

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION

ANNUAL REPORT

FISCAL YEAR 2013



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EXECUTIVE DIRECTOR'S NOTES



During FY 2013, the Foundation received the first applications to terminate an easement. One Howard County landowner submitted applications to terminate three of their properties. Although current easements are perpetual, if the easement's purchase was approved by the Board of Public Works on or before September 30, 2004, the landowner, 25 years after its purchase, may request that the easement be reviewed for possible termination. The easement, however, may be terminated only if (1) the county governing body, after receiving the recommendation of the county agricultural preservation advisory board, approves it; (2) the Foundation determines that profitable farming is no longer feasible on the land; and (3) the Board of Public Works approves termination. If an easement is terminated, the current and any future landowner would have the ability to subdivide and develop the land as provided under local zoning laws and regulations. For the three Howard County applications, the County Commissioners have denied the requests and the MALPF Board of Trustees has given preliminary denial. The landowners are appealing the decisions and will be pursuing a contested case hearing in FY 2014.

For the third time, funding for two fiscal years – FY 2013 and FY 2014 - were combined to conduct one easement acquisition offer cycle and maximize the number of acres to be purchased. We have over \$53.5 million available for this cycle. Of this, more than \$12 million is county funding used to match state funds at a ratio of 60 percent state to 40 percent county dollars. So far, this funding secured acceptances on 63 offers which represent almost 7,900 acres. The cycle is ongoing. At the end of FY 2013, we had purchased easements on a cumulative total of 2,102 properties, permanently preserving about 285,902 acres, at a total state investment of almost \$618 million.

Carol S. West
MALPF Executive Director

New Legislation

There was one bill that affected the program and which was approved by the General Assembly in the 2013 legislative session – House Bill 378, Refunds bill. The bill gives MALPF the authority to reimburse a landowner for money paid for release of a lot for an owner or child, if conditions are met. The conditions are that 1) a house may not have been built, 2) the request must be made before the Preliminary Release becomes void, 3) the landowner must convey the lot to the easement owner, and 4) if the lot was subdivided from the remainder of the property, it must be voided by plat and merged with the larger tax parcel. The preliminary release is voided by a document in the land records.

Continuing Agricultural Valuation Review

When a MALPF easement is purchased, the easement value is determined by subtracting the agricultural value (as determined by the Agricultural Value Formula) from the appraised fair market value. The MALPF Board of Trustees is always concerned that easement values are fair and equitable across the State. In order to ensure an even playing field, in April, 2011 the Board appointed an Easement Valuation Committee to consider whether the current agricultural land valuation method accurately reflects market value and consider how it compares and contrasts with other valuation systems in use by surrounding states.

The Committee continued its task in 2013 and presented recommendations to the Board of Trustees. Before the Agricultural Value Formula regulation can be updated, new legislation will need to be approved to authorize establishing easement value maximums and minimums the Foundation would pay. Legislation has been prepared for the 2014 legislative session.

NOTE: This sheet does not include acreage adjustments arising from final releases, land swap etc

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION EASEMENT SETTLEMENTS – FY 2013					
COUNTY	NUMBER OF EASEMENTS	TOTAL NUMBER OF ACRES	ACQUISITION COST		AVERAGE FARM SIZE IN ACRES
			AVERAGE PER ACRE	TOTAL	
Allegany	2	268	\$1,729	\$463,392	134
Carroll	1	177	\$5,567	\$985,434	177
Cecil	3	156	\$7,121	\$1,110,842	52
Charles	2	356	\$4,318	\$1,537,249	178
Garrett	1	96	\$2,892	\$277,611	96
Harford	3	179	\$6,253	\$1,119,300	90
Kent	1	139	\$2,513	\$349,350	139
St. Mary's	3	180	\$9,233	\$1,661,917	60
Talbot	1	219	\$1,920	\$420,500	219
TOTALS	17	1,776	\$4,463	\$7,925,597	104



MALPF Easement Inspections

Inspections are conducted to ensure compliance with the Deed of Easement. Occasionally, the inspections uncover problems or violations. Many violations are considered minor, such as outdated soil and water quality plans or forest management plans, and these are easily corrected once the landowner is notified. For more serious violations, MALPF staff attempts to work with landowners to resolve the problem.

Agricultural subdivisions remain an issue. An easement placed over multiple parcels joins them together as a whole and the parcels must stay together under common ownership. Certain criteria must be met in order to subdivide an easement; contact your county program administrator for more details.

County Program Administrators and MALPF staff are challenged with inspecting 100% of our easements that contain Federal funding and 10% of our state easements annually. As of the end of the Fiscal Year, all Federal properties had been inspected and well over the goal of 10% State properties were done.



**MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION
TOTAL EASEMENTS ACQUIRED BY COUNTY
(As of June 30, 2013)**

COUNTY	TOTAL EASEMENTS ACQUIRED		PERCENT OF TOTAL
	Number	Acreage	
Allegany	5	803	0.19%
Anne Arundel	38	4,799	1.81%
Baltimore	216	22,602	10.28%
Calvert	35	4,715	1.67%
Caroline	219	31,395	10.42%
Carroll	358	42,353	17.03%
Cecil	97	14,309	4.61%
Charles	40	6,389	1.90%
Dorchester	82	13,510	3.90%
Frederick	123	19,124	5.85%
Garrett	52	6,492	2.47%
Harford	127	13,521	6.04%
Howard	31	3,989	1.47%
Kent	90	16,963	4.28%
Montgomery	30	4,683	1.43%
Prince George's	15	1,381	0.71%
Queen Anne's	158	26,306	7.52%
St. Mary's	105	10,864	5.00%
Somerset	40	4,901	1.90%
Talbot	71	11,198	3.38%
Washington	76	12,548	3.62%
Wicomico	53	6,649	2.52%
Worcester	41	6,408	1.95%
TOTALS	2,102	285,902	100.00%

Note: This sheet does not include acreage adjustments arising from final releases, land swap etc.

**MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION
EASEMENT ACQUISITION COSTS (AS OF JUNE 30, 2013)**

FISCAL YEAR	NO. OF FARMS	ACQUISITION COST	ACRES
FY 1977	1	\$1	68
FY 1981	12	\$2,045,910	2,179
FY 1982	32	\$4,789,523	5,411
FY 1983	43	\$5,088,805	6,286
FY 1984	58	\$6,527,158	8,452
FY 1985	37	\$4,611,596	5,327
FY 1986	54	\$7,509,467	8,756
FY 1987	78	\$9,050,588	11,787
FY 1988	67	\$7,871,295	10,143
FY 1989	80	\$8,406,323	10,715
FY 1990	65	\$12,639,235	9,304
FY 1991	104	\$19,734,933	14,936
FY 1992	30	\$6,763,904	4,021
FY 1993	4	\$286,978	301
FY 1994	44	\$8,251,543	5,763
FY 1995	45	\$10,338,814	7,222
FY 1996	57	\$12,454,716	8,262
FY 1997	50	\$10,750,016	6,465
FY 1998	72	\$12,731,567	9,414
FY 1999	81	\$18,684,589	12,005
FY 2000	81	\$19,584,242	11,986
FY 2001	113	\$25,056,797	14,847
FY 2002	157	\$38,541,454	21,252
FY 2003	143	\$33,334,569	18,199
FY 2004	121	\$31,433,234	13,694
FY 2005	27	\$8,884,140	3,198
FY 2006	53	\$17,429,901	6,277
FY 2007	70	\$40,297,919	9,592
FY 2008	106	\$78,270,208	13,810
FY 2009	78	\$67,569,834	9,425
FY 2010	68	\$52,814,641	8,816
FY 2011	14	\$6,783,740	1,527
FY 2012	41	\$21,217,570	4,692
FY 2013	16	\$7,925,598	1,763
TOTAL	2,102	\$617,680,807	285,902

County Certification

Certification of Local Agricultural Land Preservation Programs (the “Certification Program”) was created by the Maryland General Assembly in 1990 and is jointly administered by MALPF and the Maryland Department of Planning. Program participation by interested counties is voluntary. As of July 1, 2013, thirteen Maryland counties are certified under this program: Anne Arundel, Baltimore, Carroll, Cecil, Frederick, Harford, Kent, Montgomery, Queen Anne's, St. Mary's, Talbot, Washington, and Worcester.

The Certification Program allows counties to 1) create a preservation program that best meets local goals and needs, 2) retain greater portions of the Agricultural Transfer Tax (75% if certified, 33.3% if not certified) if they are able to demonstrate that they have an effective program to preserve agriculturally viable farmland, and 3) designate a Priority Preservation Area into which efforts and funds can be concentrated in order to preserve large contiguous blocks. The increase in a county's share of Agricultural Transfer Tax helps support its agricultural land preservation program by defining areas targeted for preservation and establishing acreage goals. All retained funds must be spent or encumbered for land preservation purposes within three years or the funds revert to MALPF.



MALPF's Allowed Uses Policies

MALPF is constantly challenged with finding a balance between what the easements allow, or more importantly what they don't allow, and what landowners desire to do in order to increase profits. For instance, we now allow creameries on easement properties (with Board of Trustees approval, of course) so that dairy farms can now process their milk, make ice cream, and sell directly to consumers. The creameries that are approved and operating are hugely popular and successful. Now, however, the landowners are asking if they can expand to include hot foods such as soups and sandwiches. The Foundation has to decide where to draw the line between what is a value-added agricultural operation and what is truly commercial.

In order to allow the expansion of farm operations and to permit value-added ventures, the MALPF Board of Trustees has approved three uses policies:

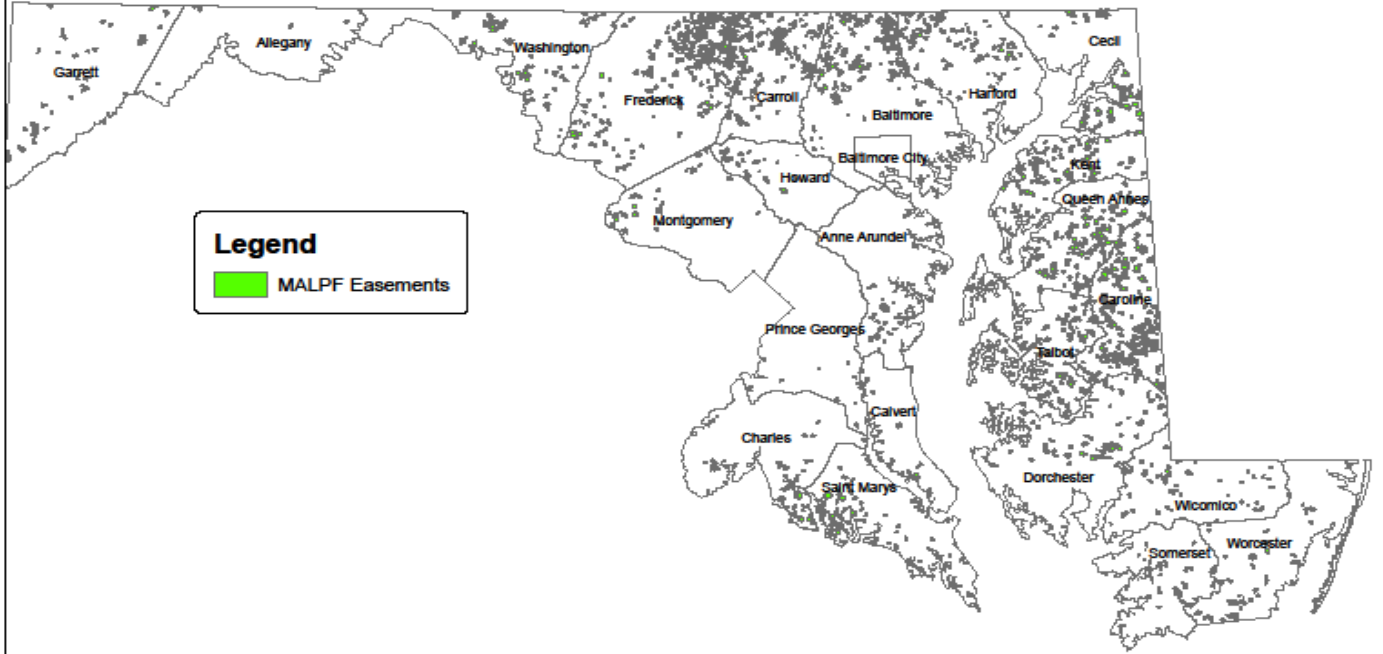
- On November 27, 2007 - General Uses Policy. Examples: Butcher shop, compost production, farm animal petting zoo or animal hospital, farm and forest machinery repair, fee fishing, landscaping business. Generally, to receive approval, these operations must have easement holder ownership interest in the business, require no more than 2 acres or 2% of the property for pervious parking, utilize no more than 600 square feet for an accessory sales area, and be acceptable to county zoning.

- February 27, 2008 - Equine Policy. Examples: Horse boarding and training, riding lessons, shows and auctions, racing, steeplechase, cross-country riding, rodeos. In general, these events must be compatible with other farm operations, have no long term impact on the farm with no permanent structures, be limited in scale, be limited to no more than two major events per year, and be acceptable to county zoning.

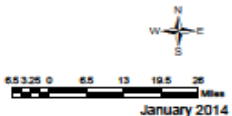
- February 24, 2009 - Winery Policy. Examples: Vineyards, orchards, farm winery, retail sales facility, tasting room, ag tourism, picnicking, tours, promotional and charitable events. Generally, to receive approval the easement owner must have ownership interest and any accessory sales areas may not exceed 600 square feet. A tasting area/room must be part of the production and/or retail structure and must be consistent in scale to on-site production. All wine/grape products sampled (tasted) must be processed on-site. No more than two major events allowed per year. The use must be acceptable to county zoning.

These policies afford easement owners an opportunity to pursue ventures that might not otherwise have been allowed on the easement. The Foundation has reviewed many requests, and given many approvals, for uses that are associated with agriculture but might be considered 'commercial'.

Maryland Agricultural Land Preservation Foundation (MALPF) Easements



Data Source: Maryland Department of Natural Resources (DNR)



Board of Trustees

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION

Appointed Members

<p>John W. Draper, Jr. Chair</p> <p>Centreville, MD 21617 Farm Bureau representative Appointed: 2007</p>	<p>Bernard L. Jones, Sr. Vice-Chair</p> <p>Westminster, MD 21157 At-large representative Appointed: 2009</p>	<p>Young Farmers' Advisory Board representative Currently Vacant</p>
<p>Eugene B. Roberts, Jr.</p> <p>Upper Marlboro, MD 20772 Agriculture Commission representative Appointed: 2011</p>	<p>Donald T. Moore</p> <p>North East, MD 21901 Maryland Grange representative Appointed: 2009</p>	<p>James B. Norris, Jr.</p> <p>Chaptico, MD 20621 At-large representative Appointed: 2008</p>
<p>Jonathan Quinn</p> <p>Warwick, MD 21912 At-large representative Appointed: 2008</p>	<p>Patricia A. Langenfelder</p> <p>Kennedyville, MD 21645 At-large representative Appointed: 2013</p>	<p>Craig Highfield</p> <p>Annapolis, MD 21409 At-large representative Appointed: 2013</p>

Ex-Officio Members

<p>Honorable Nancy K. Kopp State Treasurer Goldstein Treasury Building 80 Calvert Street, Room 109 Annapolis, MD 21404-1907 <i>Represented by Susanne Brogan</i></p>	<p>Honorable Earl F. Hance Secretary Maryland Department of Agriculture 50 Harry S. Truman Parkway Annapolis, MD 21401-8960 <i>Represented by Mary Ellen Setting</i></p>
<p>Honorable Peter Franchot State Comptroller Louis L. Goldstein Building Room 121 P.O. Box 466 Annapolis, MD 21404-0466 <i>Represented by Jerome Klasmeier</i></p>	<p>Honorable Richard E. Hall Secretary Maryland Department of Planning 301 W. Preston Street, Room 1101 Baltimore, MD 21201-2365 <i>Represented by Dan Rosen</i></p>

Foundation Staff

Carol S. West, Executive Director
Diane Chasse, Administrator
Michelle Cable, Administrator
Kim Hoxter, Administrative Officer
Rama Dilip, Administrative Specialist
Angela Gaither, Foundation Secretary

County Programs
(Chair of County Agricultural Advisory Boards listed in *italics*)

<p>(01) ALLEGANY Dave Dorsey Allegany County Government 701 Kelly Road, Suite 115 Cumberland, MD 21502 (301) 876-9546 <i>Chair: Georgene McLaughlin</i></p>	<p>(09) DORCHESTER Rodney Banks Planning & Zoning Post Office Box 107 Cambridge, MD 21613 (410) 228-3234 <i>Chair: Trent Jackson</i></p>	<p>(17) QUEEN ANNE'S Donna Landis-Smith Dept. of Planning & Zoning 160 Coursevall Drive Centreville, MD 21617 (410) 758-4088 <i>Chair: David Denny</i></p>
<p>(02) ANNE ARUNDEL Barbara Polito Dept. of Recreation & Parks 1 Harry S. Truman Pkwy, MS3225 Annapolis, MD 21401 (410) 222-7317 x-3553 <i>Chair: Henry Schmidt</i></p>	<p>(10) FREDERICK Anne Bradley Community Development 30 North Market Street Frederick, MD 21701 (301) 600-1474 <i>Chair: Richard Grossnickle</i></p>	<p>(18) ST. MARY'S Donna Sasscer Dept. of Econ. & Com. Dev. Post Office Box 653 Leonardtown, MD 20650-0653 (301) 475-4200 x-1405 <i>Chair: George Baroniak</i></p>
<p>(03) BALTIMORE Wally Lippincott, Jr. Dept. of Enviro. Protection 111 West Chesapeake Ave, Suite #319 Towson, MD 21204 (410) 887-3854 X-2 <i>Chair: Gail Ensor</i></p>	<p>(11) GARRETT John Nelson, Director Dept Planning & Land Development 203 South 4th Street, Room 210 Oakland, MD 21550 (301) 334-1920 <i>Chair: George Bishoff</i></p>	<p>(19) SOMERSET Tom Lawton Planning & Zoning Somerset County Office Complex 11916 Somerset Avenue Princess Anne, MD 21853 (410) 651-1424 <i>Chair: William Michael Dryden</i></p>
<p>(04) CALVERT Veronica Cristo Dept. of Comm. Planning & Building 150 Main Street, Suite 304 Prince Frederick, MD 20678 (410) 535-1600 x-2489 <i>Chair: Hagner Mister</i></p>	<p>(12) HARFORD William Amoss Planning & Zoning 220 South Main Street Bel Air, MD 21014 (410) 638-3235 <i>Chair: Dr. Kimberly Holloway, DVM</i></p>	<p>(20) TALBOT Martin Sokolich Dept. of Planning & Permits 215 Bay Street, Suite 2 Easton, MD 21601 (410) 770-8032 <i>Chair: Robert Saathoff</i></p>
<p>(05) CAROLINE Debbie Herr Cornwell Planning & Codes Administration Health & Public Services Bldg. 403 South 7th Street, Suite 210 Denton, MD 21629 (410) 479-8104 <i>Chair: Kelly Callahan</i></p>	<p>(13) HOWARD Joy Levy Planning & Zoning 3430 Courthouse Drive Ellicott City, MD 21043 (410) 313-4382 <i>Chair: Sean Hough</i></p>	<p>(21) WASHINGTON Eric Seifarth Washington Co. Planning Dept. County Administrative Annex 80 West Baltimore Street Hagerstown, MD 21740-4727 (240) 313-2445 <i>Chair: Steve Ernst</i></p>
<p>(06) CARROLL Ralph Robertson County Office Building 225 North Center Street Westminster, MD 21157 (410) 386-2214 <i>Chair: Noah Schaeffer</i></p>	<p>(14) KENT Carla Martin Gerber Planning, Housing and Zoning 400 High Street Chestertown, MD 21620 (410) 778-7474 <i>Chair: William Cooper</i></p>	<p>(22) WICOMICO Gloria Smith Government Office Bldg., Rm. 203 Post Office Box 870 Salisbury, MD 21803-0870 (410) 548-4860 <i>Chair: Rebecca A. Calloway</i></p>
<p>(07) CECIL Eric Shertz Planning & Zoning 200 Chesapeake Blvd., Suite 2300 Elkton, MD 21921 (410) 996-5220 <i>Chair: Robert W. Miller</i></p>	<p>(15) MONTGOMERY John Zawitoski 18410 Muncaster Road Derwood, MD 20850 (301) 590-2831 <i>Chair: David O. Scott</i></p>	<p>(23) WORCESTER Katherine Munson Natural Resources Division Worcester County DRP One West Market Street, Rm. 1201 Snow Hill, MD 21863-1070 (410) 632-1200 X1302 <i>Chair: Sandra Frazier</i></p>
<p>(08) CHARLES Charles Rice Department of Planning & Growth Management Post Office Box 2150 La Plata, MD 20646 (301) 645-0651 <i>Chair: Samuel F. Swann, III</i></p>	<p>(16) PRINCE GEORGE'S Yates Clagett Soil Conservation District Field Service Center 5301 Marlboro Race Track Road Upper Marlboro, MD 20772 (301) 574-5162 X3 <i>Chair: Sidney Tucker</i></p>	



Maryland
Department of Agriculture

Wayne A. Cawley Building
50 Harry S Truman Parkway
Annapolis, MD 21401
www.mda.maryland.gov



Governor Martin O'Malley
Lt. Governor Anthony G. Brown
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Dep. Secretary Mary Ellen Setting

Maryland Agricultural Land Preservation Foundation
410.841.5860 phone ▪ www.malpf.info ▪ 410.841.5730 fax