

MEMORANDUM

February 19, 2016

TO: Planning, Housing, and Economic Development Committee

FROM: Jacob Sesker, Senior Legislative Analyst 

SUBJECT: Update – Office of Agriculture
FY17-22 CIP: Agricultural Land Preservation Program
Ag Land Preservation Easements—No. 788911

1. Introduction

This memorandum includes: (1) an update regarding the establishment of the Office of Agriculture and sources of funding that can be used to support the agricultural land preservation easement capital program; and (2) the County Executive’s proposed FY17-22 CIP for Agricultural Land Preservation Easements. The following individuals are expected for this worksession: Jeremy Criss and John Zawitoski (Office of Agriculture); Mary Beck and Pofen Salem (Office of Management and Budget).

This agricultural land preservation capital program (see PDF, © 1-2) is administered by the recently-formed Office of Agriculture (see Memo & Organizational Chart, © 3-9). The capital program enables the County to purchase preservation easements on land in the agricultural zones from which development rights have not been severed (e.g., through the sale of County Transferable Development Rights or state preservation easements).

2. Update – Office of Agriculture

A. Establishing the Office of Agriculture

Bill 25-15 (Economic Development Reorganization) created the Office of Agriculture (OAG), effective on October 6, 2015. OAG will be a “Non-Principal Office”. Jeremy Criss (Manager II), a merit employee who formerly headed the Department of Economic Development’s Division of Agricultural Services, will lead OAG. An organizational chart for OAG is attached at © 9.

According to the attached memorandum, the “Agricultural Services Division will continue to function under the umbrella of DED and continue receiving administrative, budget, finance, personnel

and procurement staff assistance provided by existing DED staff.” In part this is due to the fact that the Administrative Specialist who will be shifted from DED’s Division of Finance and Administration is still providing support to DED.

OAG is now listed along with other similar offices on the County homepage. OAG’s website can be accessed at the following link: <http://www.montgomerycountymd.gov/agservices/>. OAG soon will be equipped with improved phone service as well as broadband service that is fast enough to operate the ERP system, which is now necessary due to the fact that budget and management functions of the office will be physically located at the Agricultural History Farm Park (rather than at DED’s offices in Rockville).

One additional note related to OAG is that during the discussion of the FY16 Savings Plan, the Council agreed to achieve savings in part by cutting a Business Development Specialist/Ag Navigator position. However, at that time the executive branch was planning to assign Peter Bang (Chief Operating Officer of DED) to OAG. Instead, Mr. Bang has been assigned to the Department of Finance, where he will assist with managing the Economic Development Fund, economic development grants and contracts, and with facilitating the transition of economic development activities to the Montgomery County Economic Development Corporation. The update memorandum (© 4-8) indicates that there is a plan for Mr. Bang to serve both Finance and OAG. Staff observes that this is a good arrangement on paper, but there is a strong chance that the executive branch is underestimating the amount of time and effort that will be required to manage the economic development and transition functions that are migrating to Finance.

B. FY16 Activities Update

A summary of the Office of Agriculture’s FY16 activities is attached at © 6-8. Current/ongoing activities include:

- Close Encounters with Agriculture—an educational program that teaches children about production agriculture, the environment, and diet and nutrition.
- Mobile Science Lab—added to the FY16 budget by the Council, this program funds weekly visits to Montgomery County elementary schools to teach children about food and nutrition.
- On-Farm Composting—a forum to discuss on-farm composting and its potential role in helping to achieve DEP’s goal to reduce solid waste generated in Montgomery County.
- New Farmer Project—a program that includes new and small farmer training workshops, farm equipment share, and connecting new and small farmers with land that can be used to produce table food.
- Food Hub Study—a study of the feasibility of establishing a food hub in Montgomery County should be complete in March 2016 (possibly in time for an update during the operating budget).
- Smart Agriculture Test Bed Project—a partnership with the Innovation Program and Microsoft, four farmers have volunteered to test connected devices for monitoring weather, soil conditions, pollen, and pests.
- Ag Tire Collection Event—in collaboration with DEP Solid Waste Services and the Maryland Farm Bureau, work to collect ag tires that have accumulated on farms (particularly important given the current concern about mosquito-borne illnesses).

C. Funding Ag Land Preservation

The funding sources with which agricultural easements are purchased are volatile and some are in decline. It would be difficult for OAG to indefinitely continue managing the preservation easement program without some certainty that annual funding will be sufficient to close deals when opportunities arise.

In July 2015, the Agricultural Preservation Advisory Board (APAB) suggested that the program should target an annual budget \$2.0 million above its current baseline budget. APAB suggested three sources of additional revenue: Water Quality Protection Charge (WQPC); M-NCPPC Legacy Open Space; and County Agricultural Transfer Tax funding.

Legacy Open Space funds would be an option if M-NCPPC were willing to provide funds to purchase easements for the purposes of agricultural preservation only, but M-NCPPC would like such easements to also include public access for recreational opportunities—public access on land protected under agricultural easements is not allowed under Chapter 2B of the County Code.¹ The Planning Board, in its February 18, 2016 review of the County CIP, approved the following statement of support for the agricultural land preservation easement program: *The Commission and the County work together to preserve agriculture and rural open spaces through a variety of complementary policies and programs. One of the cornerstone programs for this effort is the County's Agricultural Easement Program (AEP). Economic changes have resulted in significant long term reductions in the State Agricultural Transfer Tax Revenue that traditionally funds these easement purchases. To continue this critical program to preserve a functioning agricultural economy and exceptional rural lands, we encourage the County Council to support this important program.*

OAG has worked with DED, DEP, and APAB to discuss the use of WQPC funding for purchasing agricultural preservation easements. DEP is currently reviewing OAG's proposal and will make recommendations in the coming months. **Staff recommends that PHED schedule a summer update on DEP's response to OAG's proposal if there is no resolution before the budget is approved in May.**

The memo also indicates that the Executive Branch is not currently considering any additional agricultural transfer tax revenue to support the program. **Staff recommends further discussion this summer regarding the policy and fiscal implications of converting a portion of the agricultural transfer tax revenue that currently accrues to the General Fund into a designated revenue stream to support this capital program.**

3. FY17-22 CIP – Ag Land Preservation Easements (PDF # 788911)

A. Uses of funds

This project funds planning, design and supervision (PD&S) and the acquisition of agricultural preservation easements (land). In recent years, the Council has succeeded in reducing the extent to

¹ Please note: The master plan also recommends supplementing the funding for the Montgomery County Agricultural Easement Program. These funds would add no requirements beyond the AEP's existing standards.

which staff time is funded in this capital project, thereby freeing up additional resources for acquiring easements.

Expenditure Schedule											
Cost Element	Total	Thru FY15	Est FY16	Total 6 Years	FY17	FY18	FY19	FY20	FY21	FY22	Beyond 6 Years
Planning, Design and Supervision	2,821	268	373	2,180	350	360	360	360	370	380	0
Land	6,094	4,263	527	1,304	634	134	134	134	134	134	0
Site Improvement 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	20	20	0	0	0	0	0	0	0	0	0
Total	8,935	4,551	900	3,484	984	494	494	494	504	514	0

FY17 Expenditures for Planning, Design and Supervision are estimated at \$316,000 and include funding for 2.5 FTEs (1.0 FTE Senior Business Development Specialist; 1.5 FTE Principal Administrative Aides) as well as the following operating expenditures: \$50,000 for the Cooperative Extension Partnership; \$20,000 for the Deer Donation Program; and \$10,000 for the Montgomery Weed Control Program. Ideally, some of the expenditures funded in the capital budget would be shifted to the operating budget (e.g., Deer Donation and Weed Control) before the Council approves the next (FY19-24) CIP.

While expenditures for land will continue indefinitely, the program lacks sustainable and predictable sources of funding. Consequently, easement purchases are considered on a case-by-case basis and, as necessary, are funded using supplemental appropriations. See © 4-5 for more information about funding alternatives.

In the FY13 Approved CIP, \$2.7 million was programmed over 6 years for land (easement) acquisition. In FY17, less than half of that amount (\$1.3 million) is programmed for land. This change reflects the significant decline in Agricultural Transfer Tax revenue.

B. Sources of funds

This project is funded using several sources: agricultural transfer tax; contributions; G.O. bonds; investment income; M-NCPPC contributions; and state aid.

Funding Schedule											
	Total	Thru FY15	Est FY16	Total 6 Years	FY17	FY18	FY19	FY20	FY21	FY22	Beyond 6 Years
Ag Transfer Tax	1,049	231	14	804	134	134	134	134	134	134	0
Contributions	1,668	1,000	10	658	510	10	10	10	10	108	0
GO Bonds	308	308	0	0	0	0	0	0	0	0	0
Investment Income	802	0	0	802	0	70	200	200	210	122	0
M-NCPPC Contributions	4,423	2,860	663	900	150	150	150	150	150	150	0
State Aid	685	152	213	320	190	130	0	0	0	0	0
Total	8,935	4,551	900	3,484	984	494	494	494	504	514	0

The **Agricultural Land Transfer Tax** is levied when farmland is sold and subsequently removed from agricultural use/status. Montgomery County is permitted to retain 75% of the revenue from the Agricultural Land Transfer Tax to use, in accordance with state law, for the purpose of agricultural land preservation. Revenue from the Agricultural Land Transfer Tax has fallen significantly in recent years and is now just a fraction of the pre-FY07 revenue level. The FY13-18 CIP was approved with \$2.7 million in Ag Transfer Tax programmed over the 6-year period. In his FY17-22 CIP, the Executive programmed only \$804,000 in agricultural transfer tax revenue over 6 years.

Contributions in this case includes payments made under the Crown Farm annexation agreement. The Executive has programmed the \$500,000 payment in FY17, but the timing of that payment is currently unknown and depends upon the issuance of permits by the City of Gaithersburg. The PDF assumes that the final \$500,000 payment will be available to fund a portion of the program costs in FY22.

Investment income is programmed in FY18-FY22. The total of \$802,000 reflects the full balance of the principal invested.

M-NCPPC Contributions include payments made by developers for “partial BLTs”—developers within some zones are required to purchase Building Lot Terminations. Where the required purchase involves fractions of a Building Lot Termination, the developer can instead make a payment for a partial BLT. That payment is then transferred to the Office of Agriculture. See © 11. This source of funds also includes any funds remaining from past transfers from the Advance Land Acquisition Revolving Fund (ALARF).

C. Recommendations

Staff recommends approval. Recent signs point to stronger-than-projected FY16 agricultural land transfer tax revenue (up from \$14,000 in FY15 to more than \$600,000 in FY16 through the end of January). Staff and OMB will continue to monitor transfer tax revenue over the coming weeks—it is likely that a revised PDF will be transmitted in March or April. The PHED Committee may need to revisit this PDF during the operating budget worksession if it appears that FY16 transfer tax revenue would support a more robust preservation program in FY17.

Attachments:

PDF #788911	© 1
Memo & Org Chart	© 3
FY15-FY16 Revenues	© 10
Partial BLTs	© 11

Ag Land Pres Easements (P788911)

Category Conservation of Natural Resources
 Sub Category Ag Land Preservation
 Administering Agency Economic Development (AAGE06)
 Planning Area Countywide

Date Last Modified 11/17/14
 Required Adequate Public Facility No
 Relocation Impact None
 Status Ongoing

	Total	Thru FY15	Est FY16	Total 6 Years	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	Beyond 6 Yrs
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	2,821	268	373	2,180	350	360	360	360	370	380	0
Land	6,094	4,263	527	1,304	634	134	134	134	134	134	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	20	20	0	0	0	0	0	0	0	0	0
Total	8,935	4,551	900	3,484	984	494	494	494	504	514	0

	Total	Thru FY15	Est FY16	Total 6 Years	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	Beyond 6 Yrs
FUNDING SCHEDULE (\$000s)											
Agricultural Transfer Tax	1,049	231	14	804	134	134	134	134	134	134	0
Contributions	1,668	1,000	10	658	510	10	10	10	10	108	0
G.O. Bonds	308	308	0	0	0	0	0	0	0	0	0
Investment Income	802	0	0	802	0	70	200	200	210	122	0
M-NCPPC Contributions	4,423	2,860	663	900	150	150	150	150	150	150	0
State Aid	685	152	213	320	190	130	0	0	0	0	0
Total	8,935	4,551	900	3,484	984	494	494	494	504	514	0

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 17	121
Appropriation Request Est.	FY 18	494
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		6,314
Expenditure / Encumbrances		4,563
Unencumbered Balance		1,751

Date First Appropriation	FY 89
First Cost Estimate	
Current Scope	FY 17 8,935
Last FY's Cost Estimate	21,961
Partial Closeout Thru	70,790
New Partial Closeout	4,552
Total Partial Closeout	75,342

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 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 Agricultural Reserve-AR zone. 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.

Cost Change

Received Crown Farm payment \$500,000 that is now programmed for easement acquisitions in FY17. Expenditure and funding schedules reflect the revised estimates for Agricultural Transfer Tax revenues, contributions, investment income, and state aid to cover planning, design, and supervision for expenses FY17-22 and the addition of FY21 and FY22 project costs.

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

Ag Land Pres Easements (P788911)

FY17 estimated Planning, Design and Supervision expenditures are \$316,000. The amount includes funding for 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 Transfer Tax funds and State Aid to purchase agricultural easements, private contributions from the Crown Farm Annexation Agreement, and partial BLT payments made by developers for additional density in BLT receiving areas. 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 new Office of Agriculture. 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. The traditional funding sources for this project are no longer sustainable. Easement acquisition opportunities will be considered on a case-by-case approach while alternative funding sources are identified.

Fiscal Note

Expenditures do not reflect additional authorized payments made from the Agricultural Land Preservation Fund balance to increase financial incentives for landowners.

Disclosures

Expenditures will continue indefinitely.

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

Montgomery County Office of Agriculture, State of Maryland Agricultural Land Preservation Foundation, State of Maryland Department of Natural Resources, Maryland-National Capital Park and Planning Commission, and landowners.



OFFICES OF THE COUNTY EXECUTIVE

Isiah Leggett
County Executive

Timothy L. Firestine
Chief Administrative Officer

MEMORANDUM

February 11, 2016

TO: Nancy Floreen, Chair, Planning Housing and Economic Development

FROM: Timothy L. Firestine, Chief Administrative Officer *Timothy L. Firestine*

SUBJECT: Agricultural Land Preservation CIP FY17-21 and Status of the Office of Agriculture

I am attaching for the Council Planning Housing and Economic Development Committee a staff report for the February 22, 2016 Work Session. The report provides specific background on the Agricultural Land Preservation FY17-21 CIP and the status of the Office of Agriculture.

If you have any questions, please feel free to contact Assistant Chief Administrative Officer Fariba Kassiri.

TLF:jc

Attachments

cc: Joe Beach, Director, Department of Finance
Lisa Feldt, Director, Department of Environmental Protection
Jennifer Hughes, Director, Office of Management and Budget
Fariba Kassiri, Assistant Chief Administrative Officer
Bonnie Kirkland, Assistant Chief Administrative Officer
Lily Qi, Special Projects Director, Office of the County Executive
Sally Sternbach, Acting Director, Department of Economic Development
Shawn Stokes, Director, Office of Human Resources
Jeremy Criss, Manager, Office of Agriculture

New Office of Agriculture (OAG) – Progress Report

Prepared by: Jeremy Criss

February 11, 2016

Alternative funding for the Agricultural Land Preservation CIP FY17-21

Background

On July 31, 2015, the Montgomery County Agricultural Preservation Advisory Board (APAB) requested briefings with the County Executive and the County Council to discuss alternative funding for the program. The APAB conducted a retreat to discuss alternative sources of program funding and they directed staff to develop a presentation on keeping land viable for agriculture in the future. Traditional funding sources for purchasing easements have diminished dramatically. The APAB suggested a total of \$2.0 million from the three sources of funding as follows:

- Water Quality Protection Charge (WQPC) funding
- M-NCPPC Legacy Open Space (LOS) funding
- County Agricultural Transfer Tax funding

Action

The actions outlined below are provided to demonstrate what has been done to address the alternative funding for the Agricultural Land Preservation.

<u>Date</u>	<u>Action</u>
April 7, 2015	APAB conducted a retreat to discuss alternative program funding
July 31, 2015	Request for alternative funding from the APAB
October 19, 2015	Briefing between DED, APAB, and the CE on funding request
November 2, 2015	Department head meeting with OMB on the CIP submission
December 2, 2015	Department head meeting with OMB, DED, DEP, APAB, and CE
December 8, 2015	APAB meeting to develop terms/conditions for using WQPC \$
December 14, 2015	APAB, DED, M-NCPPC meeting to discuss LOS \$
January 15, 2016	CE submitted the FY17-21 CIP to the County Council
January 19, 2016	APAB, DED, DEP meeting to discuss terms for using WQPC \$

Outcomes

Until legal challenges to the WQPC were addressed through new legislation, the Executive branch was reluctant to consider other uses of the fund. Now that legislation has been approved, DEP, DED, and APAB have conducted several productive discussions on the use of WQPC funding for purchasing agricultural preservation easements. The OAG has proposed new terms and conditions for easements purchased using WQPC funding that will expand their partnership with the Montgomery Soil Conservation District. The proposal is currently being reviewed by DEP, and recommendations on the use of WQPC funding for purchasing easements are expected from DEP later this year.

M-NCPPC is unwilling to commit LOS funds for purchasing agricultural easements unless the easements allow public access for recreational opportunities. The agricultural easements prohibit public access in accordance with Chapter 2B of the County code and therefore no LOS funding will be provided.

The Department of Finance was asked to evaluate the merits of using County Agricultural Transfer Tax funding as requested by the APAB. In light of the Savings Plans for FY16 and the severe impact of the Wynne case and other operating budget revenue shortfalls, as well as the growing demands on the general fund, no Current Revenue is recommended at this time.

Please note the CE recommended FY17-21 CIP submission does include an appropriation increase of \$500,000 in Developers Contributions associated with the Crown Farm Annexation Agreement.

Status of the Office of Agriculture (OAG)

Staff

On June 30, 2015 the County Council approved Bill 25-15 which created the OAG. The effective date of the Bill was July 7, 2015 and the transition effective date occurred ninety one days later, on October 6, 2015, in accordance with County Charter Section 112. The OAG will be listed as a Non-Principal County Office headed by Jeremy Criss, MII, a merit employee.

The existing eight staff in DED's Agricultural Services Division will be migrated to the Office of Agriculture. One Administrative Specialist II position in DED, Finance and Administrative Services, will also be transferred to the OAG. Other operating budget recommendations for the OAG will be available on March 15.

For the remaining months of fiscal year 2016, the Agricultural Services Division will continue to function under the umbrella of DED and continue receiving administrative, budget, finance, personnel, and procurement staff assistance provided by existing DED staff. The FY16 operating budget for DED's Agricultural Services Division will continue as the means for providing financial resources for all of the agricultural programs, services, and staff until OAG functions independently from DED. The organization chart for OAG is attached.

Proposed Timeline

The OAG will begin to function as an independent agency by late Spring, 2016. The administrative support that existing DED staff (Peter Bang, Manager I) provides to the OAG will continue through a job share arrangement between the OAG and Finance where Mr. Bang will be assigned. FY17 will represent the first fiscal year for the Office of Agriculture.

IT Connectivity Improvement for the OAG

Office of Agriculture web site on the County Home Page

The OAG is now listed along with other non-principle County Offices on the County home page. The OAG web site was migrated to the new County Portal and the formatting changes were made accordingly. The Office of Agriculture's website can be accessed at the following link: <http://www.montgomerycountymd.gov/agservices/>. The DED website and agricultural services content will no longer be accessible once DED is closed down.

Migration to Comcast Business Service for new phones and broadband network

The OAG is working with the Department of Technology Services to develop a proposal to replace the existing Verizon phones and T-1 lines at the Agricultural History Farm Park (AHFP) for all of the agricultural agencies located at the AHFP site. The provider for new phones and broadband will be Comcast Business Service. The proposal will be cost neutral for the new phones and internet service.

Update on the OAG Activities in FY16

Close Encounters with Agriculture (CEWA)

From October 12 through October 30, 2015, 4,300 fourth grade students visited the Agricultural History Farm Park to participate in the CEWA program. The CEWA was first conducted in 1992 and the program teaches children where their food comes from. This multi-phased program consists of three educational tracks that are conducted with the staff assistance of all the agricultural agencies located at the Farm Park that are also agency-partners with the OAG. The three educational tracks are: Production Agriculture; The Environment; and Nutrition, Diet, and Health. The students and teachers have provided many positive responses in the program evaluations.

Maryland Agriculture Education Foundation-Mobile Science Lab – Food Fiber and You

As part of the FY16 operating budget for DED's Agricultural Services Division, a new initiative was approved to promote Ag in the Classroom for Montgomery County Elementary Schools offered by the Maryland Agriculture Education Foundation (MAEF). The MAEF Food Fiber and You mobile science lab has been assigned to visit County elementary schools on a weekly basis. The total costs for the program is \$61,000 and the OAG will administer the contract. The contract partners are MAEF and Montgomery County Public Schools. The program will include scheduling the mobile science lab and instructors to annually visit the schools and teach elementary students where their food comes from.

Maryland Agriculture Commission Legislative Tour of Montgomery County Farms

On October 20, 2015, the OAG participated with the Maryland Agriculture Commission tour of four farms in the County: Eric Spates - Stoney Castle Farm; Craig Ruppert - Ruppert Nurseries; Wade Butler - Butlers Orchard; and Gary Mangum - Bell Nursery.

There were several members of the County Delegation that attended the tour which was very informative and demonstrated the diversity of farming operations in the County.

2015 Annual Montgomery County Farm Bureau Banquet

On November 10, 2015, the OAG was represented at the annual dinner banquet of the Montgomery County Farm Bureau. The program included the Policy Development for the upcoming 2016 Legislative Session and the agricultural policies recommended by the County Farm Bureau that the OAG helped to develop.

December 3, 2015 On-Farm Composting Forum

The OAG cosponsored a work shop and public forum with the Montgomery County Food Council to help promote the new Maryland Department of the Environment regulations for Composting Facilities. There were 79 people in attendance, including 43 farmers. DEP staff presented their Year 2020 Goal to reduce 70% of the total tonnage of solid waste generated in the County. DEP believes the next frontier of recycling will involve organic waste that can be recycled. The agricultural community can play a role to help the County recycle the organic waste into a soil conditioner that can be used to increase the productivity of farmland or sold to generate additional farm income.

December 7, 2015 Up-County Citizens Advisory Board Joint Meeting of the Land Use and Quality of Life Committees

The OAG spoke to the members of the UCCAB Land Use and Quality of Life committee regarding new ideas to strengthen the Agricultural Reserve. The Chair of the Montgomery County Agricultural Advisory Committee also attended and discussed the new Sugarland Road project to expand high speed broad band internet service east of the Town of Poolesville. Access to Broad Band is a growing issue in the Agricultural Reserve where parents often drive their children to the McDonalds so they can do their online homework assignments. This environment also impacts the owners of businesses in the Agricultural Reserve.

New Farmer Project

The New Farmer Project will continue in 2016 with the Small Farmer training workshops that are scheduled on Thursday evenings from January 14 through April 14, 2016. The University of Maryland Extension will offer these Small Farmer training workshops to residents interested in topics that cover farm management, integrated pest management, soil productivity, nutrient management, etc. The Montgomery Soil Conservation District will continue to manage the Equipment Share program that offers four different types of equipment to farmers for a minimal fee. The types of equipment are a manure spreader, no till drill planter, a plastic mulch lifter and a walk behind tractor tiller-BCS machine. The OAG will continue looking for landowners that are interested in leasing a portion of their property to produce table food. The OAG will continue administering the community grant contract with the Montgomery Countryside Alliance on their land link program helping interested farmers find farmland to grow table food in Montgomery County.

Food Hub Study

The OAG is working with the Montgomery County Food Council to perform a study on the feasibility of a food hub in Montgomery County. The Food Council was given a grant by the County Council to perform the study and DED agreed to participate as part of that proposal. Support of this study will move to the OAG, but the study should be complete by the end of March 2016. The Food Council is currently working with a consultant to perform the study with help from the OAG. A food hub is envisioned as a catalyst for small table crop production in the agricultural reserve by providing supply chain, equipment, and purchasing supports to farmers.

January 12, 2016 listening session for value-added agriculture and agri-tourism in Maryland

The OAG cosponsored a listening session with Grow Maryland to discuss support for value-added agriculture and agri-tourism. The discussion will show how the new County Zoning code permits agriculture education and agriculture tourism as an accessory use to farming in the County.

Smart Agriculture Test Bed Project

In partnership with the Innovation Program, Microsoft, and a variety of local technology companies, the OAG is exploring the potential of new technologies on behalf of County farmers. Currently four farmers have volunteered as test beds for these technologies. During the course of this project in 2016, connected devices will be deployed at no cost to farmers that will provide better remote monitoring of weather and soil conditions, pollen, pests, and allow farmers to employ precision agriculture techniques. This project is also being conducted in coordination with NIST and the Global Cities Team Challenge. More information is available here: <https://blogs.microsoft.com/iot/2015/09/03/making-the-internet-of-farm-things-real-in-montgomery-county-md/>.

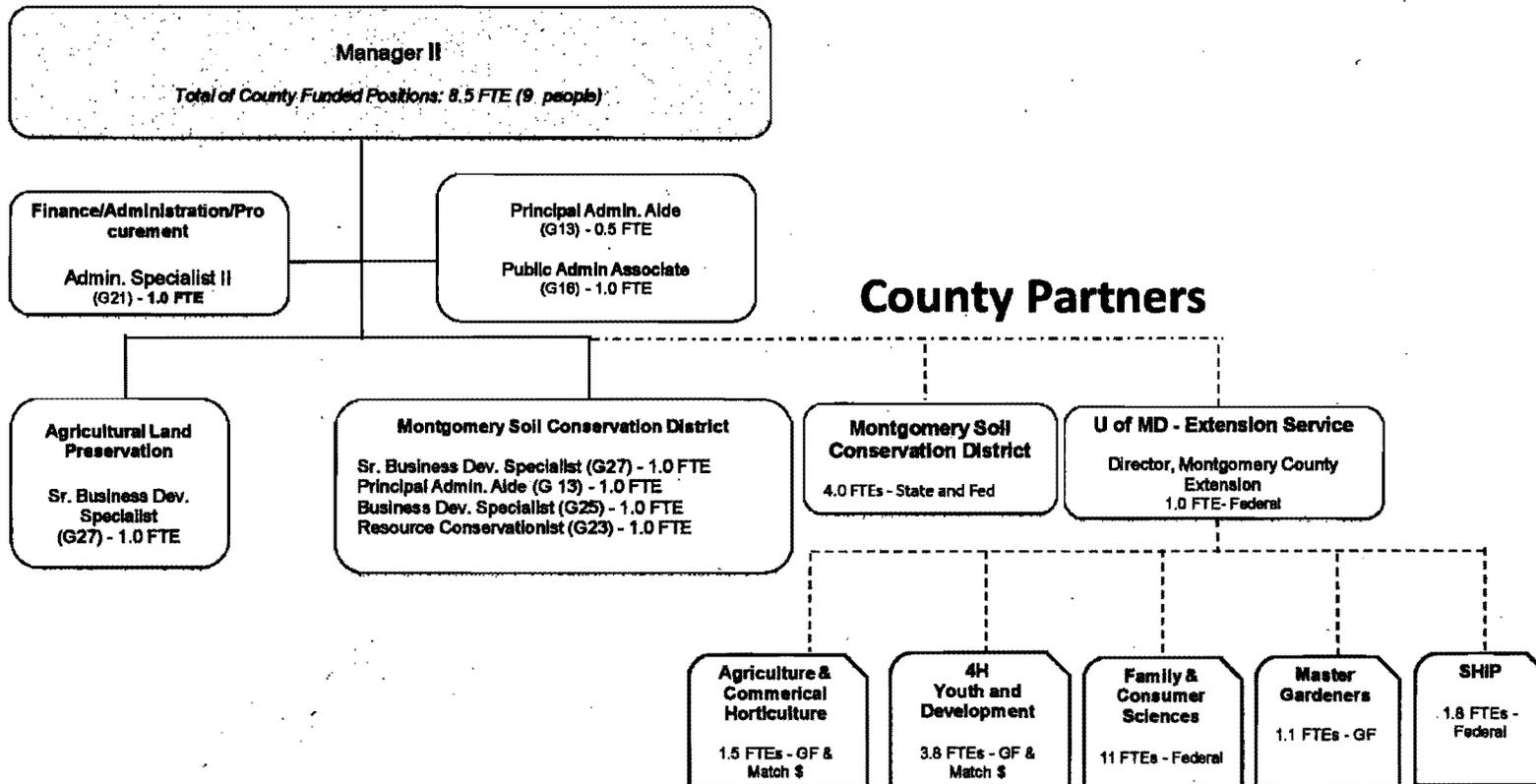
Farm Trucking Forum with the SHA

The OAG hosted a Farm Trucking Forum on February 8, 2016 to update and educate the farmers on the policies and regulations for farm trucks registered with the Department of Motor Vehicles. Representatives of the State Highway Administration presented to the County farmers on how the current exemptions work for farm trucks and conducted a tractor trailer demonstration and inspection in the lower parking lot of the Agricultural History Farm Park.

Ag Tire Collection Event

The OAG is coordinating with DEP Solid Waste Services staff to conduct an Ag Tire Collection Event at the Transfer Station in Derwood on February 16 and 17, 2016 from 10:00 am to 4:00 pm. The Maryland Farm Bureau is the sponsor of this event for members of the Montgomery County Farm Bureau to drop off Ag tires they have accumulated on their farms.

Montgomery County Office of Agriculture



FY16 Fund Balances and New Revenues

End of FY15	FY16 Revenues
Agricultural Transfer Tax	as of 1/31/2016
\$13,691	\$607,928.25
Contributions	
\$10,000	\$500,000
G.O. Bonds	
\$0.00	\$0.00
Investment Income	
\$802,335	Not Yet Available
MNCPPC Contributions	
Contributions = \$513,767 Partial BLTS = \$549,502	A Payment is Pending (\$167,593)
State Aid	
\$502,745	\$0.00

Summary of Partial BLT Payments Received

Partial BLT Payment										
Developer	Date	Development Project	Zone	# of BLTs	Purchased Density Certificate Number	Non Residential Sq Ft Equivalent	Residential Sq Ft Equivalent	Total Square Foot Equivalent	Consideration	
1 Parklawn North Lot LLC	4/5/2012	Parklawn North	Twinbrook - TMX	0.9616	PBLT 001	7,212	0	7,212	\$216,360.00	
2 Federal Realty	3/20/2013	Mid Pike Plaza (Pike & Rose)	CR-3	0.8199	PBLT002			16,398	\$184,477.50	
3 ML Wheaton LLC	3/20/2013	11141 Georgia Avenue	CR6 (C5.5, R5.5, H200)	0.3366	PBLT 003			6732	\$75,735.00	
4 Camden Living	6/3/2014	Camden Shady Grove	CR2 C1.5	0.8426	PBLT 004			16,852	\$187,385.81	
5 Federal Realty	5/5/2014	Mid Pike Plaza (Pike & Rose- Phase II)	Cr-3/C1.5/R-2.5/H-200	0.72	PBLT 005			14,400	\$160,120.80	
									\$824,079.11	
										*Charges
										\$138,945.00 FY14 PDS
										\$137,632.48 FY15 PDS
										\$549,601.63 Partial BLT Balance
6 SG Apartments LLC	Pending	Hanover Shady Grove	CR Zone	0.7536	Not Yet Assigned		15,072	15,072	\$167,593.10	

* \$150,000 is programmed each FY for PDS expenses charged for BLT program administration

