

Preservation News

A Newsletter about the Calvert County Land Preservation Program

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County Commissioners Set the PAR Fund Price at \$9,000 per Development Right

The Board County Commissioners established the Purchase and Retirement (PAR) Fund in 1992 “to purchase, retire and permanently remove Transferable Development Rights from the development rights market, thereby protecting additional farm land acres from development.” An owner of a recorded Agricultural Preservation District (APD) may sell up to 10 Development Rights per year. Owners of any APD from which no Development Rights have been sold may apply to sell an additional 5 Development Rights. For this cycle of the PAR Fund purchases, seven applications were received by the December 31, 2004 deadline. The seven applicants offered to sell 75 development rights. The Agricultural Preservation Advisory Board reviewed the applications, which were ranked using a pre-set formula. On April 12, 2005, the County Commissioners set the price for the PAR Fund development rights at \$9,000. The County Commissioners were concerned that they received so few sales last year that they decided to set the PAR Fund at a rate competitive with the open market. There were sufficient funds in the budget for the Commissioners to offer to purchase all 75 development rights. The Development Rights Sales Summary for 2004 is shown below. Applications for the 2006 PAR Fund must be submitted before December 31, 2005. Applications are available from the Planning & Zoning Department.

Development Rights Sales Summary for 2004

Number of Development Rights Sold	1,393
Average Sales Price	\$5,286
Lowest Sales Price	\$2,850
Highest Sales Price	\$8,000

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Just the Facts:

Acres in APDs – 28,523
Acres Preserved – 22,766
TDRs Sold – 16,148
TDR value (2004) - \$5,300
Range (2004): \$2,850-\$8,000



Incubating Farmers and Artisans in Calvert

**By Danita Boonchaisri, Marketing & Communications Specialist
Calvert County Department of Economic Development**

Many elements come together in the creation of a comprehensive economic development plan – there are small and large business issues, zoning ordinances, taxes, financing tools, infrastructure development, workforce development initiatives, tourism and strategic planning, to name just a few. To attract and retain businesses, economic development offices must be concerned with a wide range of industry categories including manufacturing, information technology, construction, medical service and retail sectors and, as in Calvert County, even the agricultural community. It is the healthy mix of all these categories that leads to vibrant and dynamic places where people want to live, shop and work.

Calvert County has a long heritage of agricultural activity and the Board of County Commissioners continues to seek ways to enhance and maintain that heritage for future generations. Programs like the Calvert County Market (CCM) provide an excellent opportunity for citizens, farmers and artisans to connect, sharing knowledge, experience and craftwork, while also making a positive impact on the economy.

CCM was first opened in spring 2002 to provide the County's farmers and artisans with an opportunity to sell their goods year-round. Original funding for establishment of CCM was gleaned from tobacco buyout funds intended to help local tobacco farmers transition into alternative crops.

The inaugural year featured a smattering of farmers and crafters occupying about one quarter of the current space in the old Super Fresh supermarket in the Prince Frederick Shopping Center. After major renovation, the 17,000 square foot facility was reopened in spring 2003 with a full contingent of farmers, craft and artisan vendors.

Today, CCM operates as an innovative experiment in business incubation. Each vendor, while responsible for their own products, marketing and customer relations, also enjoys the benefit of having facility-wide marketing and public relations programs and services, subsidized rental space, business training and workshops provided by the Department of Economic Development and the Small Business Development Center, plus the opportunity to network and share expertise and advice with other like-minded retailers.

CCM offers shoppers an eclectic mix of products. Anchor tenants provide ceramics, locally grown meats and seafood, gourd art and birdhouses, baked goods, deli foods, yarn and spinning equipment. Other vendors provide furniture, jewelry, painted glass, aromatherapy items, candies, exotic wood products, tailoring services, crafts and unique, one-of-a-kind artisan products. Not just a farmers market and not quite an artisan shop, CCM provides an interesting blend of both in Southern Maryland's only indoor farm/craft market.

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Leverage Your Money . . .And Secure Your Future

By Greg Bowen, Director, Planning & Zoning Department

Applications for the Leveraging Program are due by June 30th and are available in the Department of Planning and Zoning.

The Leveraging Program allows owners to “bank” the value of Transferable Development Rights (TDRs) at their current value for when they retire AND allow them to collect the interest on that money “tax free” until the payment of the principal is due. With the price of TDRs more than doubling in two years, the leveraging program is a great way to build a nest egg for retirement without selling the farm.

Take for example a 100-acre farm. The TDRs may be worth between \$600,000 and \$900,000. The interest on the principal (at 4.5%) would be \$27,000 to \$40,500 per year. You would collect the principal at the end of 10 to 20 years (your choice) and you would still own the farm.

The Process

Owners submit their applications, which are reviewed and ranked by the Agricultural Preservation Advisory Board using a pre-set formula. The County Commissioners set the price of the TDRs, based on the current TDR market, and offers are made to applicants dependent on funding.

Once a landowner agrees to accept a County offer to purchase his or her development rights, an Installment Purchase Agreement (IPA) between the County and the individual seller is written. The agreement includes the total amount of money that the County has agreed to pay the landowner and sets the terms of that agreement, including the fixed interest rate on which the landowner will receive annual payments. The IPA shall be for up to 20 years with the interest paid twice a year. At the end of the term, the landowner receives a lump sum payment constituting the principal.

To be eligible for the Leveraging Program, an owner must be in an Agricultural Preservation District and have the TDRs certified.



Agricultural Preservation Advisory Board
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Incubating Farmers and Artisans in Calvert

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The ultimate goal of any business incubation program is to help developing companies obtain the skills and knowledge they need to spur economic growth in the community by providing jobs, purchasing supplies and services from other small businesses and paying their share of commercial taxes. However, this is not CCM's only or even ultimate purpose.

CCM's main goal is to provide an exciting place where people can shop and meet, while also supporting local farms and artisans. By providing a well-managed, year-round facility where vendors can sell their products, County residents are able to conveniently purchase locally made goods and help our region's agricultural and artisan communities prosper and grow.

Deadline for applications to sell to the Leveraging Program is June 30, 2005.

The Leveraging Program is a great way to establish a retirement plan. The County buys and retires the development rights. The owner receives payment at the end of a term of 10 to 20 years. Meanwhile, the owner receives tax free interest on the value of the development rights.

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