

A NATIONAL VIEW OF AGRICULTURAL EASEMENT PROGRAMS: HOW PROGRAMS SELECT FARMLAND TO FUND — REPORT 2

JUNE 2006

A JOINT PROJECT OF
AMERICAN FARMLAND TRUST AND
AGRICULTURAL ISSUES CENTER

Anita Zurbrugg, American Farmland Trust, Center for Agriculture in the Environment, DeKalb, Illinois
Alvin D. Sokolow, University of California, Agricultural Issues Center, Davis, California

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4. STRATEGIES AND CRITERIA: COMPARING THE 46 PROGRAMS

With the exception of one program, the acquisition evaluation strategies used by the programs in our study utilize a combination of minimum criteria complimented by some type of selection process. The selection processes used by programs range from those using almost exclusively objective numeric rankings system to those using primarily discretionary guidelines with a few programs falling somewhere in between.

Selection Options

The programs analyzed in this report are generally divided into two distinct groups differentiated by their parcel evaluation and selection process:

1. Quantitative ranking programs use numerical rankings in all or a major part of their processes for selecting easement proposals to fund and acquire. Typically, parcel proposals are selected, or prioritized for funding, according to their relative final scores calculated from the weighting of individual criteria, providing a relatively objective selection of parcels.
2. Qualitative programs also use formal criteria, but rely primarily on the discretion of their program managers and boards to weigh these factors. In effect, they select acquisitions according to non-numerical judgments about how well properties fit conservation objectives. Some qualitative programs initially employ quantitative criteria to establish a short list, before applying more subjective guidelines in final determinations.

Even within some of the programs considered quantitative, however, decision makers exercise some discretion. To this end, some programs retain qualities of both types of programs. For example, the Sonoma County Agricultural and Open Space District (California) relies on qualitative measures in making final acquisition selections. However, the district's staff makes recommendations regarding properties based on a basic quantitative formula awarding points for proximity to other agricultural easements and/or open space. Several programs classified as quantitative also employ a substantial amount of qualitative discretion in awarding points. For example, the Marin Agricultural Land Trust (California) awards points to applicants based on a number of objective criteria as well as on a subjective analysis of the property by the program staff following a site visit.

In both quantitative and qualitative systems, physical and geographical attributes of the parcel are used to determine a ranking for the parcel for selection. The major criteria items include: soil quality, proximity to development, proximity to other protected land, parcel size, and natural resource or historic value. Among the quantitative programs covered by this report, soil quality is the most important ranking criterion. In qualitative programs, soil quality is not considered nearly as important as the location of the parcel (see Table 2).

TABLE 2
MOST FREQUENTLY USED CRITERIA IN AGRICULTURAL EASEMENT PROGRAMS

Qualitative	Quantitative
1. Location / Geographical Targeting	1. Agricultural Land Quality
2.-3. Contiguity to Other Protected Land	2. Contiguity to Other Protected Land
2.-3. Threat (Urgency) or Potential of Development	3. Farm Management
4.-5. Agricultural Land Quality	4. Parcel Size
4.-5. Active (Viable) Agricultural Use	5. Development Proximity
6.-7. Natural Resource / Historic Value	6. Natural Resource / Historic Value
6.-7. Parcel Size	7. Consistency with Local Planning

Sources: Interviews and program documents

Minimum Requirements

Minimum requirements function as an important initial filter, including or excluding parcels from the final sorting process, according to an established baseline of what properties are minimally worth consideration for easement acquisition.

While most programs independently establish their minimum standards, several also include the minimum state-required criteria, as in Maryland and Pennsylvania. Among all the sample programs with quantitative acquisition systems, only the program administered by the Town of Dunn (Wisconsin) does not impose formal minimum requirements.

In some cases, the minimum requirements are more decisive in determining which parcels will be finally selected for easement status than the later ranking procedures. At least 14 programs in our sample demonstrate that they rely primarily on the minimum standards for primary sorting or outright rejection of parcel applications. This occurs especially when rigorous minimums weed out more applications than are left for later consideration. Some landowners self-select reducing the volume of easement applications. They decide over time that their applications would be fruitless when they realize that the minimum standards are absolute and are consistently applied. In a few programs, the criteria rankings were not needed at all in certain years because sufficient funds were available to support all proposals that met the minimums. On the other hand, no program administrators said that minimum requirements were ineffective filters because of general and non-exclusive standards.

SIDEBAR - CORRELATION BETWEEN LESA, FRPP AND MINIMUM REQUIREMENTS

Another factor that may influence the minimum requirements of some programs comes from the same policy roots at least partially represented in the USDA Farm and Ranch Lands Protection Program (FRPP)—originally the Farmland Protection Program (FPP). The Natural Resources Conservation Service of USDA administers this program.

The FRPP is intended to supplement state and local farmland protection programs administered through existing delivery systems. NRCS is the agency responsible for administering the FRPP in the field. Federal funds are available through the Commodity Credit Corporation to purchase easements or other interests with States, Tribes or local agencies and land trusts for farmland protection (USDA, CCC 2003, 2004).

The Federal Register Vol. 69, No. 233 Federal Register FRPP Request for Proposals provides direction on the criteria for allocating these federal funds in the Ranking Considerations:

When the NRCS State Office has assessed organization eligibility and the merits of each proposal, the NRCS State Conservationist will determine whether the farm or ranch land is eligible for financial assistance from FRPP. NRCS will use the National and State criteria, which may include a LESA system or other similar system, to evaluate the land and rank the parcels.

NRCS will only consider enrolling eligible land in the program that is of sufficient size and has boundaries that allow for efficient management of the area. The land must have access to markets for its products and an infrastructure appropriate for agricultural production.

As defined in the 2004 notice of request for proposals:

*Land Evaluation and Site Assessment System (LESA)*¹ is the land evaluation system approved by the NRCS state Conservationist used to rank land for farm and ranch land protection purposes, based on soil potential for agriculture, as well as social and economic factors, such as location, access to markets, and adjacent land use. (For additional information see the 1981 Farmland Protection Policy Act regulation at 7 CFR part 658.)

Further FRPP considerations include:

NRCS may place a higher priority on lands and locations that help create a large tract of protected area for viable agricultural production and that are under increasing urban development pressure. NRCS may place a higher priority on lands and locations that correlate with the efforts of Federal, State, Tribal, local or nongovernmental organizations' efforts that have complementary farmland protection objectives (e.g., open space or watershed and wildlife habitat protection). NRCS may place a higher priority on lands that provide special social, economic and environmental benefits to the region. A higher priority may be given to certain geographic regions where the enrollment of particular lands may help achieve National, State and regional goals and objectives, or enhance existing government or private conservation projects.

¹ LESA—the Land Evaluation and Site Assessment program—was created by the Soil Conservation Service (now the Natural Resource Conservation Service) of the U.S. Department of Agriculture to help implement the 1981 Farmland Protection Policy Act. The system's primary purpose was to provide local decision-makers with an objective and consistent numerically based system of determining what farmland should be available for development and what should be protected for farming.

Appendix A, Table A1, provides a detailed comparison of the minimum requirements for each of the 34 quantitative programs. We have included information on the minimum requirements from three states—Maryland, New Jersey and Pennsylvania—which contain 24 of the 34 programs, to assist in determining the influence of state programs upon a local program’s minimum requirements. As noted at the bottom of the table, two of the factors—LESA Score and Planning/Zoning Compatibility—represent requirements for funding through FRPP, the federal Farm and Ranch Lands Protection Program.

Agricultural Preservation District Enrollment and minimum Parcel Size were the two most utilized minimum requirements with 32 entities using them. Another key minimum requirement item is the allowance to reduce the minimum Parcel Size if the parcel is near land that is already protected—22 entities allowed this reduction. Next, minimum Soil Quality requirements were covered in 21 of the entities and 15 entities required Planning or Zoning Compatibility.

QUANTITATIVE SYSTEMS

Quantitative systems are based upon the numerical ranking of pertinent physical, geographical, financial and other attributes of a parcel. These become criteria for evaluation and are grouped in several categories, with a maximum number of possible points assigned to each category. Points vary within each category, according to how close a parcel approaches the desired value. A parcel’s overall score for consideration as a possible easement acquisition is the total of the separate points.

In conducting this analysis, we faced a problem of comparability across programs. While most criteria have similar names (soil quality, contiguity, farm management, etc.) from program to program, their definitions and the specific measures included often differ. Likewise the numerical format varies, with some programs using a 100-point maximum total and others with different scales.

Accordingly, we developed a standard set of 12 major criteria, each defined by more specific measures, to compare programs. For example, the broad “Agricultural Quality” category includes measures dealing with soil quality and productivity, irrigation and active agricultural production. This involved a narrowing and simplification of the original program criteria measurements, cutting down from an average of 14 criteria per program with some using more than 20 such items. In assigning individual program criteria to one of our categories, we were guided by the implicit conservation purpose of the original criterion. This means that we may have assigned some of the individual program criteria measurement factors differently than originally organized in a program’s ranking worksheet. It is also worth noting that this is an imperfect measurement because in the process of assigning the original program criteria and/or factors to our standard set of major criteria, we sometimes had to make value judgments for individual criterion factors. For example, “soil quality” as originally represented on a program ranking worksheet may contain several measurement factors with associated points, some of which we felt more appropriately belonged in another major criteria category other than “Agricultural Quality.” As to numerical format, we calculated the relative importance of each program’s individual criteria according to percentages of a total point scale.

Criteria Categories

Below are descriptions of the 12 criteria used in our comparative analysis, each defined by one or more specific measures. Some of the measures employed by individual programs, and picked up in our analysis, clearly have an objective basis that is easily quantifiable (such as

parcel size or soil quality). Other measures are more subjectively determined (such as strategic location or that quality of farm management).

Agricultural Quality. As many of the agricultural easement purchase programs' primary purpose is to preserve those parcels of farmland which are identified as highly productive and best suited for agricultural use, ranking criteria that measure agricultural quality are the most commonly employed and, on average, the most heavily weighted among all of the ranking criteria categories. This category is measured by qualities inherent in the land, relative to its productivity and its ability to be farmed. Of the pertinent measures, soil quality is the most frequently used, and, when used, often the most heavily weighted. Also grouped into this category are such measures as slope, drainage, percentage of tillable or non-woodland acres on the parcel, and duration of use as agricultural land. These indicators describe qualities that relate to how farmable a parcel is, in terms of accessibility, irrigation and related physical characteristics.

Contiguity. Second in selection criteria only to the emphasis on parcels of superior agricultural quality, contiguity refers to placing new easements adjacent to or in close proximity to parcels already preserved, either for agricultural or other conservation purposes. The intention is to form large blocks of preserved land. Programs refer to this as density, clustering or contiguity. The idea is that by creating large blocks of multiple and contiguous farms and other open space properties preserved in perpetuity, individual farms with easements are better protected from conflicting adjacent and nearby uses. This critical mass of protected farmland also helps to maintain the farm support infrastructure essential for the viability of agriculture. For a few programs, this approach also is intended to form continuous barriers to restrict the amount or direction of nearby urban development. Program measures covered by this criterion award points for parcels adjacent to or proximate to other lands preserved by easements or open space purposes and for land preserved through public ownership, such as parks and nature preserves.

Also included in the contiguity category are items that measure the proximity of a proposed easement to other agricultural land, in some cases awarding points for location within or proximity to agricultural districts or for parcels that are devoted to agriculture for at least a designated period of time. The purpose for including this measurement is the desire to protect parcels situated either in areas away from development or in areas in which agriculture is or historically has been the dominant use. Fewer programs use this measure of contiguity than those that rank proximity to already preserved parcels.

As applied in these two ways, the attention to contiguity in ranking systems seeks to preserve concentrations of agricultural land usually at some distance from existing urban development and in areas where farming historically has been the dominant land use.

Retire Development Potential. Programs that use this criterion award points according to how developable a parcel is, the extent to which it contains building entitlements, or the degree to which it is subject to development pressure. The general principle behind the use of criteria in this category is to eliminate the long-term (as opposed to *urgent*) development potential of a parcel.

Development Proximity. Programs measure this criterion by such conditions as a parcel's road frontage, proximity to existing or planned public water or sewer connections, closeness to an urban growth center or planned growth area and proximity to major roads or highways. While similar to the retire development and urgency categories, development proximity

emphasizes the relative availability of urban services as an indication of likely development in the near future. As contrasted to the contiguity category, which favors concentrating agriculture in large blocks removed from development, this criterion focuses on parcels close to existing or emerging urbanization. Interestingly, programs vary on whether they assign **positive** or **negative** points to this factor—whether close location to development is a preservation asset or liability for acquiring easements. A program’s emphasis to protect farmland may be to focus on farmland that is located away from development and therefore more affordable to protect or conversely, closer to development and therefore more expensive, but more strategic to protect because it may provide some kind of urban growth barrier.

Parcel Size. For maximum preservation, many programs prefer to protect larger rather than smaller parcels. As well as absolute number of acres, programs rank parcels according to the size of a parcel relative to the average size of farms in the area, or the percentage of a parcel or amount of acreage that will be subject to an easement.

Farm Management. Unlike the physical, often inherent characteristics of a parcel measured by the agricultural quality criterion, farm management refers to a parcel’s value in terms of human contributions towards its use for agriculture. The factors covered in this category include soil or water conservation plans or practices; the farm’s economic viability; management of specified problems, such as erosion, pests and weeds; duration of family ownership and likelihood of continued generational transfer; amount and diversity of crops and animals produced; investments and capital improvements; unique or innovative farming practices; condition of farm buildings; and percentage of family income derived from agriculture. The goals behind the use of these measures all relate to the value of a parcel in terms of how well or how poorly the land is being managed, how it is maximized as an economic resource, and what conditions exist to secure its continuing viability.

Planning Compatibility. This criterion gives priority to easements in locations where local land use planning and regulations support continued agricultural productions. Measures include agricultural zoning, right-to-farm ordinances, local government financial contributions to easement purchases and urban growth boundaries. Programs apply this standard in one of two ways: (1) to reward local governments—usually municipalities—that have relatively strong farmland protection policies; or (2) to ensure that easements parcels are situated in agricultural zones or other regulated areas.

Strategic Location. The specific location of an easement is emphasized by this criterion—particularly its ability to enhance farmland preservation in a larger area. Programs use such measures as a parcel’s potential for reducing development pressures on nearby farms; location within an agricultural-urban buffer zone; sited within a priority area on a strategic planning map; or the parcel’s ability to create a new project area. Some discretion is involved in making these determinations, which often implement a program’s past designations of priority areas for easement location.

Cost. Programs consider a number of criteria relative to cost, including percentage of landowner donation, discount or willingness to sell below fair market value; price per acre; percentage of contribution or matching funds from a municipality or other source; or the relative best buy among competing parcels or the particular bargain of purchasing a parcel. Indeed, some programs rank parcels solely on cost or percentage discounted, using what might otherwise look like a ranking formula to establish a purchase price, rather than a rank for purchase priority.

Natural Resource/Historic Values. This category recognizes that preserving certain parcels may also benefit resources besides agriculture—including plant or animal habitat, wetlands, watersheds, scenic views, other forms of open space, structures of historical value and archeological sites.

Urgency. The focus here is on awarding points to parcels that are in danger of immediate or near-term conversion to urban uses. Actions that may trigger such attention in a ranking system include preliminary subdivision approval, a parcel's subjection to probate, or a landowner's filing of a bankruptcy petition.

Other. Our analysis allowed room for ranking items unique to individual or a few programs. In some cases, these are parcel characteristics that, according to a program's goals, make preservation undesirable, resulting in assigning negative points to bring down the overall score.

Analyzing Ranking Criteria

It is important to note that a ranking criteria system usually has two parameters: the criteria measure (such as soil quality or parcel size) and a weight factor assigned for each of the criteria items. In other words, two programs may each have used the same measurement, but may have valued it differently. As explained above, for comparison purposes between programs, we have created a standardized set of 12 criteria, which we applied to all 46 programs. In addition, because there are so many variations on how criteria measures are weighted within a program, we have calculated the relative importance of each program's individual criteria on a percent basis.

What is the relative importance of these 12 criteria in the ranking systems of the 34 quantitative programs? Table 3 summarizes the criteria in order of importance according to two comparisons:

1. The number and percentage of the 34 programs that use each criterion.
2. The relative importance given to each criterion represented as an average of the percentages of total scores for individual programs.

We must note that the use analysis is based upon all 34 programs but the weight factor analysis is based upon 33 programs because the Carroll County (Maryland) program does not include specific points for each criteria category. See Table 4 for details concerning individual program criteria ranking.