

The Ultimate Land-Use Study Tour

April 5 - 10, 2006

Coordinated by

Waupaca County UW-Extension and Comprehensive Planning Core Committee & WI Dept. of Ag, Trade, & Consumer Protection

Maryland

New Jersey

Pennsylvania



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2006 Ultimate Land Use Study Tour

Last Name	First Name	Company / Organization	Occupation	City	County
Bazile	Rosemary	Town Wyoming		Tigerton	Waupaca
Behnke	Douglas G	Town Bear Creek	Dairy Farmer	Clintonville	Waupaca
Berg	Jerold J	Glacial Lakes Conservancy	Farmer	Cascade	Sheboygan
Berkholtz	Jerome C	Town Helvetia	Plan Committee	Iola	Waupaca
Beyer	Jacqueline J	Tn Little Wolf	Farmer	Manawa	Waupaca
Beyer	Kimberly Jean	Farm Bureau	Associated Bank	Manawa	Waupaca
Blonde	Greg P	UWEX	Ag Agent	Waupaca	Waupaca
Boutwell	Stanley W	Town St Lawrence	Farmer	Ogdensburg	Waupaca
Brace	William H	Royalton Planning Comm	Retired	Weyauwega	Waupaca
Brown	Judith L	The Country Today	Regional Editor	Fond du Lac	Fond du Lac
Brunner	Thomas A	Town of Washinton Plan Com	Retired Dairy Produce	Cecil	Shawano
Clark	Jerome R	UWEX-Chippewa County	Crops & Soils Educat	Chippewa Falls	Chippewa
Cosgrove	Alicia A	UW-Extension	Land Use Specialist	River Falls	Pierce
Counter	Scott	HomeTec Designers/Builders	Developer/Town Chair	New Richmond	St. Croix
Doornink	Joanne L	Clintonville Area Chamber of C	Executive Director	Clintonville	Waupaca
Eisentraut	Wayne E	Farm Bureau President	Farmer	Waupaca	Waupaca
Foye	Keith W	Wisconsin DATCP	Supervisor	Madison	Sauk
Fulcher	John W	Town Farmington	Retired	Waupaca	Waupaca
Funk	Timothy J	Shawano Co Planning	Long Range Planner	Shawano	Shawano
Gilkey	Lisa D	Associated Bank	Personal Banker	Ogdensburg	Waupaca
Hipschman	Dorothy D	Town Dayton	Museum Director	Waupaca	Waupaca
Kirchner	Paul K	Tn Matteson	Crop Farmer	Clintonville	Waupaca
Koles	Michael	UWEX	CRD Agent	Waupaca	Waupaca
Kotter	Lisa A	City of Clintonville	City Administrator	Clintonville	Waupaca
Krumbiegel	Mary A	Washington Co	Supervisor	Cedarburg	Washington
Lantz	Carl E	Tn Scandinavia	Home Construction	Scandinavia	Waupaca
Leiker	Randall D	Town of Greenville	Town Chair	Greenville	Outagamie
Lindquist	Brandon	Land Conservation Partnershi	Student	Slinger	Washington
Llanas	Armando	Tn Washington Shawano Co	Bank valt supr	Cecil	Shawano
Mann	Richard B	Tn Farmington	Zoning Deputy	Waupaca	Waupaca
Mielke	Patricia A	Premier Community Bank	Bank Officer	Marion	Waupaca
Miller	Thomas D	Town Wyoming	Retired	Marion	Waupaca
Millin	Susan M	Land Conservation Partnershi	Project Coordinator	West Bend	Washington
Nilsestuen	Rodney J	Wisconsin DATCP	WI Secretary of Agric	Madison	Dane
O Leary	Frances	Farm Progress Cos	Editor Wisconsin Agri	Branden	Fond du Lac
Pierquet	Carolyn M	WI Rural Leadership Program	Student	Fond du Lac	Fond du Lac
Pierquet	James D	Town of Empire	Shop Mgr Ottery Tran	Fond du Lac	Fond du Lac
Pope	Susan J	Town Lind Planning	Retired	Waupaca	Waupaca
Rohloff	Linda	Town of Washington	Farmer/Actuary	Cecil	Shawano
Schaetz	Michelle	WDNR	Environmental Specia	Green Bay	Brown
Schmidt	Marjorie J	Town of Wyoming	Town Supervisor	Marion	Waupaca
Schoen	Gary R	Town of Union-Comp Planning	Retired	Manawa	Waupaca
Simpson	James M	Marion Body Works, Inc.	President	Clintonville	Waupaca
Steimbach	Carl J	Town of Fremont	Farming	Fremont	Waupaca
Stippich	Neal J	Town of Beaver Dam	Farmer	Beaver Dam	Dodge
Wagner	Richard J	Trega Foods	Cheesemaker	Weyauwega	Waupaca
Wolf	Herbert F	Washington County Planning	Assistant Administrator	West Bend	Washington
Zaug	Dale A	Zaug's Forest Enterprise	Forester	Tigerton	Shawano

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Key summary points / lessons learned:

- Communities are encouraging sustainable growth for agriculture and non-agricultural development because both are vital for a healthy local economy.
- Communities can no longer afford to sit back and watch development occur just anywhere and hope everything works out economically, environmentally, socially or aesthetically.
- Through solid, well designed comprehensive land use plans, states and local governments are targeting and supporting development toward areas where urban infrastructure already exists, or will soon be in place. They also encourage full or future agricultural development where the appropriate infrastructure already exists (i.e., most productive farmland, suppliers, processors, markets, etc.).
- Purchase or transfer of development rights programs are being used to help implement their plans and accomplish these goals (see Figure 1).
- Conservation subdivision designs are used in areas with higher population density and less intensive agriculture for protecting natural resources and preserve open space to help maintain or enhance the environment (see Figure 1).
- A well-designed comprehensive land use plan is the foundation. Without it, you can only hope it all works out. In fact, delaying the creation or revision of your land use plan only makes it more difficult to accomplish.
- **Bottom line...**
 - a comprehensive land use plan is key
 - partnerships are essential
 - strong, motivated leadership is crucial
 - ongoing education is important
 - technical assistance is required
 - don't wait to get started

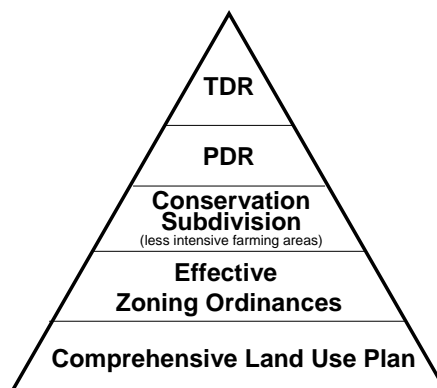


Figure 1.

¹ by Greg Blonde, Waupaca County UW-Extension Agriculture Agent and Mike Koles, Waupaca County UW-Extension Community Development Educator. WI Department of Ag, Trade and Consumer Protection Working Lands Committee. May 3, 2006 – Madison, WI.

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Key policy points:

- A well-designed comprehensive land use plan is first required. Zoning is then used to identify areas where agriculture security/enterprise areas are encouraged and other areas where concentrated residential development is encouraged. While zoning alone can create individual winners and losers, effective zoning ordinances can provide a strong foundation for establishing Purchase or Transfer of Development Rights (PDR & TDR) programs.
- Ag security/enterprise areas are defined by existing “rural infrastructure” including: soil productivity; amount of farmland; number of contiguous acres (lack of fragmentation) of farmland; amount of existing preserved land in that area; farm density and access to agricultural services (feed mills, cooperatives, implement dealers, veterinarians), as well as low residential or urban development.
- Urban development zones are defined by “urban infrastructure” including: access to utilities; density of the development; roads; schools and other services like health care. In addition to the zoning ordinance, an urban growth boundary and an adequate public facilities ordinance can help limit “leapfrog” development and encourage more efficient growth. Urban development zones must also provide a high quality of life to be successful, so some communities use a portion of PDR funding to stimulate investment or enhancement of these non-agricultural areas.
- Low density residential development (25 acres or more/home) can be allowed in Ag security/enterprise areas, but maximum lot size and location (site planning and/or driveway ordinances) are extremely important. Higher density rural residential development (25 acres or less/home) causes fragmented, incompatible land use, and discourages future farm investment...and can also significantly limit the success of a PDR or TDR program.
- Permanent preservation of working lands should be the primary focus. Temporary lease agreements do not ensure protection from urban development and, thus, may limit agriculture investment because of uncertain long-term future development patterns.
- Communities can use bonding to accelerate PDR program funding to purchase more development rights today than in the future when they are likely to be more expensive. Communities also offer installment purchase agreements that allow for capital gain tax deferral or avoidance by the seller.
- State and/or county funding should be connected with local cost-sharing to avoid entitlement programs. A current comprehensive land use plan, local resources to administer the program and a well defined landowner bid/review process are needed to attract state or federal funding.

¹ By Mike Koles, Waupaca County UW-Extension Community Development Educator and by Greg Blonde, Waupaca County UW-Extension Agriculture Agent for WI Department of Ag, Trade and Consumer Protection Working Board Meeting, May 10, 2006 – Shawano, WI.

**REPORT ON THE “ULTIMATE LAND USE STUDY TOUR
APRIL 5-10, 2006
MARYLAND, NEW JERSEY, AND PENNSYLVANIA**

Keith Foye, WI Dept of Ag, Trade & Consumer Protection

Overall impressions of the study tour:

- There is a great deal of development pressure in the three states directly related to how close the land is to the larger cities, such as Baltimore, Washington D.C., Philadelphia, and New York City.
- The three states, many of these states' counties, and Towns in New Jersey and especially Pennsylvania, are very committed to farmland preservation.
- There is also extensive support of farmland preservation by participating farmers.
- The three eastern states visited commit large amounts of money to support their farmland preservation goals. They have instituted taxes, tax incentives, borrowing, and the “market” forces to preserve farmland.
- All of the states put a premium on good planning, especially agricultural planning and having a good agricultural zoning ordinance which identifies the areas being preserved for agricultural use as well as areas where development can/should occur.
- PDR programs are often used first while the land values are moderate and move to TDR programs when the public can no longer afford 100% reimbursement for the difference between development values of land and value of land for agriculture.
- These states have sold the public on the many benefits of preserving agricultural land and that in several of the areas, that agriculture is an industry that should be preserved.

Specific things learned at various locations:

Maryland:

Maryland has several programs to preserve agricultural land. They include the Environmental Trust (MET), Rural Legacy, Agricultural Lands Preservation Foundation (MALPF), and various county TDR and PDR programs. The state currently raises funds through two different state property transfer taxes and county matching funds. In tax is on lands sold for development (5%) and the other is a 1% tax on transfers of all lands sold in Maryland.

Montgomery County, Maryland

Land is not being preserved for “traditional” agriculture. Only about 10% of the gross sales in Montgomery County of the \$284 million (1992 data provided) annual total of agricultural sales is from traditional agriculture. The value of agricultural sales is primarily for horticulture and equine industries. There are about 560 farms in the county covering

about 93,000 acres. The county has identified 90,000 acres (70,000 of farmland and 20,000 of public land, etc.) for preservation and the county has an agricultural zone which allows a density of one residence per 25 acres. The county has identified other reasons to preserve land such as protect groundwater, protect natural resources and greenways, and protect open space. To date, the county and others have purchased development rights on 47,000 acres at a cost of over \$17 million of total funding. In addition to the PDR program, the county has an active TDR program. The county has identified the sending area based on the land the county wants preserved (through its smart growth plan) and the receiving area, areas that have public sewer and water. The county sponsored, but privately purchased TDRs allows a market based preservation strategy that does not rely on public funding to purchase the significantly increasing in value agricultural lands. The county is also requiring that moderate priced housing is available through an affordable housing program within new subdivisions with 50 or more housing units.

Carroll County, Maryland

Carroll County ranks second in the nation for acres of land preserved through PDR. It has a master plan with a goal of preserving agriculture and open space. Carroll County participates in a state program for county agricultural districts where landowners sign five year agreements to preserve the land for agriculture and allows time for these landowners to apply for purchasing conservation easements (PDR). The program offers 75% of the appraised value of the easement at the end of the 5 year period. The landowner has the option of trying to sell an easement utilizing state funds at a higher rate during the five year period and reimbursing the county. The county has identified about 100,000 acres of farmland for preservation. To date the county has used \$44 million in state and federal funding and \$33 million in county funding to buy development rights on just fewer than 50,000 acres. The county has added \$10 million per year in bond revenue funds toward purchase of the other 50,000 acres of easements.

Harford County, Maryland

Harford County has a voluntary farmland preservation program where they purchase development rights on farms with good soils for agriculture. Farms qualify by being at least 50 acres, or contiguous to an easement area with at least 50 acres. The county has an Installment Purchase Agreement where the county purchases the easement over 20 years through annual payments which include interest. After 20 years, the landowner receives a lump sum payment of the remaining principal. This creates a revolving fund where the development rights are purchased over time. The county also can do cash payments, however, the landowner must wait until the county can afford a lump sum up front payment. The county also has a 100% property tax credit for land where the county purchases the development rights. The landowner can retain the right to keep the development rights for one lot (maximum of 2 acres) for their use or their children's use and can buy back up to one lot for every 25 acres for use by themselves or children.

Harford County has purchased conservation easements on over 23,000 acres (as of 1997).

New Jersey

New Jersey utilizes several programs to preserve farmland. New Jersey utilizes a voluntary “eight year program” where for various benefits; the landowner agrees not to develop their land. The benefits include eligibility for purchase of permanent easements, 50% state funding for soil and water conservation improvements, protection from eminent domain, from emergency water and energy restrictions, nuisance complaints, and protection from exclusive agricultural zoning for 11 years. The easement program requires that the local municipality provide 10% of the cost of the easement. The New Jersey State Agriculture Development Committee also has the authority to buy farmland from willing sellers, deed restrict it, and resell it at an auction. These farms must be in areas targeted through state criteria for long term preservation. The most aggressive program appears to be the TDR program, where the private market implements farmland preservation.

Burlington County, New Jersey

Burlington County adopted a zoning ordinance which was viewed as taking away property rights through a down zoning of parcels. The TDR program is the only equity opportunity for landowners under this zoning. A landowner can enroll its TDR credits as assigned by the local township and recorded with the property. The landowner can then sell its credits to a developer which must purchase the credits on the “open market” in order to receive local building permits.

In the Lumberton Township, the pre-existing zoning was for 2 acre lots. The local TDR ordinance allows one TDR per every 50 acres. The sending area in the township has about 1,800 acres identified for about 453 credits. The receiving area was identified through a plan, has the needed infrastructure, and had sites for 191 TDR credits. In this case the government made sure there were adequate TDR sites from the sending area and a TDR receiving area so the voluntary nature of TDR would work. It sets up a scenario where development occurs in exchange for preservation. Burlington County is also implementing an installment purchase agreement (IPA) to combat the capitol gains income tax issue. The agreement allows the landowner to sell the easement, receive annual payments and tax exempt interest on the principal and receive the remaining payment at the end of the agreement, thus saving capitol gains taxes. This allows the county to purchase additional easements, protect the farmland, but make the payments over time. The county also negotiates reduced prices as a result of the IPA and tax benefits.

Pennsylvania

Pennsylvania leads the nation in number of farms and acres of farmland protected. The state uses agricultural security areas (ASA) that are designated by the county and

reviewed every 7 years. The area must be a minimum of 250 acres and is designated by petition to the township. In exchange, the landowners get special consideration for local ordinances affecting farming (right to farm), protection from nuisance complaints, and special review of farmland condemnation from the county and state. The state has an Agricultural Conservation Easement purchase program begun in 1989. The county must appoint a county land preservation board. A state board oversees the program, monitors county programs and specific easement purchases. The eligibility includes that the parcels must be at least 50 acres in size or at least 10 acres if adjoining a protected 50 acre parcel. The farms must use BMPs for nutrient management and soil erosion control. They are also scored based on various factors related to development pressure. Pennsylvania has protected over 250,000 acres of farmland from over 2,100 farms since 1989. Over the 6 year period beginning in 2003, Pennsylvania has committed \$80 million toward farmland preservation (Growing Greener II program) and there are over 1,800 farms on the waiting list to have conservation easements.

Bucks County, Pennsylvania

Bucks County is an area just north of Philadelphia. It is a fast developing area that has a very high average cost of housing (average of over \$700,000) and significant development pressure. The area is preserved primarily for nurseries and equine farms. There are very little other livestock in the county and much of the county program is based on TDR (because of the high cost of purchasing development rights) and preserving open space. Some of this open space is used to spray irrigate (pop up spray nozzles) wastewater. We toured a conservation subdivision (a receiving area) where the houses were built in the woods to "preserve" the open space. The county also identified unique environmental features that would be protected, including viewsheds, groundwater recharge areas, and buffers along streams.

Lancaster County, Pennsylvania

Thirty nine of the county's 41 townships have adopted agricultural zoning that allows one building lot per 25 acres (a couple of towns only allow 1 per 50 acres). The county's plan identifies 320,000 acres for preservation or about half the total land in the county. The county has identified urban growth boundaries where development can occur. Lancaster County is also active in the state Ag. Security areas covering 121,000 acres. As of 1996, the county had also purchased 22,000 acres of conservation easements. By 2004, this amount has increased to about 45,000 acres at a total cost of over \$110 million. County officials reported that some of the protected farms are still selling at \$15,000 or more per acre after the development rights have been purchased for up to \$7,000 per acre. We attended a ceremony where Lancaster County received over \$9 million in state funds (and some federal funds) and were matching it with \$8 million in bonding funds for 2006. The county also has an active Farmland Trust.

Lancaster County has an aggressive information and education program. Leaders stated that it was unlikely that a county commissioner (3 members) could not be elected in Lancaster County that did not support the county's farmland preservation efforts. It was

obvious that the nation's leader in acres preserved is the leader because of local, county, and state commitment to farmland preservation.

Adams County, Pennsylvania

Gettysburg is located within Adams County. About half of the county's land is farmland. Eighteen of the county's local municipalities have adopted comprehensive plans and 29 of the 34 local municipalities have adopted zoning. The county ranks 7th in the state for Ag. production and is #1 in apples and peaches and turkey production and #2 in egg production and wheat and 3rd in hay production. To date the county has participated in the state farmland preservation program and has preserved 104 farms covering 14,400 acres of conservation easements at an average cost of \$1,700 per acre. The county has over 98,000 acres within the ag security areas with areas identified in every township. There did not seem to be quite as much development pressure in Adams County as in any other area we toured (farthest from large metropolitan areas).