

Preservation News

A Newsletter about the Calvert County Land Preservation Program

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New Money Energizes State Programs!

The Maryland land preservation programs have always been among the most successful in the country. However, funding plummeted four years ago, as did landowner interest. Last year, Governor Ehrlich returned open space funds to the land preservation programs, and Governor O'Malley promises to retain them to keep the programs effective.

The Maryland Agricultural Land

Preservation Foundation (MALPF) program is a partnership between the State and the County.

The primary objective of the program is "to preserve productive agricultural land and woodland in Maryland to provide for the continuing production of food and fiber for the citizens of Maryland." Owners apply to have their land designated as a state Agricultural Preservation District (APD). If approved, owners are eligible to sell an easement on their

Property. The easement value is based on the difference between the market value and farm value of a property, as determined by two state appraisals. In Calvert, 4,697 acres have been preserved in the MALPF program. Beginning July 1st this year, \$52 million available statewide, and all owners of state APDs will be eligible. To get their properties in APDs in time to apply to sell an easement this year, owners will need to submit their application for a state APD by May 1st to the County Planning & Zoning Department.



The Maryland Rural Legacy Program

is geared toward preserving large blocks of farm, forest, and sensitive lands. The Board of County Commissioners received approval by the state to create the North Calvert Rural Legacy Area of 10,000 acres and the Calvert Creeks Rural Legacy Area of 20,000 acres. Although this is the newest preservation tool, 1,634 acres have already been preserved in Calvert.

The **Maryland Environment Trust** is an easement donation program, not an easement sale program. However, higher land values and easement values have made the easement donation program more attractive. And the new federal legislation makes it every more appealing (see story on page 3). For people who want to preserve their land, an easement will assure that the land will never be used in a way contrary to their intent. Easements often make it much easier to pass the land to the owner's children without paying large estate taxes.

Contents:

New Money Makes State Programs Hot!....1
Thirty Years Later, Calvert County On Tract to Preserve 40,000 acres.....2
Land Preservation Workshops.....4

Just the Facts:

Acres in APDs – 30,175
Acres Preserved – 24,722
Acres Preserved by TDR sales – 17,678
Maximum sale price - \$11,000

Thirty Years Later, Calvert County On Track to Preserve 40,000 acres.

In 1977, Delegate Tom Rymer and Senator Ed Hall introduced legislation to create the Calvert County Agricultural Land Preservation Program which became the first adopted land preservation program in the State. According to Peter Vogt, who is publishing a book on the County Program, it was also the first true transferable development rights land preservation program in the country.

Thirty years later, the Program has proven to be highly effective. The County passed its original land preservation goal of 20,000 acres and is well on the way to reach its new goal of 40,000 acres. To date, 30,175 acres have been enrolled in Agricultural Preservation Districts. A total of 24,723 have been permanently preserved. Of that total, 12,223 acres have been preserved via the original TDR Program. Over the years, the County added four other land preservation tools to give land owners more preservation a total of six options. The three state options are described on page 1.

1. Transferable Development Rights (TDRs) Program. This program allows an owner of land in an Agricultural Preservation District to sell his/her development potential to another party. Prior to the transfer, a restrictive covenant is recorded in the land records permanently subjecting the property to development restrictions. Subject to County regulations, a purchaser of the TDRs is allowed to attain a higher residential lot density at another site. Thus development is relocated from farms and forestlands to areas targeted for growth. Prior to a development rights sale, the owner must establish an APD and have development rights certified by the Board of County Commissioners. One development right is certified per acre (2 for the Residential District). Five development rights are deducted per residence and four development rights are added for each unused one-acre "exception" lot in the Rural District. When TDRs are used to increase density, 5 TDRs are need for each residential lot or dwelling unit. Forest Conservation TDRs can be created by placing additional covenants on existing forested areas in APDs. A workshop on FC TDRs will be held on March 28, 2007 (see the last page for more details). The transfer of development rights is negotiated between buyer and seller. The County monitors the transactions. The County keeps a list of owners wishing to sell their TDRs.



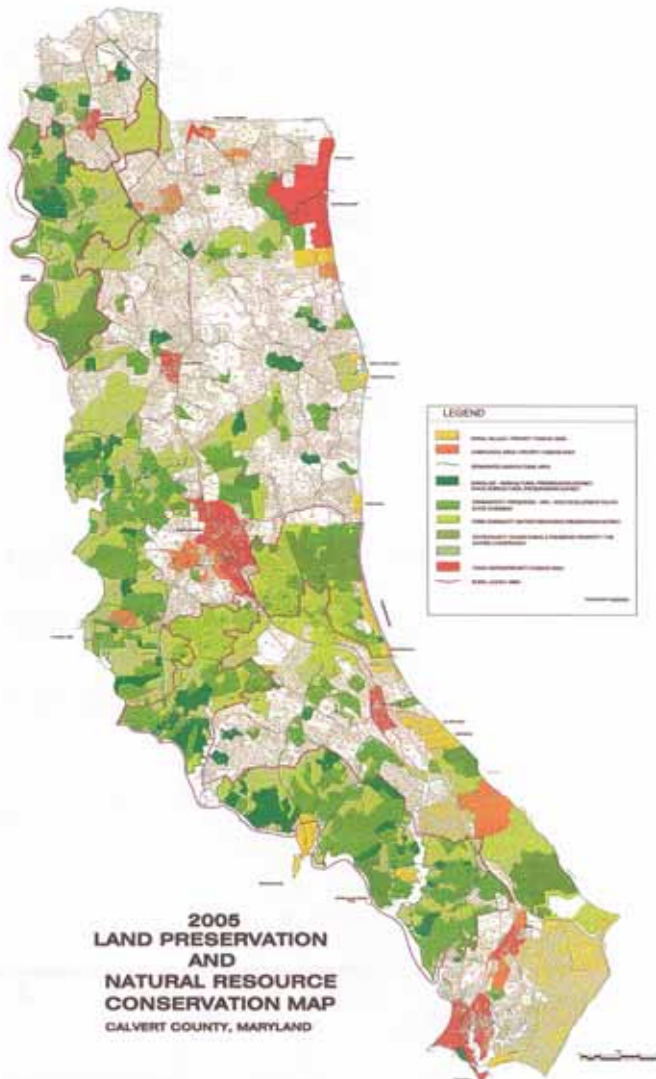
2. Purchase and Retirement (PAR) Fund. The purpose of the PAR Fund is to purchase, retire and permanently remove transferable development rights from the development rights market. Under this program, owners may sell development rights to the Board of County Commissioners. Owners may sell up to 10 development rights from land in the County's Agricultural Preservation Program. Owners of any APD from which no development rights have been sold may apply to sell an additional five development rights. Applications are ranked based upon an adopted formula. The PAR Fund helps promote participating in the Agricultural Preservation Program and helps reduce the residential buildout of the county. By selling development rights over a period of time, owners might reduce their capital gains taxes.

3. Leveraging and Retirement (LAR) Fund. The Leveraging Program is similar to the PAR Fund in that the Board of County Commissioners buys development rights from APD owners and permanently retires the development rights. The primary differences between the two programs include the amount of development rights that may be sold and the method of payment. The owner of the development rights is not limited to selling only 10, or 15, development rights. The owner receives annual tax-free interest payments and a lump sum payment constituting the principal at the end of a 10, 15, or 20 year term. An installment purchase agreement is signed between the County and the seller.

Calvert County Land Preservation Tools	Acres Preserved as of Feb. 2007
Transferable Development Rights	12,223
Purchase And Retirement (PAR) Fund	3,575
Leveraging and Retirement (LAR) Fund	1,879
Maryland Agricultural Land Preservation Program	4,698
Maryland Rural Legacy Program	1,635
Maryland Environmental Trust (MET)	713
Total	24,723

The Trust for Public Lands reported that in the November 2006 election, "voters in 23 states across the nation approved spending more than **\$5.7 billion** to protect water quality, natural areas, parks and farmland." "127 state and local land conservation funding questions were on the ballot on November 7. Ninety-nine -- or 78% -- were approved. New Jersey was the leader, with 23 measures on the November 7 ballot, of which 15 - 65% - were approved. New Jersey provides matching state funds for local conservation." The Trust can be found on the web at www.tpl.org. Contact the Mid-Atlantic Region office at 410-243-3698.

Calvert County Land Preservation Map



Tobacco Barn Restoration Fund



The National Trust for Historic Preservation named the Tobacco Barns of Southern Maryland to its 2004 list of America's 11 Most Endangered Historic Places. Recognizing both the importance of rural heritage in Maryland and the need for financial support, the National Trust, the Maryland Historical Trust, and Preservation Maryland have partnered to create the Tobacco Barn Restoration Fund. The purpose of the Fund is to promote the preservation and rehabilitation of Maryland's historic tobacco barns. Types of projects eligible for funding include stabilization of endangered historic barns, including but not limited to roof repairs, timber repair or replacement, and foundation work, or work that preserves the historic character and materials of an historic barn. Eligible applicants include property owners, nonprofit organizations, and local jurisdictions. Maximum grant amount is \$10,000, which must be matched dollar-for-dollar. Application deadline is March 16, 2007. For additional information on the grant, contact Joshua Phillips, Director of Preservation Services, Preservation Maryland, 24 W. Saratoga Street, Baltimore, MD 21201-4227, phone 410-685-2886, jphillips@preservationmaryland.org, or www.preservationmaryland.org, click on "Resources." For general questions about restoration of Calvert County tobacco barns, contact Kirsti Uunila, Calvert County Historic Preservation Specialist, phone 410-535-1600 x 2504, uunilak@co.cal.md.us. Grant information excerpted from Preservation Maryland's 2007 Guidelines & Procedures.

2006 Farm Conservation Tax Update *(Excerpt from article by Jerry Cosgrove, Attorney, American Farmland Trust)*

"Recently, President Bush signed the Pension Protection Act of 2006, which significantly increases the ability of individuals and corporations, especially farmers and ranchers, to use income tax deductions from donations of conservation easements that meet the requirements of the Internal Revenue Code. Effective only for tax years 2006 and 2007, the Pension Act increases the allowable deduction for the value of the easement from 30 percent to 50 percent of Adjusted Gross Income (AGI). In addition, the Pension Act allows individuals to carry forward the excess value for up to 15 years."

For more information about the Pension Act, please contact a financial advisor. The full article is available at http://www.farmlandinfo.org/documents/31084/2006_Conservation_Tax_Update.pdf, or from the Farmland Information Center, a public/private partnership between the USDA Natural Resources Conservation Service and the American Farmland Trust, 800-370-4879.

Agricultural Preservation Advisory Board
C/O Board of County Commissioners
175 Main Street
Prince Frederick, MD 20678

Land Preservation Workshops Planned

- ***Land Preservation Options: County and State Programs:***

Monday, March 19, 2007 7:00 PM – 8:30 PM

County Services Plaza, Room 102, 150 Main St., Prince Frederick

This workshop provides an overview of County and State land preservation programs. The State programs have both received significant increases in monies. If inclement weather, this workshop will be held in conjunction with the workshop on March 28th.

- ***The Newest Option for Land Preservation: Forest Conservation Transferable Development Rights.***

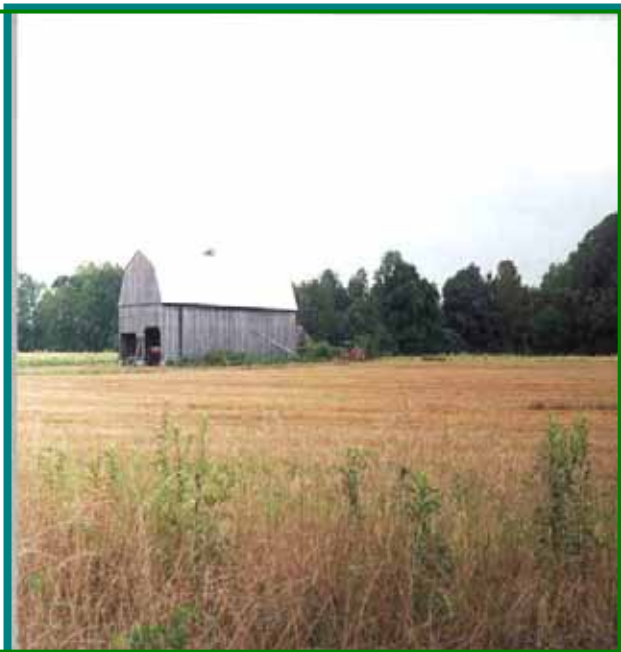
March 28, 2007 7:00 PM – 8:30 PM

Calvert Library, 850 Costley Way, Prince Frederick

This workshop will include an overview of the County and State land preservation programs with a special emphasis on properties with forested areas.

For more information, please contact the Department of Planning & Zoning, 410-535-1600 x 2337, 301-855-1243 x 2337.

<http://calendar.yahoo.com/calvertpz>. Email: pz@co.cal.md.us.



The Deadline for applications to the MALPF Program (see page 1) is May 1, 2007.

The deadline for applications to the Leveraging Program (see page 2) is June 29, 2007.

Contact the Department of Planning and Zoning for an application, 410-535-2348.