



Harford County, MD
Land Preservation Programs
Valuation Discussion

Location

Over 7M people within 1 hour drive

Great public schools, recreation facilities, libraries etc.

Low crime, great volunteer fire companies and road networks

Access to high paying jobs both white and blue collar and APG army base and research facility

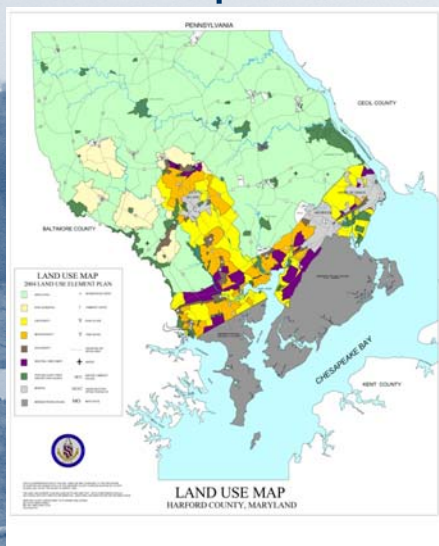


Harford County Demographics

- Population 244,000 and increasing 1.8%/yr.
- 285,000 acres total
- -45,000 acres APG
- -95,000 acres Dev. Envelope
- -55,000 acres Rural Area but already residential
- -5,000 acres Parkland
- 85,000 acres Ag assessed
- -48,000 acres under conservation easements (preserved)
- 37,000 acres in balance to target for additional easements or lose to development

Master Plan Concept

- Establishes policy for defining different land use designations and the appropriate locations
- Sensitive Areas are protected
- Creates the foundation for Comprehensive Zoning



2004 American Farmland Trust - Cost of Community Services Study

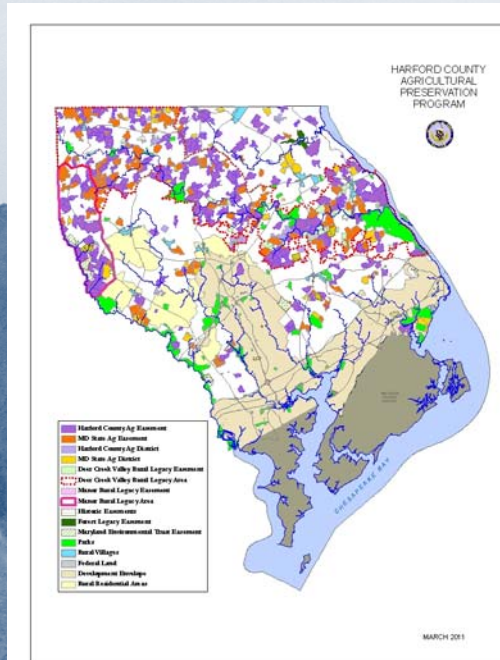
- Study was commissioned in 2004 in order to find the true costs associated with different types of land use development
- Snapshot of actual County budget as revenue vs. expenses through actual County records.
- After 3 months of reviewing and interviewing every County Department a report was published for future use as a land planning tool.
- Findings include:
Residential- for every \$1 generated, county spent \$1.11 in services
Commercial/Industrial- for every \$1 generated, County spent \$.40
Agricultural- for every \$1 generated, County spent \$.91

Land Preservation Benefits

- The more acreage preserved the better the County is balanced financially/less services needed.
- The more acreage preserved the better the citizens feel about the community/ rural connection/ environment.
- The more acreage is preserved the better chance for the agricultural industry to stay strong in the future and reinvest in new technology and capital improvements.

Harford Easement Goal

- Current goal of 55,000 ac.



Payment Value Comparisons....


Preservation Value

Vs.

Development Value

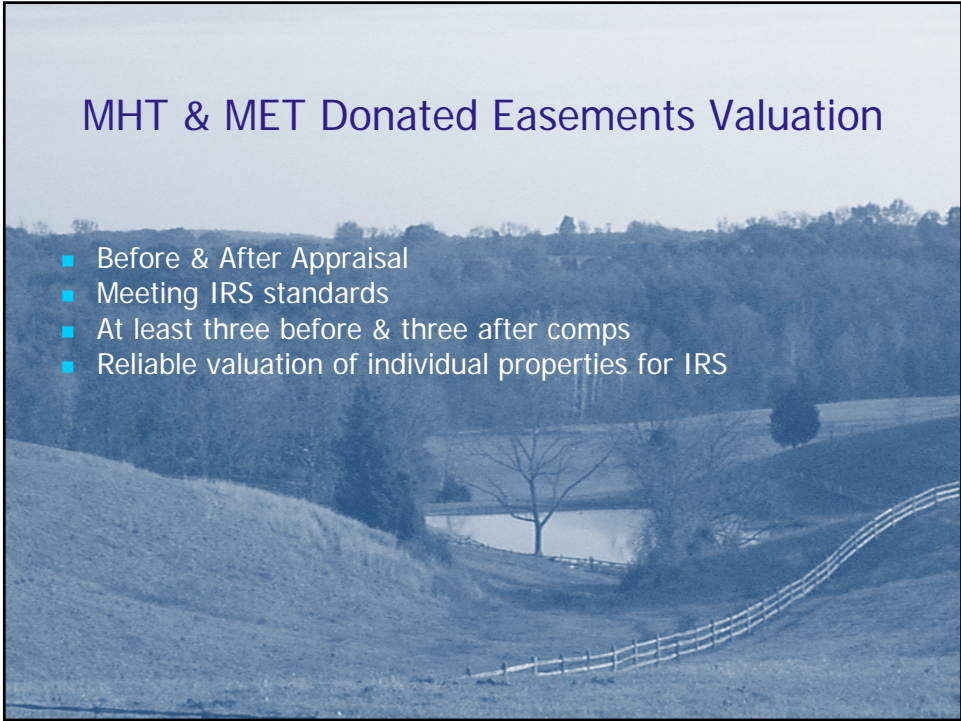
- +Direct payment
- +Tax free interest payments
- +Bargain Sale deductions
- +Property tax credit
- +Ownership use value
- +Retained Equity
- +Future owner/child lots
- +Peace of mind value
- =Farmland preserved

- +Direct payment
- Large capital gain taxes
- Engineering costs
- Road improvement costs
- Environmental impact costs
- Agricultural transfer taxes
- Real Estate transfer taxes
- Realtor fee costs
- =Farmland lost forever

A landscape photograph of a rural field with a fence and trees under a cloudy sky.

Harford County Land Preservation Options

- MD Historic Trust (1976)
- MD Environmental Trust (1977)
- MD Agricultural Land Preservation Foundation Easement Program (1980)
- Harford Co. Land Preservation District Program (1992)
- Harford Co. Land Preservation Easement Program (1992)
- USDA Farm & Ranchland Protection Program (1999)
- MD DNR Rural Legacy Program (2000)
- USDA Forest Legacy Program (2003)
- CREP Easement Program (2009)
- Armed Forces Buffer Program (2000)

A landscape photograph of a rural field with a pond and a white fence, overlaid with a blue tint.

MHT & MET Donated Easements Valuation

- Before & After Appraisal
- Meeting IRS standards
- At least three before & three after comps
- Reliable valuation of individual properties for IRS

MALPF Easement Valuation

- Before FMV appraisal with no improvements
- After value is a formula based approach
- Factors include capitalization rate, mileage distance from certain parts of the state
- Difference is Easement value
- Highly inflated

Harford County Easement Program Valuation

- Formula based easement pricing
- Fast, several minutes instead of weeks/months
- \$0 cost and flexible to run several farm scenarios
- Direct value per program goals
- Calculations for everyone to review
- Quick yearly adjustments

HARFORD COUNTY AGRICULTURAL LAND PRESERVATION PROGRAM
2014 VALUATION WORKSHEET
 Name - John Deere

Tax ID number - 100
 BASE 100

SIZE (Farm acreage/AG zoning density) ACS 0 + 0.00
 (1% of base for every 10 acres)

TOTAL # OF DEVELOPMENT RIGHTS (includes family conveyance) less 1 DR (Primary Residence)
 (6% of base for every development right and 2% for every family conveyance)

DEV. RIGHTS 0 Dev. Rights x 6% 0
 FAM. CONV. 0 Fam. Conv. X 2% 0 + 0.00
 TOT. DEV. RIGHTS 0

LAND QUALITY
 Average Soil Productivity (LESA score) + 0.00

Cropland & Pasture Soils (soil ac. X weight + farm acs.) X 100.

Class I Soils 0 X 1 + 0.00
 Class II Soils 0 X 72 + 0.00
 Class III Soils 0 X 50 + 0.00
 Class IV Soils (qualifying) Soils 0 X 18 + 0.00

Woodland Group (woodland acs. x weight + farm acs.) X 100.

Class I Woodland 0 X 5 + 0.00
 Class II Woodland 0 X 25 + 0.00

Deduction for hydric and hydric inclusion soils (Acres x weight + farm acs.) X 100.

Hydric soils 0 X 5 - 0.00
 Hydric inclusion soils 0 X 25 - 0.00

Approved and Implemented (SCS) Plan (10% of base) + 0.00

Base valuation number 100.00

EASEMENT FORMULA VALUE.
 100.00 X (Base Multiplier) 16 \$0.00 per acre
 TOTAL OFFER \$ -

Maximum Development Right Value:
 Number of development rights remaining on the property 0
 Number of potential family conveyances 0
 Total number of potential rights 0

Development Rights 1-7 \$ 60000 \$0
 Development Rights 8+ \$ 51000 \$0
 Maximum per DR Cap \$ \$0

Maximum Acreage Value:
 Maximum per acre cap \$ 6000 \$0

Evaluation worksheet

- Designed to give more value for your programs goals
- Soil quality, size, connectivity
- Allows for the weighting of those values
- Can factor in deductions for negative factors
- Total points multiplied by factor = \$

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 DEV. RIGHTS: 0 Dev. Rights x 6% 0
 FAM. CONV.: 0 Fam. Conv. X 2% 0
 TOT. DEV. RIGHTS 0 + 0.00

LAND QUALITY

Average Soil Productivity (LESA score) + 0.00

Cropland & Pasture Soils (soil ac. X weight + farm acs.) X 100.
 Class I Soils 0 X 1 + 0.00
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 Hydric soils 0 X .5 - 0.00
 Hydric inclusion soils 0 X .25 - 0.00

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Base valuation number 100.00

EASEMENT FORMULA VALUE.
 100.00 X (Base Multiplier) 16 \$0.00 per acre
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 Development Rights 8+ \$ 51000 \$0
 Maximum per DR Cap \$ \$0

Maximum Acreage Value:
 Maximum per acre cap \$ 6000 \$0

Market Data

- Rural Lots sold, breakdown of location, size, price
- All farms sold with and without restrictions
- MALPF and other easement purchases
- MALPF and other program appraisals
- Appraisals for IRS gifting

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 (1% of base for every 10 acres)

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 FAM. CONV.: 0 Fam. Conv. X 2% 0
 TOT. DEV. RIGHTS 0 + 0.00

LAND QUALITY

Average Soil Productivity (LESA score) + 0.00

Cropland & Pasture Soils (soil ac. X weight + farm acs.) X 100.
 Class I Soils 0 X 1 + 0.00
 Class II Soils 0 X .72 + 0.00
 Class III Soils 0 X .50 + 0.00
 Class IV Soils (qualifying) Soils 0 X .18 + 0.00

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 Class I Woodland 0 X .5 + 0.00
 Class II Woodland 0 X .25 + 0.00

Deduction for hydric and hydric inclusion soils (Acres x weight + farm acs.) X 100.
 Hydric soils 0 X .5 - 0.00
 Hydric inclusion soils 0 X .25 - 0.00

Approved and Implemented (SCS) Plan (10% of base) + 0.00

Base valuation number 100.00

EASEMENT FORMULA VALUE.
 100.00 X (Base Multiplier) 16 \$0.00 per acre
 TOTAL OFFER \$ -

Maximum Development Right Value:
 Number of development rights remaining on the property 0
 Number of potential family conveyances Total number of potential rights 0

Development Rights 1-7 \$ 60000 \$0
 Development Rights 8+ \$ 51000 \$0
 Maximum per DR Cap \$ \$0

Maximum Acreage Value:
 Maximum per acre cap \$ 6000 \$0

Evaluation worksheet

- Cap per acre is set at 60% of FMV of nonrestricted avg 100 acres farm
- Cap per development right is set at 50% of avg. rural 2 acre lot
- Caps are done to limit runaway \$ for larger farms or farms that sold some rights off previously

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 FAM. CONV.: 0 Fam. Conv. X 2% 0
 TOT. DEV. RIGHTS 0 + 0.00

LAND QUALITY

Average Soil Productivity (LESA score) + 0.00

Cropland & Pasture Soils (soil ac. X weight + farm acs.) X 100.

Class I Soils 0 X 1 + 0.00
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 Class III Soils 0 X 50 + 0.00
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Class I Woodland 0 X 5 + 0.00
 Class II Woodland 0 X 25 + 0.00

Deduction for hydric and hydric inclusion soils (Acres x weight + farm acs.) X 100.

Hydric soils 0 X 5 - 0.00
 Hydric inclusion soils 0 X 25 - 0.00

Approved and Implemented (SCS) Plan (10% of base) + 0.00

Base valuation number 100.00

EASEMENT FORMULA VALUE.

100.00 X (Base Multiplier) 16 \$0.00 per acre
 TOTAL OFFER \$ -

Maximum Development Right Value:
 Number of development rights remaining on the property 0
 Number of potential family conveyances Total number of potential rights 0

Development Rights 1-7 \$ 60000 \$0
 Development Rights 8+ \$ 51000 \$0
 Maximum per DR Cap \$ \$0

Maximum Acreage Value:
 Maximum per acre cap \$ 6000 \$0

Evaluation worksheet

- Base multiplier is chosen thru a exercise of at least 20 top ranked farms
- At least 50% of the farms should not reach the caps
- Like to have top farms be 50-60% range of FMV or 80-90% range of FMV of easement re-sales
- Discounts can be included in caps SB236

HARFORD COUNTY AGRICULTURAL LAND PRESERVATION PROGRAM
2014 VALUATION WORKSHEET
 Name - John Deere

Tax ID number - 100
 BASE

SIZE (Farm acreage/AG zoning density) ACS: 0 + 0.00
 (1% of base for every 10 acres)

TOTAL # OF DEVELOPMENT RIGHTS (includes family conveyance) less 1 DR (Primary Residence)
 (6% of base for every development right and 2% for every family conveyance)
 DEV. RIGHTS: 0 Dev. Rights x 6% 0
 FAM. CONV.: 0 Fam. Conv. X 2% 0
 TOT. DEV. RIGHTS 0 + 0.00

LAND QUALITY

Average Soil Productivity (LESA score) + 0.00

Cropland & Pasture Soils (soil ac. X weight + farm acs.) X 100.

Class I Soils 0 X 1 + 0.00
 Class II Soils 0 X 72 + 0.00
 Class III Soils 0 X 50 + 0.00
 Class IV Soils (qualifying) Soils 0 X 18 + 0.00

Woodland Group (woodland acs. x weight + farm acs.) X 100.

Class I Woodland 0 X 5 + 0.00
 Class II Woodland 0 X 25 + 0.00

Deduction for hydric and hydric inclusion soils (Acres x weight + farm acs.) X 100.

Hydric soils 0 X 5 - 0.00
 Hydric inclusion soils 0 X 25 - 0.00

Approved and Implemented (SCS) Plan (10% of base) + 0.00

Base valuation number 100.00

EASEMENT FORMULA VALUE.

100.00 X (Base Multiplier) 16 \$0.00 per acre
 TOTAL OFFER \$ -

Maximum Development Right Value:
 Number of development rights remaining on the property 0
 Number of potential family conveyances Total number of potential rights 0

Development Rights 1-7 \$ 60000 \$0
 Development Rights 8+ \$ 51000 \$0
 Maximum per DR Cap \$ \$0

Maximum Acreage Value:
 Maximum per acre cap \$ 6000 \$0

Adjustments

- First few years adjusted up to encourage signups
- Adjust down for too much interest or recession/market
- Few properties left adjust up for mature programs
- Make steady adjustments to market conditions, yearly or every 2 to 3 years

HARFORD COUNTY AGRICULTURAL LAND PRESERVATION PROGRAM
2014 VALUATION WORKSHEET
 Name - John Deere

Tax ID number - 100
 BASE VALUE FOR FARM

SIZE (Farm acreage/AG zoning density) ACS: 0 + 0.00
 (1% of base for every 10 acres)

TOTAL # OF DEVELOPMENT RIGHTS (includes family conveyance) less 1 DR (Primary Residence)
 (6% of base for every development right and 2% for every family conveyance)
 DEV. RIGHTS: 0 Dev. Rights x 6% 0
 FAM. CONV.: 0 Fam. Conv. X 2% 0
 TOT. DEV. RIGHTS 0 + 0.00

LAND QUALITY

Average Soil Productivity (LESA score) 0.00

Cropland & Pasture Soils (soil ac. X weight + farm acs.) X 100.

Class I Soils 0 X 1 0.00
 Class II Soils 0 X .72 0.00
 Class III Soils 0 X .50 0.00
 Class IV Soils (qualifying) Soils 0 X .18 0.00

Woodland Group (woodland acs. x weight + farm acs.) X 100.

Class I Woodland 0 X .5 0.00
 Class II Woodland 0 X .25 0.00

Deduction for hydric and hydric inclusion soils (Acres x weight + farm acs.) X 100.
 Hydric soils 0 X .5 0.00
 Hydric inclusion soils 0 X .25 0.00

Approved and Implemented (SCS) Plan (10% of base) 0.00

Base valuation number 100.00

EASEMENT FORMULA VALUE:

100.00 X (Base Multiplier) 16 \$0.00 per acre
 TOTAL OFFER \$ -

Maximum Development Right Value:
 Number of development rights remaining on the property 0
 Number of potential family conveyances 0
 Total number of potential rights 0

Development Rights 1-7 \$ 60000 \$0
 Development Rights 8+ \$ 51000 \$0
 Maximum per DR Cap \$ \$0

Maximum Acreage Value:
 Maximum per acre cap \$ 6000 \$0

HARFORD COUNTY AGRICULTURAL LAND PRESERVATION PROGRAM VALUATION WORKSHEET		HARFORD COUNTY AGRICULTURAL LAND PRESERVATION PROGRAM VALUATION WORKSHEET	
Name - Mr. Farmer	Tax ID number - xxx	Name - Mr. Farmer	Tax ID number - xxx
BASE VALUE FOR FARM 100	BASE VALUE FOR FARM 100	BASE VALUE FOR FARM 100	BASE VALUE FOR FARM 100
SIZE (Farm acreage/AG zoning density) ACS: 111.5 + 11.15	SIZE (Farm acreage/AG zoning density) ACS: 111.5 + 11.15	SIZE (Farm acreage/AG zoning density) ACS: 111.5 + 11.15	SIZE (Farm acreage/AG zoning density) ACS: 111.5 + 11.15
TOTAL # OF DEVELOPMENT RIGHTS (including family conveyance) (6% OF BASE PER DEVELOPMENT RIGHT AND 2% OF BASE FOR FAMILY CONVEYANCES)		TOTAL # OF DEVELOPMENT RIGHTS (including family conveyance) (6% OF BASE PER DEVELOPMENT RIGHT AND 2% OF BASE FOR FAMILY CONVEYANCES)	
Dev. Rights 10 Dev. Rights x 6% 60	fam. Conv. 0 Fam. Conv. X 2% 0	Dev. Rights 7 Dev. Rights x 6% 42	fam. Conv. 0 Fam. Conv. X 2% 0
TOT. DEV. RIGHTS 10 + 60.00		TOT. DEV. RIGHTS 7 + 48.00	
LAND QUALITY		LAND QUALITY	
Average Soil Productivity (LESA score) 84.81	Average Soil Productivity (LESA score) 84.81	Average Soil Productivity (LESA score) 84.81	Average Soil Productivity (LESA score) 84.81
Cropland & Pasture Soils (soil ac. X weight + farm acs.) X 100.		Cropland & Pasture Soils (soil ac. X weight + farm acs.) X 100.	
Class I Soils 0 X 1 0.00	Class II Soils 43.82 X .72 28.30	Class I Soils 0 X 1 0.00	Class II Soils 43.82 X .72 28.30
Class III Soils 21.46 X .50 9.62	Class IV Soils (qualifying) Soils 11.46 X .18 1.85	Class III Soils 21.46 X .50 9.62	Class IV Soils (qualifying) Soils 11.46 X .18 1.85
Woodland Group (woodland acs. x weight + farm acs.) X 100.		Woodland Group (woodland acs. x weight + farm acs.) X 100.	
Class I Woodland 0 X .5 0.00	Class II Woodland 40.28 X .25 9.03	Class I Woodland 0 X .5 0.00	Class II Woodland 40.28 X .25 9.03
Deduction for hydric and hydric inclusion soils (Acres x weight + farm acs.) X 100.		Deduction for hydric and hydric inclusion soils (Acres x weight + farm acs.) X 100.	
Hydric soils 0 X .5 0.00	Hydric inclusion soils 0 X .25 0.00	Hydric soils 0 X .5 0.00	Hydric inclusion soils 0 X .25 0.00
Approved and Implemented (SCS) Plan (10% of base) 10.00	Approved and Implemented (SCS) Plan (10% of base) 10.00	Approved and Implemented (SCS) Plan (10% of base) 10.00	Approved and Implemented (SCS) Plan (10% of base) 10.00
Total valuation number 314.76	Total valuation number 314.76	Total valuation number 302.76	Total valuation number 302.76
Valuation number x base multiplier value:		Valuation number x base multiplier value:	
314.76 x base multiplier 16 \$5,036.16 per acre	\$561,531.84	302.76 x base multiplier 16 \$4,844.16 per acre	\$540,123.84
Maximum Development right value:		Maximum Development right value:	
Number of development rights remaining on the property 10	Number of potential family conveyances 0	Number of development rights remaining on the property 7	Number of potential family conveyances 0
Total number of potential rights 10		Total number of potential rights 7	
Maximum per development right cap (first 7 rights) = \$ 60,000.00	Maximum per development right cap (8th right or more) = \$51,000.00	Maximum per development right cap (first 7 rights) = \$ 60,000.00	Maximum per development right cap (8th right or more) = \$420,000.00
Maximum per acre cap \$ 669,000.00		Maximum per acre cap \$ 669,000.00	

Deer Creek Rural Legacy Program

- Formula
- Base \$ per acres
- Price per development right
- Caps per acre
- Discount required off of calculated price
- Several good properties, discount selects offer
- Streams/river frontage, woodland size/quality, connectivity, wildlife corridors/habitat

USDA Forest Legacy Program

- Yellow book before & after appraisals
- Protection of large tracts of forests/at least 1,000 acres
- Concentrated around Boy Scout camp

Army Buffer/FRPP Programs

- Before & After appraisals

Contact

William D. Amoss (Bill)
Chief, Agricultural and Historic Section
Harford County, MD, Department of
Planning and Zoning
410-638-3235