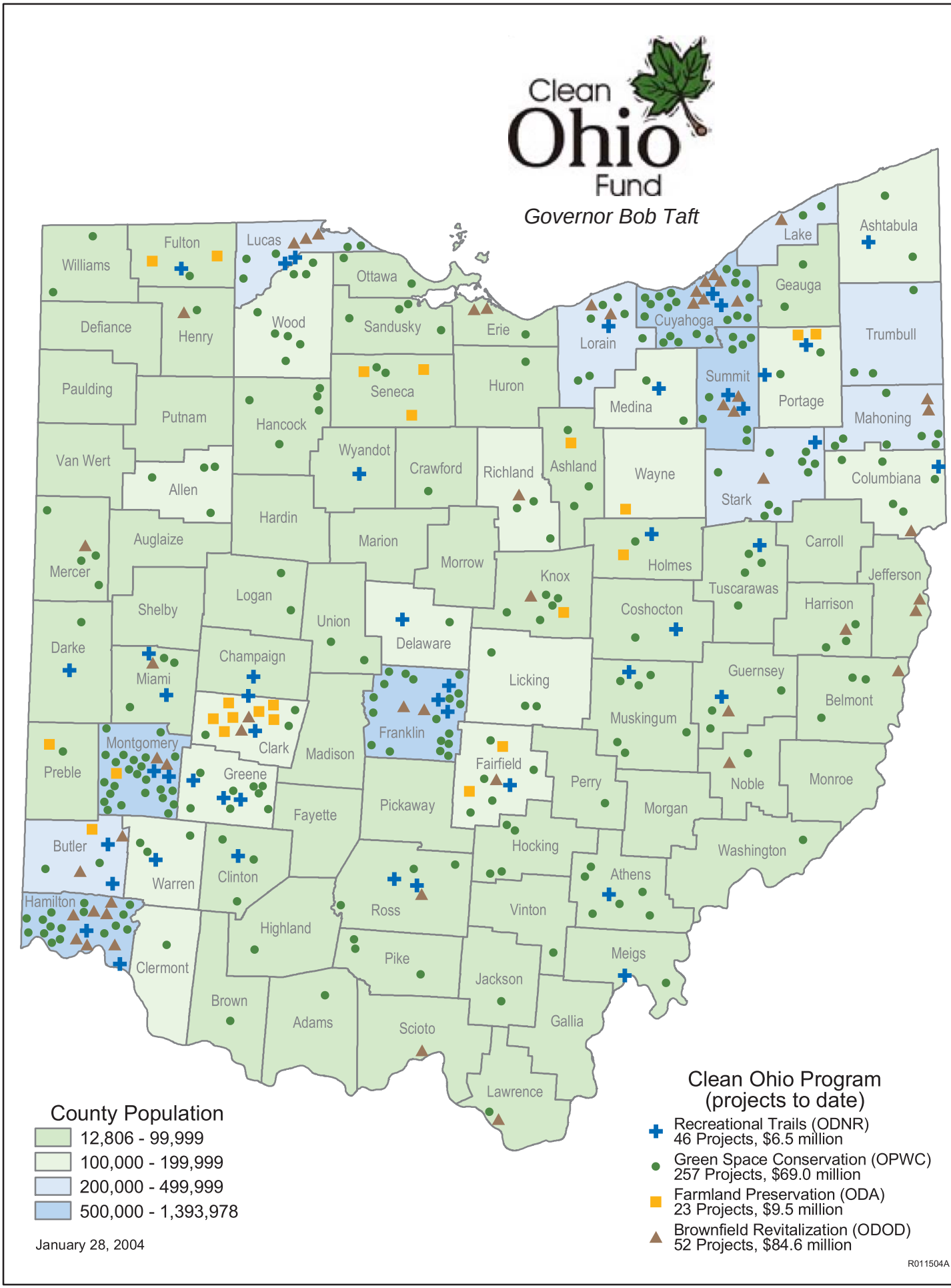
American Farmland Trust


Clean Ohio Fund
Governor Bob Taft
Williams
Fulton
Lucas
Ottawa
Lake
Ashtabula
Defiance
Henry
Wood
Sandusky
Erie
Lorain
Cuyahoga
Geauga
Trumbull
Paulding
Putnam
Hancock
Seneca
Huron
Medina
Summit
Portage
Mahoning
Van Wert
Allen
Wyandot
Crawford
Richland
Ashland
Wayne
Stark
Columbiana
Auglaize
Hardin
Marion
Morrow
Holmes
Carroll
Mercer
Shelby
Logan
Union
Delaware
Knox
Tuscarawas
Coshocton
Harrison
Jefferson
Darke
Champaign
Miami
Licking
Guernsey
Belmont
Montgomery
Clark
Madison
Franklin
Muskingum
Preble
Greene
Fairfield
Perry
Noble
Monroe
Butler
Fayette
Pickaway
Morgan
Warren
Clinton
Hocking
Washington
Hamilton
Ross
Athens
Highland
Vinton
Clermont
Pike
Meigs
Brown
Adams
Scioto
Jackson
Gallia
Lawrence
County Population
12,806 - 99,999
100,000 - 199,999
200,000 - 499,999
500,000 - 1,393,978
January 28, 2004
Clean Ohio Program
(projects to date)
Recreational Trails (ODNR)
46 Projects, $6.5 million
Green Space Conservation (OPWC)
257 Projects, $69.0 million
Farmland Preservation (ODA)
23 Projects, $9.5 million
Brownfield Revitalization (ODOD)
52 Projects, $84.6 million
R011504A

E. AEPP Dollars Spent, 2002 and 2003

Total Amount Spent in AEPP in Dollars and Local Donations

	Clean Ohio	Federal Grants*	Local Match**	TOTAL
2002	$ 6,391,126.00	$ 1,464,838.00	$ 4,565,472.32	$ 12,421,436.32
2003	$ 3,135,632.80	$ 1,728,527.00	$ 4,864,159.80	$ 9,728,319.60
TOTAL	$ 9,526,758.80	$ 3,193,365.00	$ 9,429,632.12	$ 22,149,755.92

* Federal grants have been received from the Farm and Ranchland Protection Program (FRPP) administered by the Natural Resources Conservation Service of the U.S. Department of Agriculture.

** Local Match in the majority of cases is a landowner donation, ranging from 25% to 50% of the total easement value. The only exception is Clark County, which contributed $50,000 cash match in 2002. Applicants receive higher points (up to 10 of 100 total points) on the program's ranking system if they are willing to donate greater than 25% of the total easement value.

F. Ohio Farmland Preservation Task Force Recommendations

Excerpt from the Ohio Farmland Preservation Task Force Findings & Recommendations, Report to Governor George V. Voinovich, June 1997. The complete report can be found at: http://www5.state.oh.us/agr//FPTFcover.HTMLGovernor Voinovich's Ohio Farmland Preservation Task Force Report, June 1997.

VII. RECOMMENDATIONS

Endorse a policy statement establishing that it is a priority of the State of Ohio to preserve the state's productive agricultural land and protect against its unnecessary and irretrievable conversion to nonagricultural uses.

Create an Office of Farmland Preservation within the Ohio Department of Agriculture.

A. VOLUNTARY INCENTIVES FOR FARMLAND PRESERVATION

Create an Ohio Farmland Preservation Program, which provides a menu of voluntary options to preserve farmland as well as to enhance the economic viability of agriculture.

Continue support of the existing agriculture land use programs in Ohio's Agricultural District and Current Agricultural Use Valuation laws.

Create a new voluntary program of local and/or regional Agricultural Security Areas.

Authorize the creation of a Purchase of Development Rights program.

Authorize the creation of a Lease of Development Rights program.

Authorize the creation of local or regional Transfer of Development Rights programs.

Consider the feasibility of creating a state or local interest buy-down program for farmland acquisition loans.

Encourage state and local land acquisition agencies to consider the protection of land through the purchase of development rights or conservation easements, rather than fee-simple purchases.

Create a pilot state Farmland Preservation Fund to provide funding for voluntary incentives for farmland preservation.

B. PLANNING AND INFRASTRUCTURE

Establish an Ohio Farmland Preservation Strategy that coordinates and guides state policies, programs and actions so as to avoid and minimize the unnecessary and irretrievable conversion of productive agricultural land to nonagricultural uses. All state agencies should use a point system to encourage redevelopment of urban areas and cohesive density development (grid pattern, cluster developments, and other land conservation models) to eliminate duplication of infrastructure and use of state funds, subsidies and grants which fund it, unless it is determined that there is no feasible or prudent alternative.

> State-owned and managed lands should be maintained using acceptable soil and water conservation practices as defined by the USDA Natural Resources Conservation Service.

Encourage local governments to prepare comprehensive land use plans. This would encourage: the preservation of farmland; the efficient use of public infrastructure investment; the application of zoning, including agriculturally-supportive zoning; and the managed expansion of urban and suburban areas, including the identification of urban service areas. This would also discourage unnecessary duplication of services.

> Encourage local communities to utilize a cost/benefit methodology for financing capital improvements and services required as a result of the development strategy as proposed in local comprehensive land use plans.
>
> Encourage farmland preservation and necessary urban expansion through higher-density residential development and well-planned industrial development, utilizing central sewer systems and other public infrastructure. Urban service areas reflecting a minimum 25-year expansion area should be recognized.

Improve the ability of local governments to plan and manage land uses that are not incompatible with agriculture and necessary urban expansion.

> The State should require uniformity in the review of non-agricultural buildings and development permits. Building departments at all levels should adhere to a checklist of elements required to obtain a building permit.
>
> Empower counties to reduce unnecessary duplication of infrastructure and services and ensure that development is consistent with county comprehensive land use plans in the unincorporated areas.

Enable county commissioners to participate more extensively in the planning and coordination of zoning matters, to more fully coordinate annexation and local comprehensive land use plans.

Legislation should be adopted to allow counties and municipalities the permissive ability to regulate lot sizes and land divisions including acreage and health concerns within the context of an adopted local comprehensive land use plan.

The construction of new structures on rural lots, which will require expensive on-site septic systems or result in undercapitalized sewer systems, should be discouraged.

Wastewater treatment permit policies should be coordinated with efforts to preserve farmland.

Allow counties to more effectively manage their transportation infrastructure needs and problems.

C. ECONOMIC DEVELOPMENT AND URBAN REVITALIZATION

Promote economic development programs and initiatives for agriculture at the state and local levels.

Provide state matching funds for local planning for the long-term economic viability of agriculture as one of the major local businesses and employers.

Encourage implementation and expansion of current agricultural programs in extension education, production efficiency and marketing.

Encourage the retention, expansion and recruitment of value-added agricultural businesses and operations.

Encourage the Ohio Department of Development and the Ohio Department of Agriculture to continue to collaborate on ways to help agribusinesses expand or locate in Ohio and also examine the feasibility of creating a Division of Rural and Agricultural Economic Development.

Reduce the influence and contribution of federal and state taxes on the conversion of farmland.

Support continued state funding for local land banking, including the Voinovich-Hollister Administration's Urban Initiatives Programs. The land banking process would include property identification, purchase and assembly of the property, environmental mitigation, and site preparation.

More effectively utilize existing infrastructure in urban areas.

G. "Status of State PACE Programs."

2003. *American Farmland Trust Fact Sheet Series*. 4 pages.

FARMLAND INFORMATION CENTER

FACT SHEET

STATUS OF STATE PACE PROGRAMS

American Farmland Trust

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September 2003

DESCRIPTION

As of January 2003, at least 24 states have authorized state-level Purchase of Agricultural Conservation Easement programs. This table displays the status and summarizes important information about farm and ranch land protection programs in 19 states that have acquired funding and easements.

EXPLANATION OF COLUMN HEADINGS

Year of Inception / Year of First Acquisition

"Year of Inception" is the year the law creating the PACE program was approved. "Year of First Acquisition" is the year the program acquired its first easement.

Easements / Restrictions Acquired

Number of agricultural conservation easements or conservation restrictions acquired through the state program. This number does not necessarily reflect the total number of farms/ranches protected, as some programs acquire a property in stages and may hold multiple easements on the same farm/ranch. Some state programs do not hold easements but instead provide funds for easement purchase to local governments or land trusts.

Acres Protected

Number of acres protected by the program to date.

Program Funds Spent to Date

Dollars spent by each program to acquire easements on farms/ranches. Amounts may include unspent funds that are encumbered for installment payments on completed projects. Unless otherwise noted, this figure does not include either incidental land acquisition costs, such as appraisals, insurance and recording fees, or the administrative cost of running the program. These figures reflect the program's expenditure to acquire easements, but do not include additional funds contributed by federal programs, local governments, private land trusts, foundations or individuals, nor the value of landowner donations.

Additional Funds Spent To Date

Funds contributed toward state program acquisitions by local governments (e.g., counties, municipalities), private land trusts, foundations or individuals, and federal programs (see "Funding Sources," below). The value of landowner donations is not included.

Program Funds Spent Per Capita

The amount of state program funds spent on farmland protection per person based on state population figures for 2002 from the U.S. Bureau of the Census.

Program Funds Available

Program funds available for the current fiscal year to acquire easements on agricultural land.

Program Funds Available Per Capita

Program funds available per person based on state population figures for 2002 from the U.S. Bureau of the Census.

Outstanding Applications

Backlog of applications reported by program administrators.

Funding Sources

Sources of funding for each program, including both program funds and additional funds.

"Transportation funding" refers to federal money disbursed under the Intermodal Surface Transportation Efficiency Act of 1991 and the Transportation Equity Act for the 21st Century (ISTEA and TEA-21). ISTEA provided funding for a broad range of highway and transit programs, including "transportation enhancements." Easement acquisitions that protect scenic views and historic sites along transportation routes are eligible for this program. TEA-21 was adopted in May of 1998, re-authorizing federal transportation spending through fiscal 2003.

PURCHASE OF AGRICULTURAL CONSERVATION EASEMENTS

State	Year of Inception/ Year of First Acquisition	Easements/ Restrictions Acquired	Acres Protected	Program Funds Spent to Date		Additional Funds Spent to Date
California	1995/1997	74	20,800	$25,560,000	^	$30,800,000
Colorado △	1992/1995	87	142,071	$40,587,069	^	$107,888,469
Connecticut	1978/1979	213	28,866	$84,262,665	^	$3,600,000
Delaware	1991/1996	353	70,667	$74,604,905	^	$6,478,700
Kentucky	1994/1998	60	12,060	$8,053,740		$1,125,000
Maine	1999/1990	8	2,744	$774,705		$454,705
Maryland	1977/1980	1,551	217,459	$212,977,162	^	$82,653,000
Massachusetts	1977/1980	603	52,735	$135,905,000		$17,001,000
Michigan	1974/1994	61	14,299	$26,359,565		$2,077,736
Montana ❖	1999/2000	8	9,923	$888,000		$1,420,710
New Hampshire ♦	1979/1980	71	9,465	$11,209,008		$1,945,000
New Jersey	1983/1985	796	100,145	$302,970,881	^	$151,121,359
New York	1996/1998	58	9,704	$18,067,683	^	$10,901,706
North Carolina	1986/1999	29	4,224	$2,199,500	^	$0
Ohio ‡	1999/1999	25	4,400	$1,500,000		$0
Pennsylvania	1988/1989	1,946	241,295	$510,538,683		$131,899,549
Rhode Island	1981/1985	54	3,983	$10,790,965		$12,253,165
Utah	1999/2000	14	30,550	$4,602,550	^	$5,940,000
Vermont	1987/1987	318	100,651	$38,409,383	^	$41,694,564
STATE TOTALS		6,329	1,076,041	$1,510,261,464		$609,254,663
LOCAL TOTALS #		1,688	234,181	$665,036,185		
NATIONAL TOTALS		**8,017**	**1,310,222**	**$2,175,297,649**		

STATUS OF STATE PROGRAMS AS OF JANUARY 2003

Program Funds Available	Program Funds Available Per Capita	Outstanding Applications	Funding Sources
$11,700,000	$0.33	14	Appropriations, bonds, private contributions, FPP
$4,000,000 ¤	$0.89	6	Local government contributions, portion of lottery proceeds, FPP
$2,000,000	$0.58	140	Bonds, local government contributions, FPP
$4,880,000	$6.04	136	Agricultural transfer tax, appropriations, bonds, local government contributions, portion of lawsuit settlement, private contributions, transportation funding, FPP
$5,264,000	$1.29	399	Appropriations, bonds, tobacco settlement funds, FPP
$1,200,000	$0.93	10	Appropriations, bonds, credit card royalties, local government contributions, FPP
$20,000,000	$3.66	N/A	Agricultural transfer tax, bonds, local government contributions, private contributions, real estate transfer tax, FPP
$13,304,200	$2.07	110	Bonds, local government contributions, private contributions, transportation funding, FPP
$5,000,000	$0.50	1,300	Local government contributions, repayment of tax credits by landowners withdrawing from the state's circuit breaker program, FPP
$0	$0.00	14	Appropriations, FPP
$1,001,500	$0.79	6	Appropriations, bonds, local government contributions, FPP
$80,000,000	$9.31	650	Appropriations, bonds, local government contributions, portion of state sales and use tax, FPP
$16,000,000	$0.84	0	Bonds, property transfer tax, local government contributions, FPP
$200,000	$0.02	8	Appropriations, FPP
$6,250,000	$0.55	24	Appropriations, bonds, tobacco settlement funds
$40,000,000	$3.24	1,700	Appropriations, bonds, cigarette tax, interest on securities, local government contributions, sales tax, FPP
$1,000,000	$0.93	15	Appropriations, bonds, local government contributions, private contributions
$482,000 ¤	$0.21	2	Appropriations, local government contributions, private contributions, FPP
$5,200,000	$8.43	60	Appropriations, bonds, Farms for the Future pilot program, local government contributions, private contributions, property transfer tax, transportation funding, FPP
$217,481,700		4,594	
$161,632,124		1,251	
$379,113,824		**5,845**	

STATUS OF STATE PACE PROGRAMS

"FPP" is the federal Farmland Protection Program established in the 1996 Farm Bill. The FPP provided matching funds to state, local and tribal agricultural easement acquisition programs. The program was renamed the federal Farm and Ranch Lands Protection Program (FRPP) in the 2002 Farm Bill and was expanded to protect historic or archaeological resources on farms and ranches. Certain non-governmental organizations were also added as eligible applicants. At the time of this survey, programs had not yet received funds from the FRPP, only the FPP. In addition to these sources of funding, several state programs reported financial contributions from private individuals or foundations.

NOTES

△ Program activity includes fee simple acquisitions of agricultural land. All programs with fee activity included on this fact sheet have policies requiring resale of the restricted property.

❖ The Montana Agricultural Heritage Program sunset in 2003.

♦ New Hampshire data include easements acquired through three state programs: Land and Community Heritage Investment Program (LCHIP), the Agricultural Lands Protection Program (ALPP) and the Land Conservation Investment Program (LCIP). ALPP is no longer acquiring easements and LCIP was terminated in 1993.

‡ Ohio data include easements and funds from three programs: the Agricultural Easement Donation Program, the Ohio Agricultural Easement Purchase Program and the Southern Ohio Tobacco Agricultural Easement Purchase Program.

¤ Program funds available include monies for other land conservation purposes.

For a summary of local activity refer to the "Status of Local PACE Programs" fact sheet.

^ "Program Funds Spent to Date" includes incidental land acquisition costs and/or personnel costs.`

H. "Transfer of Development Rights."

2001. American Farmland Trust Fact Sheet Series. 4 pages.

FARMLAND INFORMATION CENTER

FACT SHEET

TRANSFER OF DEVELOPMENT RIGHTS

American Farmland Trust

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January 2001

DESCRIPTION

Transfer of development rights programs allow landowners to transfer the right to develop one parcel of land to a different parcel of land. Generally, TDR programs are established by local zoning ordinances. In the context of farmland protection, TDR is used to shift development from agricultural areas to designated growth zones closer to municipal services. The parcel of land where the rights originate is called the "sending" parcel. When the rights are transferred from a sending parcel, the land is restricted with a permanent conservation easement. The parcel of land to which the rights are transferred is called the "receiving" parcel. Buying these rights generally allows the owner to build at a higher density than ordinarily permitted by the base zoning. TDR is known as transfer of development credits (TDC) in California and in some regions of New Jersey.

TDR programs are based on the concept that property owners have a bundle of different rights, including the right to use land, lease, sell and bequeath it, borrow money using it as security, construct buildings on it and mine it, subject to reasonable local land use regulations. Some or all of these rights can be transferred or sold to another person. When a landowner sells property, generally all the rights are transferred to the buyer. TDR programs enable landowners to separate and sell the right to develop land from their other property rights.

TDR is most suitable in places where large blocks of land remain in farm use. In communities with a fragmented agricultural land base, it is difficult to find a viable sending area. Jurisdictions also must be able to identify receiving areas that can accommodate the development to be transferred out of the farming area. The receiving areas must have the physical capacity to absorb new units, and residents of those areas must be willing to accept higher density development. Often, residents of potential receiving areas must be persuaded that the benefits of protecting farmland outweigh the costs of living in a more compact neighborhood.

TDR programs are distinct from purchase of agricultural conservation easement (PACE) programs because they involve the private market. Most TDR transactions are between private landowners and developers. Local governments generally do not have to raise taxes or borrow funds to implement TDR. A few jurisdictions have experimented with public purchase and "banking" of development rights. A TDR bank buys development rights with public funds and sells the rights to private landowners.

HISTORY

TDR is used predominantly by counties, towns and townships. The 1981 National Agricultural Lands Study reported that 12 jurisdictions had enacted TDR programs to protect farmland and open space, but very few of these programs had been implemented. In the 1980s and 1990s, many local governments adopted TDR ordinances. A survey in the spring of 2000 identified 50 jurisdictions with TDR ordinances on the books. Three programs had been revoked. Despite the widespread adoption of TDR, only fifteen programs have protected more than 100 acres of farmland and only eight programs have protected more than 1,000 acres of farmland. Twenty-two programs, or 44 percent, have not protected *any* agricultural land. Since 1980, Montgomery County, Maryland, has protected 40,583 acres using TDR, or 60 percent of the national total (67,707 acres).

FUNCTIONS & PURPOSES

TDR programs can be designed to accomplish multiple goals including farmland protection, conservation of environmentally sensitive areas and preservation of historic landmarks. In the context of farmland protection, TDR programs prevent non-agricultural development of farmland, reduce the market value of protected farms and provide farmland owners with liquid capital that can be used to enhance farm viability.

TDR programs also offer a potential solution to the political and legal problems that many communities face when they try to restrict devel-

TRANSFER OF DEVELOPMENT RIGHTS

For additional information on transfer of development rights and other farmland protection programs, the Farmland Information Center offers publications, an online library and technical assistance. The farmland information library is a searchable database of literature, abstracts, statutes, maps, legislative updates and other useful resources. It can be reached at http://www.farmlandinfo.org. For additional assistance on specific topics, call the technical assistance service at (800) 370-4879.

opment of farmland. Landowners often oppose agricultural protection zoning (APZ) and other land use regulations because they can reduce equity. APZ can benefit farmers by preventing urbanization, but it may also reduce the fair market value of their land. When downzoning is combined with a TDR program, however, landowners can retain their equity by selling development rights.

ISSUES TO ADDRESS

In developing a TDR program, planners must address a variety of technical issues. These issues include:

- Which agricultural areas should be protected?
- What type of transfers should be permitted?
- How should development rights be allocated?
- Where should development be transferred, and at what densities?
- Should the zoning in the sending area be changed to create more of an incentive for landowners to sell development rights?
- Should the zoning in the receiving area be changed to create more of an incentive for developers to buy development rights?
- Should the local government buy and sell development rights through a TDR bank?

One of the most difficult aspects of implementing TDR is developing the right mix of incentives. Farmers must have incentives to sell development rights instead of building lots. Developers must benefit from buying development rights instead of building houses according to the existing standards. Thus, local governments must predict the likely supply of and demand for development rights in the real estate market, which determines the price. TDR programs are sometimes created in conjunction with APZ: New construction is restricted in the agricultural zone, and farmers are compensated with the opportunity to sell development rights.

Because the issues are so complex, TDR programs are usually the result of a comprehensive planning process. Comprehensive planning helps a community envision its future and generally involves extensive public participation. The process of developing a community vision may help build understanding of TDR and support for farmland protection.

BENEFITS OF TDR

- TDR protects farmland permanently, while keeping it in private ownership.
- Participation in TDR programs is voluntary—landowners are never required to sell their development rights.
- TDR promotes orderly growth by concentrating development in areas with adequate public services.
- TDR programs allow landowners in agricultural protection zones to retain their equity without developing their land.
- TDR programs are market-driven—private parties pay to protect farmland, and more land is protected when development pressure is high.
- TDR programs can accomplish multiple goals, including farmland protection, protection of environmentally sensitive areas, the development of compact urban areas, the promotion of downtown commercial growth and the preservation of historic landmarks.

DRAWBACKS OF TDR

- TDR programs are technically complicated and require a significant investment of time and staff resources to implement.
- TDR is an unfamiliar concept. A lengthy and extensive public education campaign is generally required to explain TDR to citizens.
- The pace of transactions depends on the private market for development rights. If the real estate market is depressed, few rights will be sold, and little land will be protected.

Source: American Farmland Trust, *Saving American Farmland: What Works* (Northampton, MA 1997)

LOCAL GOVERNMENTS WITH TDR PROGRAMS FOR FARMLAND, 2000

State/County	Date Ordinance Enacted	Acres of Farmland Protected	Total Acres Protected	Notes
California				
Marin County	1981	670	670	Multi-purpose program
*San Mateo County	1986	40	40	Bonus rights awarded for development of agricultural water storage
San Luis Obispo County	1996	0	0	Multi-purpose program, appraisals used to allocate development rights
Colorado				
Boulder County	1995	~2,800	~3,200	Multi-purpose program, mandatory program, bonus development rights awarded for available agricultural water rights
Connecticut				
Windsor	1993	0	0	Multi-purpose program
Florida				
Hillsborough County	1985	0	0	Multi-purpose program
Palm Beach County	1992	0	6,573	Multi-purpose program, original program created in 1980, substantially revised in 1992
Idaho				
Fremont County	1991	0	200	Multi-purpose program
Maine				
Cape Elizabeth	1982	0	0	Multi-purpose program
Maryland				
Calvert County	1978	8,000	8,000	
Caroline County	1989	NA	NA	
Charles County	1992	1,183	1,183	
Harford County	1992	NA	NA	Sending and receiving areas must be within 500 feet of each other
Howard County	1992	1,438	NA	Multi-purpose program, county purchases and retires development rights
Montgomery County	1980	40,583	40,583	Mandatory program
Queen Anne's County	1987	2,000	2,417	Multi-purpose program, rights can be used to increase residential density or to increase square footage or impervious surface area in non-residential applications
*St. Mary's County	1990	0	6	Multi-purpose program
Talbot County	1989	500	580	Multi-purpose program
Massachusetts				
Groton	1980	50	292	Multi-purpose program
Hadley	2000	0	0	Rights can be used to increase commercial and industrial square footage and reduce parking requirements. An alternate mechanism allows developers to make cash payments into a farmland protection fund in lieu of buying development rights to receive the density bonuses
Sunderland	1974	NR	NR	
Townsend	1989	0	0	Multi-purpose program
Minnesota				
Blue Earth County	1977	~3,000	~3,000	
Montana				
Springhill Community, Gallatin County	1992	200	200	Mandatory program
New Jersey				
Chesterfield Township, Burlington County	1998	0	0	Multi-purpose program
Hillsborough Township, Somerset County	1975	0	0	Multi-purpose program
Lumberton Township, Burlington County	1996	563	563	Multi-purpose program
New Jersey Pinelands	1981	5,722	19,238	Multi-purpose program, mandatory program

State/County	Date Ordinance Enacted	Acres of Farmland Protected	Total Acres Protected	Notes
New York				
Eden	1977	31	38	Multi-purpose program
*Perinton	1993	56	82	Multi-purpose program
Central Pine Barrens (Long Island)	1995	NA	307	Multi-purpose program, mandatory program, rights can be used to increase residential density, commercial square footage or permitted sewage flow
*Southampton	1972	0	232	Multi-purpose program
Pennsylvania				
Birmingham Township, Chester County	1978	0	0	Multi-purpose program
*Buckingham Township, Bucks County	1975	280	280	
Chanceford Township, York County	1979	0	0	
Codorus Township, York County	1990	40	40	PROGRAM REVOKED
East Hopewell Township, York County	1984	NA	NA	
*East Nantmeal Township, Chester County	1994	0	0	
Hopewell Township, York County	1988	NR	NR	
London Grove Township, Chester County	1995	0	0	Point system used in allocation of development rights
*Lower Chanceford Township, York County	1990	200	200	Transfers between adjacent parcels in common ownership only
Manheim Township, Lancaster County	1991	190	190	PROGRAM REVOKED
Shrewsbury Township, York County	1991	NA	~100	TDR bank under discussion
Springfield Township, York County	1996	0	0	Multi-purpose program
*Warrington Township, Bucks County	1985	0	0	Rights can be used to increase commercial/industrial building coverage and impervious surface area
Washington Township, Berks County	1994	0	0	
Utah				
*Tooele	1995	0	0	
Vermont				
Jericho	1992	0	0	Multi-purpose program, mandatory program point system used for the allocation of development rights
South Burlington	1992	50	250	Multi-purpose program, mandatory program
Williston	1990	NA	NA	Multi-purpose program
Virginia				
Blacksburg	1996	23	23	Multi-purpose program
Washington				
Island County	1984	88	88	PROGRAM REVOKED
Thurston County	1995	0	0	Mandatory program
TOTALS		**67,707**	**88,575**	

*** Information from 1997 survey**

"NA" means that the program's contact person reported that the data either was not available or was not tracked.
"NR" means that the program's contact person did not reply to the 1997 or the 2000 survey.

The terms "voluntary" and "mandatory" can be confusing when used in reference to TDR. For the purposes of this fact sheet we categorize TDR programs as "mandatory" if land use regulations (e.g., APZ) are adopted at the time the program is created to reduce the amount of development that can occur in the sending area. Under "mandatory" programs landowners who want to realize their full equity based on the old regulations must sell their development rights. For example, Thurston County, Wash., imposed APZ on more than 12,000 acres decreasing maximum residential density from one unit per five acres to one unit per 20 acres. Landowners in the agricultural zones can develop their land under the new zoning rules, *or* if they choose to participate in the TDR program, can sell one development right per five acres. TDR programs in Montgomery County, Md., and the Pine Barrens of New Jersey, use the same approach. Boulder County, Colorado, made the criteria for non-urban planned unit developments (NUPUDs) stricter at the time the TDR program was enacted. Previously, any landowner with 35 acres qualified for a NUPUD. Now, landowners are required to own 320 acres to qualify. NUPUDs allow development at the same rates as the TDR program.

Surveys were sent to programs identified by staff and profiled in farmland protection and planning publications, including *Saved By Development* by Rick Pruetz, AICP. The table is meant to be comprehensive. If you are aware of other TDR programs that protect farmland, please contact AFT's technical assistance service.

I. "Agricultural Economic Development."

1998. American Farmland Trust Fact Sheet Series. 3 pages.

FARMLAND INFORMATION CENTER

FACT SHEET

AGRICULTURAL ECONOMIC DEVELOPMENT

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DESCRIPTION

Farmers often say that the best way to protect farmland is to ensure that farming is profitable. Many farmland protection programs are designed to prevent development of productive land. Protecting the land base is an investment in the infrastructure of agriculture. Building and maintaining a strong agricultural economy is just as important to the viability of farms and ranches. An increasing number of states, communities, organizations and producers are promoting investment in agriculture through loan and grant programs, the development of high-value agricultural products and services, direct marketing of farm products and diversification.

HISTORY

For most of U.S. history, agriculture was the foundation of local economies. Food was produced, marketed and sold close to home. Farmers and ranchers reaped most of the profits from the sale of food and fiber products. With the emergence of national and global markets, supermarkets and changes in the structure of agriculture, the producers' share of food and fiber profits decreased substantially. Since the 1970s, state and local governments and nonprofit organizations have been helping farmers and ranchers develop new products, processing facilities, services and marketing strategies to increase farm profits.

FUNCTIONS & PURPOSES

State and local agricultural economic development programs provide technical assistance to farmers, ranchers and agricultural communities and facilitate access to capital for agricultural business development and expansion. They are designed to build and support local agricultural economies and to improve the economic health of individual farms and ranches. Some jurisdictions also use agriculture as a foundation to develop other industries, such as food processing and tourism. Programs use different strategies to achieve different objectives.

STRATEGIES

Planning for agricultural viability

Some local governments are incorporating agricultural business strategies into their traditional economic development plans. Four local governments in Maryland employ economic development specialists who advise farmers on new products, services, marketing strategies and management techniques to increase profitability. New York's county Agricultural and Farmland Protection Boards have the authority to receive state matching funds to develop and implement county agricultural and farmland protection plans. Many of these plans include the promotion of economic development initiatives for agriculture.

Business planning and capital investment

Preparing a business plan can allow farmers and ranchers to examine a range of strategies to increase profits. A new Massachusetts program gives farmers access to a team of agricultural, economic and environmental consultants. Team members assess farm operations and make recommendations to improve performance. Farmers may receive state grants for capital improvements based on their business plans. In return, the farmers agree to sign five- or ten-year covenants restricting development of their land. The plans and grants are designed to make farms more profitable; the covenants give the strategies time to work. Canada has a national program that provides incentives for farmers to develop business plans through cost-sharing and grants.

Purchase of agricultural conservation easement programs

Purchase of agricultural conservation easement programs compensate property owners for restricting the future use of their land. Selling an easement allows farmers and ranchers to cash in a percentage of the equity in their land, thus creating a financially competitive alternative to development. Producers often use PACE program

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funds to buy and improve land, buildings and equipment, to retire debt and to increase the viability of their operations.

Loan programs and economic development incentives

Farmers need access to capital to purchase land and equipment and to invest in the development of new products, services, production technologies and marketing strategies. Yet commercial banks often are reluctant to lend money to farmers for agricultural enterprises. Public economic development programs are generally targeted to the industrial and service sectors and do not consider loans to agricultural businesses. State and local governments can facilitate agricultural economic development by treating farms as other businesses, making loan funds, tax incentives and technical assistance available to producers.

Twenty-four states offer public agricultural financing programs. Many of these programs are targeted to beginning farmers. Few, if any, have the capital to meet the demand for credit among farmers. One promising approach is a private initiative in Maryland that is experimenting with getting commercial banks to participate in an agricultural loan program through the commitment of Community Reinvestment Act funds.

Direct Marketing

Growers who market agricultural products directly to customers usually receive higher prices than farmers and ranchers who sell wholesale. Counties and towns can encourage the development of agricultural retail businesses by specifically permitting roadside stands, pick-your-own operations, nurseries and other agricultural uses in their zoning by-laws. Many communities also have developed and distributed maps showing the location of farmstands, pick-your-own operations and farmers' markets, and some have posted signs directing drivers to farm businesses.

Farmers' markets

Farmers' markets give growers access to a large base of customers. Most markets are open-air public spaces where farmers gather to sell homegrown products. Farmers may travel hundreds of miles to downtown markets in big cities. The markets are good for the city as well as the farmers, as they attract customers who patronize other downtown businesses.

Marketing to restaurants and food retailers

Much of the retail price of food pays for marketing and distribution. By selling directly to food retailers, farmers and ranchers can capture more profit. A growing number of natural and specialty food stores are expressing interest in selling local farm products. Several nonprofit organizations are working to establish links between growers and chefs. Encouraging restaurants to use local produce and meats and promote them on their menus may help build a retail customer base for both local farms and dining establishments. Contact with restaurants and food retailers also helps keep farmers informed about trends in the food industry.

Community supported agriculture

Community supported agriculture is a relatively new form of direct marketing. CSA farm customers pay for a share of the harvest at the beginning of the year and receive a weekly bundle of vegetables and fruits throughout the growing season. This system takes some of the risk out of farming and shifts the time that growers must spend on marketing to the beginning of the year. Some organizations are working to build CSA networks that would allow individual growers to offer a larger selection of farm products to their customers.

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For additional information on farmland protection, the Farmland Information Center offers publications, an on-line library and technical assistance. To order AFT publications, call (800) 370-4879. The farmland information library is a searchable database of literature, abstracts, statutes, maps, legislative updates and other useful resources. It can be reached at http://www.farmlandinfo.org. For additional assistance on specific topics, call the technical assistance service at (413) 586-4593.

Diversification

Agricultural operations that specialize in commodities such as corn or milk are vulnerable to economic shocks caused by low prices or bad weather. State departments of agriculture, Extension agents and economic development agencies promote diversification to reduce risk and increase profits. Diversification can mean planting new crops or shifting to a different mix of crops and livestock, developing new products or services or targeting new markets.

New products and marketing strategies

State and local governments and agricultural organizations are helping growers create and market specialty products such as cheese, wine, preserves and sauces, potato chips and cereals. These products can be sold year-round - a big advantage in cold climates - and some can be marketed through the mail. Several states are investigating the feasibility of public commercial kitchens that could serve as incubators for farm-based food businesses. An organization in Virginia is developing a brand of local farm and seafood products, and an organization in Maine is experimenting with selling farm products on the internet.

Agritourism

Several state and local governments offer workshops for farmers who are interested in developing recreational businesses. Agricultural tourism is increasingly popular in farming communities near urban areas. Entrepreneurial growers are offering educational and recreational services such as school tours, hay and sleigh rides, crop mazes, petting zoos, restaurants, ranch vacations and bed-and-breakfast facilities. These services bring in new customers and promote farm products.

Grower Cooperatives

Growers who sell wholesale can increase their access to lucrative markets by forming cooperatives. High-volume retailers such as supermarkets that find it too difficult to buy from individual producers may welcome the opportunity to purchase locally-grown food from a well-organized cooperative. Cooperatives can also offer a diverse selection of products to retailers at a competitive price.

Reducing the costs of production

Most agricultural economic development strategies are designed to help producers increase revenues, but a few help them cut costs. A project in Vermont is training dairy farmers to implement pasture-based management. By switching from growing and storing feed crops to grazing, dairy farmers can cut costs and improve their quality of life. Other organizations promote the use of integrated pest management and organic farming, which reduce the cost of inputs and may increase the prices that growers can demand for their products. Purchasing cooperatives for seeds and other agricultural supplies also can reduce production costs.

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American Farmland Trust is saving the land that sustains us by working with communities and individuals to protect the best land, plan for growth with agriculture in mind and keep the land healthy.
For more information or to support our work, visit http://www.farmland.org.