



OHIO'S AGRICULTURAL EASEMENT PURCHASE PROGRAM

GOAL

To preserve Ohio's most productive farmland for future generations by providing incentives for voluntary protection measures that benefit farmers, in accordance with local land use decisions. The ultimate goal is to preserve viable "blocks of farmland" in perpetuity.

METHOD

By buying agricultural easements (also known as Purchase of Development Rights, or PDRs) from interested farmland owners in areas the local government has designated as agricultural. Agricultural easements are currently being utilized in 19 other states.

FUNDING

The state has allocated \$25 million of the \$400 million Clean Ohio Fund to be used over a four-year period (\$6.25 million per year) to award 75% matching grants to farmland owners wishing to sell agricultural easements to the ODA. Counties, townships, municipalities, or charitable organizations must provide at least a 25% local match, either in cash or the farmland owner can donate 25% or more of the appraised value of the agricultural easement.

A. WHAT IS AN AGRICULTURAL EASEMENT?

1. Restriction which limits land to predominantly agricultural use
2. Transacted through a permanent and legally binding Deed of Agricultural Easement
3. Does not affect private ownership or management
4. Does not affect CAUV tax
5. Does not affect rights to sell or pass along the land, but the restriction stays with the land when it changes ownership
6. Easement may be extinguished if farming ever becomes impossible or impracticable, but recoupment provisions would go into effect

B. DETERMINING AGRICULTURAL EASEMENT VALUE

1. Development value is often higher (in terms of cash) than agricultural value
2. Development value - agricultural value = agricultural easement value
3. A state certified appraiser determines these values
4. This allows farmers to profit from their greatest asset without giving up the farm

C. PROGRAM REQUIREMENTS

1. Counties, townships, municipalities, or charitable organizations must apply on behalf of interested farmers
2. The following requirements must be met:
 - a. Farm is enrolled in CAUV
 - b. Landowner certifies property contains no hazardous substances
 - c. Farmer has been in substantial compliance with state and federal agricultural laws for the past 5 years
 - d. Landowner has possession of clear title to the property
 - e. All parcels in one application must be contiguous
 - f. Local government agrees to share monitoring and enforcement responsibilities
 - g. Local government and charitable organizations must agree to 25% match, or landowner donates 25%
 - h. Charitable organizations must be tax exempt and organized for the purpose of farmland preservation

D. RANKING SYSTEM

The 12-member Advisory Board will recommend to the Director of ODA which farms to fund under the program using a two-tier ranking system consisting of the following criteria:

Tier 1 – objectively sorts best candidates

1. Soil types and agricultural productivity
2. Proximity to permanently protected land
3. Best management practices
4. Development pressure, determined by the following:
 - a. Proximity of public sanitary sewer and water
 - b. Proximity of nearest freeway interchange
 - c. Road frontage
 - d. Activity such as increased lot splits, well or septic permits, traffic counts, etc.
5. Local government's comprehensive plan
6. Other factors
 - a) Location relative to metropolitan statistical area
 - b) Enrollment in an agricultural district
 - c) Unique cultural characteristics
 - d) Local match greater than 25%

Tier 2 – more subjective evaluation to choose best finalists

1. Agricultural infrastructure, support services, and facilities of general area
2. Long-term investments in farm
3. Local government farmland preservation strategies
4. Estate, farm succession, business management plan, and any other conservation program
5. Other considerations: Agricultural, educational, research, environmental, or historical contributions

E. DIRECTOR CHOOSES WINNING APPLICANTS

1. Title search conducted, subordination obtained if needed
2. Appraisal undertaken by certified appraiser
3. Purchase Agreement
4. Closing/signing of Deed of Agricultural Easement

F. FUNDING CAPS

1. State grants cannot exceed \$1 million per easement
2. The Director may set a maximum dollar amount per acre
3. The Director may limit the amount awarded in each county.

G. TIME FRAME FOR PROGRAM

1. ODA filed proposed rules to JCARR on Nov. 2, 2001
2. ODA expects JCARR to approve proposed rules in January 2002
3. After JCARR approves the proposed rules, ODA plans on holding its initial Annual Funding round 60 to 90 days later, i.e., sometime in Spring, 2002
4. ODA will conduct 5 regional public meetings in January and February to discuss the application process, ranking system, and Deed of Agricultural Easement. The following meetings will be held from 7:00 to 9:00 p.m:

January 17 - NW - NW OSU Extension District Office, Findley, co-hosted by Black Swamp Conservancy
22 - NE - Holden Arboretum, Kirtland, co-hosted by the NE Ohio Land Trust Alliance and Holden Arboretum
24 - SE - Hocking College, Nelsonville, co-hosted by the Appalachia Ohio Heritage and Land Alliance
31 - SW - Greene County OSU Extension meeting room, Xenia, co-hosted by Tecumseh Land Trust
February 5 - Central - Hopewell Hall, Central Ohio Technical College, Newark, co-hosted by Granville Land Conservancy

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