

PHED Committee #2
February 9, 2015

Worksession

MEMORANDUM

February 5, 2015

TO: Planning, Housing, and Economic Development Committee

FROM: Jacob Sesker, Senior Legislative Analyst 

SUBJECT: **Worksession:** Supplemental Appropriation to the County Government's FY15 Capital Budget - \$1,000,000 for Agricultural Land Preservation Easements (Source: Contributions)

Amendment to the FY15-20 Capital Improvements Program, Department of Economic Development, Ag Land Preservation Easements (Project No. 788911)

Recommendation: Staff recommends approval of the supplemental and the CIP amendment.

Background

On December 15, 2014, the County Executive transmitted a proposed amendment to the approved FY15-20 Capital Improvements Program for Ag Land Preservation Easements (No. 788911) and an accompanying supplemental appropriation request in the amount of \$1,000,000 to the capital budget. The source of funds is contributions (Crown Farm Annexation Agreement).

The appropriation will enable the County to take advantage of an opportunity to preserve 279 acres. The property has over 200 acres of tillable cropland highly suitable for agricultural production. The property is immediately adjacent to the Town of Poolesville.

Under the County's Charter, the CIP may be amended at any time by a vote of six Councilmembers. A public hearing was held on January 27, 2015. Council action is tentatively scheduled for February 10, 2015. Due to the short turnaround between the Committee worksession and Council action, that packet will not be available online in advance.

Testimony

The Agricultural Preservation Advisory Board submitted testimony in support of the supplemental, noting that the acquisition continues to support the trend of lands purchased for speculative purposes being conveyed back to bona fide agricultural producers. APAB also raised the issue of long-term funding for the agricultural land preservation program. *See* © 6.

DED submitted testimony in support of the supplemental explaining that the Annexation Agreement required the developer of the Crown Farm to remit payment of \$2.0 million to the Agricultural Preservation Fund. This supplemental appropriates the first \$1.0 million of the payment required pursuant to that agreement. *See* © 8.

Issues

1. Funding

The steep decline in agricultural transfer tax revenue has placed pressure on the agricultural land preservation program to identify other resources that can fund the acquisition of easements. And indeed, reduced revenues from the agricultural transfer tax is an indicator that less land is currently being transferred out of agricultural use.

The Council has already taken some actions to stabilize the program—to wit, moving some positions out of the capital budget and into the operating budget (funded either by the general fund or the water quality protection fund) while leaving the funding in the capital project for land acquisition (rather than simply for Planning, Design and Supervision). However, the question remains as to whether the best long-term solution for the program (in the absence of an identified revenue stream) is to continue this approach of transmitting a supplemental appropriation request to fund preservation opportunities or whether to program land/easement purchases funded with General Obligation bonds in the CIP. This issue need not be resolved at this time.

2. Details of Crown Farm Payment Timing

During the public hearing, Councilmember Floreen requested additional details regarding the timing of payments related to the Crown Farm Annexation Agreement. In response, DED provided a detailed timeline related to the payments. *See* © 9-10. This supplemental accelerates the Crown Farm payments already received (previously programmed in FY19 and FY20) by moving them to FY15. The timing of future payments is important because the payments not yet received are now programmed for FY19 and FY20.

Technical note

The amended project description form changed the current scope cost estimate (FY15) by \$1,280,000, although the supplemental appropriation actually only increased project cost by \$1,000,000. This difference of \$280,000 reflects a correction to the printed FY15-20 CIP.

Contents:

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2	Proposed Resolution
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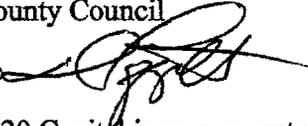
OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

December 15, 2014

TO: George Leventhal, President, County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Amendment to the to the FY15-20 Capital improvements Program and Supplemental Appropriation #10-S15-CMCG-4 to the FY15 Capital Budget
Montgomery County Government
Department of Economic Development
Project No.788911: Ag Land Preservation Easements

I am recommending a supplemental appropriation to the FY15 Capital Budget and amendment to the FY15-20 Capital Improvements Program in the amount of \$1,000,000 for Ag Land Preservation Easements (No. 788911). Appropriation for this Project will fund easement purchases to support the Department of Economic Development with its preservation program.

This increase is needed because of an opportunity to preserve 279 acres. The recommended amendment is consistent with the criteria for amending the CIP because the preservation opportunity presents a significant easement purchase in an area critical to the preservation program. The property has over 200 acres of tillable cropland of which 94% is considered as prime and productive soil highly suitable for agricultural production. The landowner is willing to accept a discounted easement value for the parcel at 57% of the fair market value, making this a resource saving opportunity for the County.

I recommend that the County Council approve this supplemental appropriation and amendment to the FY15-20 Capital Improvements Program in the amount of \$1,000,000 and specify the source of funds as Contributions.

I appreciate your prompt consideration of this action.

IL: jpz

Attachment: Supplemental Appropriation #10-S15-CMCG-4

cc: Steven A. Silverman, Director DED
Jennifer Hughes, Director OMB
Pofen Salem, OMB

Resolution No.: _____
Introduced: _____
Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: Council President at the Request of the County Executive

SUBJECT: Amendment to the to the FY15-20 Capital improvements Program and Supplemental Appropriation #10-S15-CMCG-4 to the FY15 Capital Budget Montgomery County Government Department of Economic Development Project No.788911: Ag Land Preservation Easements

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive, who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State, or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. Section 302 of the Montgomery County Charter provides that the Council may amend an approved capital improvements program at any time by an affirmative vote of no fewer than six members of the Council.
3. The County Executive recommends the following capital project appropriation increases:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
Ag Land Pres Easements	788911	Contributions	\$1,000,000	Contributions

- 4. This increase is needed because of an opportunity to preserve 279 acres. The recommended amendment is consistent with the criteria for amending the CIP because the preservation opportunity presents a significant easement purchase in an area critical to the preservation program. The property has over 200 acres of tillable cropland, of which 94% is considered as prime and productive soil highly suitable for agricultural production. The landowner is willing to accept a discounted easement value for the parcel at 57% of the fair market value, making this a resource saving opportunity for the County.
- 5. The County Executive recommends an amendment to the FY15-20 Capital Improvements Program and a supplemental appropriation in the amount of \$1,000,000 for Ag Land Pres Easements (No. 788911), and specifies that the source of funds will be Contributions.
- 6. Notice of public hearing was given and a public hearing was held.

Action

The County Council for Montgomery County, Maryland, approves the following action:

A supplemental appropriation to the FY15-20 Capital Budget is approved as follows:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
Ag Land Pres Easements	788911	Contributions	\$1,000,000	Contributions

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council

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Ag Land Pres Easements (P788911)

Category	Conservation of Natural Resources	Date Last Modified	4/21/14
Sub Category	Ag Land Preservation	Required Adequate Public Facility	No
Administering Agency	Economic Development (AAGE06)	Relocation Impact	None
Planning Area	Countywide	Status	Ongoing

	Total	Thru FY13	Est FY14	Total 6 Years	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	Beyond 6 Yrs
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	3,034	509	629	1,896	316	316	316	316	316	316	0
Land	10,375	1,796	4,586	4,993	1,935	557	580	608	638	675	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	30	30	0	0	0	0	0	0	0	0	0
Total	14,439	2,335	5,215	6,889	2,251	873	896	924	954	991	0

	Total	Thru FY13	Est FY14	Total 6 Years	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	Beyond 6 Yrs
FUNDING SCHEDULE (\$000s)											
Agricultural Transfer Tax	4,008	628	1,701	1,679	241	253	266	284	304	331	0
Contributions	1,586	51	51	2,484	1,010	10	10	444	500	510	0
Federal Aid	522	522	0	0	0	0	0	0	0	0	0
G.O. Bonds	2,000	1,118	882	0	0	0	0	0	0	0	0
Investment Income	815	16	0	799	0	283	470	46	0	0	0
M-NCPPC Contributions	3,050	0	2,150	900	150	150	150	150	150	150	0
State Aid	1,458	0	431	1,027	850	177	0	0	0	0	0
Total	14,439	2,335	5,215	6,889	2,251	873	896	924	954	991	0

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 15	-5,376
Appropriation Request Est.	FY 16	873
Supplemental Appropriation Request		1,000 - 0
Transfer		0
Cumulative Appropriation		14,177
Expenditure / Encumbrances		3,698
Unencumbered Balance		10,479

Date First Appropriation	FY 89
First Cost Estimate	
Current Scope	FY 15 - 43,199
Last FY's Cost Estimate	21,961

14,439

Description

This project provides funds for the purchase of agricultural and conservation easements under the County Agricultural Land Preservation legislation, effective November 25, 2008, for local participation in Maryland's agricultural and conservation programs and through Executive Regulation 3-09 AM, adopted July 27, 2010. The County Agricultural Easement Program (AEP) enables the County to purchase preservation easements on farmland in the agricultural zones and in other zones approved by the County Council to preserve farmland not entirely protected by Transferable Development Rights (TDR) easements or State agricultural land preservation easements. The Maryland Agricultural Land Preservation Foundation (MALPF) enables the State to purchase preservation easements on farmland jointly by the County and State. The Rural Legacy Program (RLP) enables the State to purchase conservation easements to preserve large contiguous tracts of agricultural land. The sale of development rights easements are proffered voluntarily by the farmland owner. The project receives funding from the Agricultural Land Transfer Tax, which is levied when farmland is sold and removed from agricultural status. Montgomery County is a State-certified county under the provisions of State legislation, which enables the County to retain 75 percent of the taxes for local use. The County uses a portion of its share of the tax to provide matching funds for State easements. In FY10, the Building Lot Termination (BLT) program was initiated. This program represents an enhanced farmland preservation program tool to further protect land where development rights have been retained in the Rural Density Transfer Zone (RDT). This program utilizes a variety of revenue sources that include: Agricultural Transfer Tax revenues, MNCPPC Contributions, Developer Contributions, and G.O. Bonds to purchase the development rights and the corresponding TDRs retained on these properties. The Department of Economic Development is developing a strategic plan for Phase II of the preservation program and preservation opportunities will be considered as they become available.

Cost Change

Programming of \$150,000 of MNCPPC/Developer Contributions for BLT Program Administration (FY14-20) to offset BLT administrative charges to investment income. Programming of Private Contributions for FY18-FY20 to replace depleted Investment Income for Planning, Design and Supervision project expenses and the addition of FY19 and FY20 project costs. The budget also reflects revised estimates for Agricultural Transfer Tax revenue and reflects a new State Rural Legacy Program grant for land acquisition.

Justification

Annotated Code of Maryland 2-501 to 2-515, Maryland Agricultural Land Preservation Foundation; Annotated Code of Maryland 13-301 to 13-308, Agricultural Land Transfer Tax; and Montgomery County Code, Chapter 2B, Agricultural Land Preservation, and Executive Regulation 3-09 AM.

Other

Added accelerated funds to purchase easements critical to the preservation program. Remaining crown farm payments are now reflected in FY19 + FY20.

Ag Land Pres Easements (P788911)

FY15 estimated Planning, Design and Supervision expenditures are \$316,000: 1.0 FTE Sr. Business Development Specialist; 1.5 FTE Principal Administrative Aides; \$20,000 - Deer Donation Program; \$10,000 - Montgomery Weed Control Program; and \$50,000 for the Cooperative Extension Partnership. Appropriations are based upon a projection of Montgomery County's portion of the total amount of Agricultural Transfer Tax which has become available since the last appropriation and State Rural Legacy Program grant funding. Appropriations to this project represent a commitment of Agricultural Land Transfer Tax funds and State Aid to purchase agricultural easements. The Agricultural Transfer Taxes are deposited into an investment income fund, the interest from which is used to fund direct administrative expenses, the purchase of easements, and other agricultural initiatives carried out by the Agricultural Services Division. The program permits the County to take title to the TDRs. These TDRs are an asset that the County may sell in the future, generating revenues for the Agricultural Land Preservation Fund. The County can use unexpended appropriations for this project to pay its share (40 percent) of the cost of easements purchased by the State. Since FY99, the County has received State RLP grant funds to purchase easements for the State through the County. The State allows County reimbursement of three percent for direct administrative costs such as appraisals, title searches, surveys, and legal fees. Given changes to the Federal Program, new Federal Aid funds are no longer programmed in this project.

Fiscal Note

Expenditures do not reflect additional authorized payments made from the Agricultural Land Preservation Fund balance to increase financial incentives for landowners. Terms and conditions regarding contributions from the Montgomery Soil Conservation District (MSCD) will be specified within the Memorandum of Understanding (MOU) between the County and MSCD.

The Executive asserts that this project conforms to the requirements of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.

Coordination

State of Maryland Agricultural Land Preservation Foundation, State of Maryland Department of Natural Resources, Maryland-National Capital Park and Planning Commission, Landowners

APPROPRIATION BY FUNDING SOURCE CALCULATION REPORT (MCG Only)

Run Date: 09/29/2014 10:51 AM

FY 15 - FY 20 Full Year

	Total Cumulative Appropriation on Par PDF (incl.)		Available appropriation		Thru FY 15 Available (+) / Required (-)		Expected FY15 Approp. Request	FY16 Approp. Request	NY Available Approp	FY 16	Multi-Year	FY18 Approp. Request Available (+) / Required (-)	Expected Appropriation Requested	FY16 Approp. Request
	Supplemental & Transfers	Less Thru FY13	Less Est FY14	on FY15	Multi-Year	Appropriation								
State Aid	162	162	0	0	0	0	0	0	0	0	0	0	0	0
Water Quality Protection Charge	500	223	277	0	2,676	800	3,476	3,476	800	2,676	0	0	1,878	1,878
Total	32,303	27,498	4,805	0	2,676	800	3,476	3,476	800	2,676	0	0	1,878	1,878
SM Facility Major Structural Repair (P800700)	480	0	480	0	200	0	200	200	0	0	0	0	200	89
Water Quality Protection Bonds	5,450	1,809	3,376	285	7,330	366	7,451	7,431	396	3,340	0	0	2,974	3,140
Water Quality Protection Charge	3,000	3,000	0	0	0	0	0	0	0	0	0	0	0	0
Total	8,930	4,809	3,856	285	7,330	366	7,631	7,631	396	3,640	0	0	3,174	3,239
SM Retrofit - Government Facilities (P800800)	192	192	0	0	0	0	0	0	0	0	0	0	0	0
Water Quality Protection Bonds	11,206	6,314	2,399	2,495	3,026	2,495	3,026	3,026	2,495	2,816	0	0	321	2,816
Water Quality Protection Charge	1,182	1,182	0	0	0	0	0	0	0	0	0	0	0	0
Total	12,682	7,688	2,399	2,495	3,026	2,495	3,026	3,026	2,495	2,816	0	0	321	2,816
SM Retrofit - Roads (P801300)	14,500	392	13,003	1,105	5,300	1,105	5,300	5,300	1,105	5,300	0	0	4,195	5,300
Water Quality Protection Bonds	13,425	0	0	13,425	7,440	8,125	7,440	2,140	2,140	8,125	8,780	10,730	11,445	14,270
Total	27,925	392	13,003	14,530	12,740	9,230	7,440	7,440	9,230	14,080	10,730	10,730	15,640	19,570
SM Retrofit - Schools (P801301)	2,280	168	1,357	755	3,470	4,446	7,161	7,161	4,446	6,280	1,685	0	3,440	3,440
Misc Stream Valley Improvements (P807350)	3,354	845	2,254	286	1,000	286	1,000	1,000	286	1,000	0	0	745	745
Stormwater Management Waiver Fees	233	0	233	0	0	0	0	0	0	0	0	0	0	0
Water Quality Protection Bonds	4,812	695	2,313	1,904	5,393	2,412	5,801	5,936	2,447	4,440	519	0	2,512	2,547
Total	8,499	1,540	4,800	2,189	6,393	2,697	6,801	6,936	2,702	6,440	519	0	3,257	3,282
SM Retrofit Countywide (P808728)	299	0	299	0	0	0	0	0	0	0	0	0	0	0
State Aid	4,490	0	4,490	0	3,500	0	3,500	3,500	0	3,500	0	0	3,500	3,500
Water Quality Protection Bonds	31,841	4,048	11,385	16,510	15,226	14,905	15,621	13,621	14,905	19,468	0	0	4,563	15,968
Total	36,730	4,048	16,174	16,510	18,726	14,905	17,121	17,121	14,905	22,968	0	0	8,063	19,468
Facility Planning: SM (P809310)	5,000	5,000	0	0	0	0	0	0	0	0	0	0	0	0
State Aid	140	140	0	0	0	0	0	0	0	0	0	0	0	0
Stormwater Management Waiver Fees	797	797	0	0	0	0	0	0	0	0	0	0	0	0
Water Quality Protection Charge	4,925	2,223	937	1,785	1,150	1,785	1,150	1,150	1,785	1,290	0	0	-515	1,250
Total	10,662	8,160	937	1,785	1,150	1,785	1,150	1,150	1,785	1,290	0	0	-515	1,250
Watershed Restoration - Interagency (P809342)	527	527	0	0	0	0	0	0	0	0	0	0	0	0
State Aid	1,000	506	0	494	0	0	-494	0	494	0	0	0	-494	0
Stormwater Management Waiver Fees	3,376	3,226	138	12	0	0	-12	0	12	0	0	0	-12	0
Water Quality Protection Bonds	1,105	485	0	620	310	310	0	0	310	350	310	0	350	350
Water Quality Protection Charge	30	30	0	0	0	0	0	0	0	0	0	0	0	0
Total	6,038	4,774	138	1,126	310	310	-508	0	616	350	310	0	-156	350
Stormwater Management Current Revenue: General	5,000	5,000	0	0	0	0	0	0	0	0	0	0	0	0
Federal Aid	299	0	299	0	0	0	0	0	0	0	0	0	0	0
G.O. Bonds	527	527	0	0	0	0	0	0	0	0	0	0	0	0
State Aid	24,156	2,075	20,227	1,854	10,000	1,360	9,506	10,000	1,854	10,000	0	0	8,146	9,644
Stormwater Management Waiver Fees	4,406	4,023	371	12	0	0	-12	0	12	0	0	0	-12	0
Water Quality Protection Bonds	70,321	13,517	20,830	35,974	42,195	33,059	39,280	39,315	33,094	45,474	13,225	0	26,605	42,631
Water Quality Protection Charge	9,137	6,435	937	1,785	1,150	1,785	1,150	1,150	1,785	1,250	0	0	-515	1,250
Total	113,946	31,577	42,664	39,896	53,345	36,184	48,924	50,445	36,725	56,724	13,225	0	33,224	53,445
Ag Land Pres Easements (P788811)	3,570	626	1,701	1,241	241	0	-1,000	-1,000	0	253	0	0	253	253
Contributions	1,767	51	51	1,665	10	0	-1,655	-1,655	0	10	0	0	10	10
Federal Aid	522	522	0	0	0	0	0	0	0	0	0	0	0	0
G.O. Bonds	2,000	1,116	882	0	0	0	0	0	0	0	0	0	0	0
Investment Income	1,810	16	0	1,794	0	0	-1,794	-1,794	0	283	0	0	283	283
M-NCPPC Contributions	3,050	0	2,190	900	190	0	-790	-790	0	150	0	0	150	150
State Aid	1,458	0	431	1,027	850	0	-177	-177	0	177	0	0	177	177
Total	14,177	2,335	5,215	6,627	1,251	0	-5,378	-5,378	0	873	0	0	873	873
Ag Land Preservation Agricultural Transfer Tax	3,570	626	1,701	1,241	241	0	-1,000	-1,000	0	253	0	0	253	253
Contributions	1,767	51	51	1,665	10	0	-1,655	-1,655	0	10	0	0	10	10
Federal Aid	522	522	0	0	0	0	0	0	0	0	0	0	0	0
G.O. Bonds	2,000	1,116	882	0	0	0	0	0	0	0	0	0	0	0

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CC Approved



AGRICULTURAL PRESERVATION ADVISORY BOARD

January 27, 2015

The Honorable George Leventhal, President
Montgomery County Council
100 Maryland Avenue
Rockville, Maryland 20856

RE: Supplemental appropriation to the County Government's FY15 Capital Budget and amendment to the FY15-20 Capital Improvements Program, Department of Economic Development - \$1,000,000 for Agricultural Land Preservation Easements

Dear Council President Leventhal:

On behalf of the Agricultural Preservation Advisory Board (APAB), please accept this correspondence as APAB testimony in support of the Supplemental appropriation to the County Government's FY15 Capital Budget and amendment to the FY15-20 Capital Improvements Program, Department of Economic Development - \$1,000,000 for Agricultural Land Preservation Easements

The APAB is very appreciative of the support the County Council has provided in the past by providing funding for preserving important farms in the County's Agricultural Reserve. We need your help once again. The intent of the supplement appropriation request before the Council is to appropriate the first \$1 million dollars of funds received from the developer of the Crown Farm property in accordance with the Crown Farm Annexation Agreement for the purpose of preserving an exceptional farm property. It is important to understand that the source of funding does not represent a new funding request but rather appropriating funds that have already been received and deposited into the Agricultural Land Preservation CIP and are ready to be appropriated for preservation purposes.

The property being pursued for preservation represents an extremely important preservation opportunity as it represents a farm with significant agricultural preservation value. Under the U.S.D.A's Soil Capability Classification System, over 94 percent of the soils present on this farm are considered prime and productive. The location of the farm lies directly east of the incorporated municipality of Poolesville and if preserved helps the County to achieve the

goal of protecting important farms from annexation for development purposes by purchasing agricultural land preservation easements. According to the contract purchase who currently rent this farm, the acquisition of the farm property is vitally important to continue their Family's legacy of farming in Montgomery County. This acquisition also continues to support the trend of lands purchased for speculative purposes being conveyed back to bona fide agricultural producers.

While the appropriation of the funds for this property does represent an important County agricultural preservation initiative it also marks a turning point for our farmland preservation program. For several years we have been discussing funding issues with the farmland preservation program that is impeding our ability to take advantage of other exceptional preservation opportunities that have been brought to our attention. We have found that farmland preservation participation increases at times when the local economy and real estate markets are experiencing downward trends.

Having appropriate preservation resources in place at the right time represents a critical challenge for us for pursuing preservation opportunities while assuring our preservation goals are met. Unfortunately the collections of Agricultural Transfer Taxes (our long standing funding source) during the Great Recession have totaled \$2,077,516 (FY07-FY13) which averages only \$296,788 per fiscal year. This amount of funding will only result in acquiring agricultural easements on 42 acres annually at an average of \$7,000 per acre easement value. This trend has continued into FY14 as the County retained only \$231,000 which represents the agricultural transfer tax fund balance that will be used as additional source of funding for the property subject to this supplemental appropriation request. Once expended, our Agricultural Transfer Tax Fund Balance will be reduced to zero. To make matters worse, now that we are halfway through the FY15 collection year, the County has not collected any additional agricultural transfer taxes for farmland preservation. This situation necessitates the exploration of alternative funding sources, policy changes, regulatory relief, and the expansion of both private/public sector investments will be required in order to enhance the preservation of the farmland in Montgomery County.

While we seek your support for this supplemental appropriation request, we believe we must also begin to explore avenues of alternative funding for the farmland preservation program. We are hopeful that during the PHED committee discussion we can begin discussion on the funding needs and work towards scheduling a subsequent work session to tackle our funding dilemma in greater context and depth.

The APAB would like to thank you for the opportunity to present our views on this supplement appropriation request. The APAB will participate in the Council Work Sessions on these important agricultural land preservation issues and to be available to address any questions and concerns that we have raised in this testimony. Please let us know if you have any questions.

Sincerely,



Robert Cissel, Chairman
Agricultural Preservation Advisory Board

Good Afternoon

I am Jeremy Criss Manager of Agricultural Services in the Department of Economic Development.

I am here to testify on behalf of the County Executive in support of Supplemental Appropriation No. 10-S15-CMCG-4.

This supplemental appropriation will help to meet the conditions of the Council approved Annexation Agreement for the Crown Farm on April 25, 2006 Resolution No. 15-1428.

The Annexation Agreement called for the developer of the Crown Farm to remit payment in the amount of \$2.0 million to the Agricultural Preservation Fund in lieu of purchase of Transfer of Development Rights (TDRs).

This supplemental appropriation in the amount of \$1.0 million represents a portion (50%) of the obligation placed on the Crown Farm developer.

The funding will be used to purchase an agricultural preservation easement on a 279 acre farm located in a critical-targeted area associated with the County preservation program.

The County will continue to monitor the timing of the remaining payment for the Crown Farm development.

Thank you for this opportunity to speak on behalf of the County Executive and the DED staff will be present during the Council Work Sessions to answer any questions that you have.

Timeline of Crown Farm Annexation
Agreement and Payments

Date	Event
4/25/2006	County Council Adoption of Resolution No, 15-1428 – Approval of City of Gaithersburg to reclassify the 182 acre Crown Farm Property from the County’s R-60/TDR Zone and R-200/PD Zone to the City’s MXD (Mixed Use Development) Zone, with Restrictions (Annexation Petition Z-182) – action item #2 identified – A \$2 Million contribution made in support of the County’s agricultural preservation efforts to the Agricultural Land Preservation Easement fund in lieu of the purchase of Transfer of Development Rights (TDRs).
2/8/2012	The Agricultural Preservation Advisory Board requests an update from Sun Brook Partners (the Crown Farm Developer) as to the status of the Crown Farm Development project and pending payments to the Agricultural Land Preservation Fund for Easements.
4/4/2012	The County receives two checks from Sun Brook Partners totaling \$1 Million (representing the first two, of a total of four payments) for deposit into the Agricultural Land Preservation Fund. The Annexation Agreement requires Sun Brook Partners, designee to the Crown Farm Village LLC to pay a total of 4 payments of \$500,000.00 in predetermined installments into the County’s Agricultural Land Preservation Fund.
2/26/2013	The Agricultural Preservation Advisory Board requests an update from Sun Brook Partners (the Crown Farm Developer) as to the status of the Crown Farm Development project and remaining payments to the Agricultural Land Preservation Fund for Easements.
3/7/2013	Sun Brook Partners indicates that in March of 2012, 538 residential lots were recorded which when added to the previous total of 348 recorded lots, this was the trigger for the first two payments of \$500,000.00 each and thereby they submitted this payment to the County. Since March of 2012, they indicated an additional 51 lots have been approved and are in the process of being recorded. These additional lots will bring the total of recorded residential lots to 937. They indicated they did not anticipate seeking additional lots that would trigger the next payment until sometime in 2014 at the earliest.
1/4/2014	FY15-20 Capital Improvement Program (CIP) projected the programming of \$1.5 million in Crown Farm Payments (\$1 Million received and \$500 Thousand pending payment) for Planning Design and Supervision for FY18, 19 and 20.

- 10/22/2014 An application for the Agricultural Easement Program is submitted by a contract purchaser for 279 acre farm adjacent to the Municipality of Poolesville.
- 10/29/2014 The Agricultural Preservation Advisory Board requests an update from Sun Brook Partners (the Crown Farm Developer) as to the status of the Crown Farm Development project and remaining payments to the Agricultural Land Preservation Fund for Easements as outlined in their March 7, 2013 correspondence which indicated a possible payment to the Agricultural Land Preservation Fund "sometime in 2014".
- 12/15/2014 County Executive Requests the FY15 Supplemental Appropriation.
- 1/8/2015 Response from Robert H. Zeiller, Sun Brook Partners/West Brook Properties that as of January 1, 2015 Crown Farm has a total of 1,003 residential units approved and recorded. The total includes the seventy "2 over 2" condominium units that are located on block C Lot 2 in Neighborhood 1.
We are currently in the conceptual planning stage for a condominium project consisting of approximately 120 units which depending on its final unit count may or may not exceed 1,125 total units triggering the third payment. If the proposed condominium triggers the next payment we estimate approval and recordation in early summer. If the proposed condominium does not trigger the next payment we do not anticipate seeking approval of additional units until 2016 at the earliest. We are unable to project any approvals beyond 2016 at this time.