



*VIRGINIA DEPARTMENT  
OF AGRICULTURE AND  
CONSUMER SERVICES*

**OFFICE OF FARMLAND PRESERVATION**  
**ANNUAL REPORT**

December 1, 2011

## TABLE OF CONTENTS

<b>Executive Summary .....</b>	<b>ii</b>
<b>Overview .....</b>	<b>1</b>
<b>Accomplishments .....</b>	<b>3</b>
<b>Plans for the Future .....</b>	<b>9</b>
<b>Appendix 1 Status of Local Purchase of Development Rights (PDR) Program .....</b>	<b>10</b>
<b>Appendix 2 FY 2011 Allocations for Local PDR Programs.....</b>	<b>11</b>
<b>Appendix 3 Template: Intergovernmental Agreement .....</b>	<b>12</b>
<b>Appendix 4 FY 2009 Funding Reprogramming for Local PDR Programs.....</b>	<b>20</b>
<b>Appendix 5 Acres Protected with State PDR Matching Funds .....</b>	<b>21</b>
<b>Appendix 6 Chapter 95 (HB 1725 - 2011).....</b>	<b>22</b>
<b>Appendix 7 Certification of Local Purchase of Development Rights (PDR) Program Matching Funds – FY 2012 .....</b>	<b>24</b>
<b>Appendix 8 Application for Certification of Local Purchase of Development Rights (PDR) Program- FY 2012.....</b>	<b>26</b>
<b>Appendix 9 Office of Farmland Preservation Presentations 2010-2011.....</b>	<b>28</b>
<b>Appendix 10 Farm Transition Pilot Workshop Agenda .....</b>	<b>29</b>

## EXECUTIVE SUMMARY

This report presents the primary accomplishments of the Office of Farmland Preservation (OFP) for the period December 1, 2010 through December 1, 2011.

Significant accomplishments for this reporting period include the following:

- OFP continued to work with key agricultural, conservation and governmental partners to refine the allocation process for state matching funds to local purchase of development rights (PDR) programs;
- To date, \$5.25 million has been allocated to 16 local PDR programs;
- OFP worked with local PDR programs to permanently preserve 5,174.71 acres of working farm and forest lands in 11 localities. OFP provided \$4.94 million of the \$13.4 million in total purchase price and transaction costs paid for these easements;
- OFP delivered 12 presentations/workshops to a wide variety of audiences. Topics included OFP, PDR programs, farmland preservation tools/techniques, conservation easements, use value assessment, farmland loss data and the Virginia Farm Link program;
- OFP and VDACS' Commissioner established the Working Lands Discussion Group to encourage more donations of conservation easements by working farm and forest landowners;
- OFP continued to oversee the Virginia Farm Link database. Since May 2008, 103 active farm owners have received 1,213 individual requests from 378 active farm seekers interested in discussing various transition options with them;
- OFP has allocated \$101,410 to Virginia Cooperative Extension since December 2008 for workshops designed to help farm families and their service providers transition farms and farming operations to the next generation; and
- OFP began collaboration with the Virginia Farm Bureau's Young Farmer Committee to improve the effectiveness of the Virginia Farm Link program.

The amount of state funding for local PDR programs increased sharply in FY 2012, though it still is well below the amount originally awarded in FY 2008. OFP expects to see continued demand for these state matching funds, and if the funds are maintained at a higher level, additional local PDR programs interested in applying for these funds. In addition to providing technical assistance on establishing and improving local PDR programs, OFP also will continue to provide technical assistance on other farmland preservation tools.

Over the next year, OFP plans to continue the outreach phase of the Working Lands Discussion Group. This will include additional conservation easement workshops for working farm and forest owners in 2012, as well as more promotion of the new working lands variant adopted by the Virginia Outdoors Foundation.

OFP also plans to continue its expansion of farm transition efforts in the future. In addition to continuing to provide workshop funding to Virginia Cooperative Extension, OFP also plans to continue its collaborative relationship with the Virginia Farm Bureau's Young Farmer Committee. The Young Farmer Committee just received word that it is the recipient of a two-

year grant to develop a farm seeker certification process, and OFP plans to work closely with the committee on this initiative.

## OVERVIEW

The 2000 Appropriation Act provided \$115,000 (\$65,000 for FY 2001 and \$50,000 for FY 2002) to the Virginia Department of Agriculture and Consumer Services (VDACS) to establish the Virginia Agricultural Vitality Program. The 2001 Session of the Virginia General Assembly added § 3.1-18.9 through § 3.1-18.12 to the Code of Virginia (this was recodified in 2008 as § 3.2-200 through § 3.2-203), which continued the Virginia Agricultural Vitality Program as the Office of Farmland Preservation (OFP). The original funding allocated for OFP was eliminated during the budget reductions that occurred in FY 2002 and FY 2003, and new funding for OFP was not secured again until 2006. The 2006 Appropriation Act provided \$305,000 (\$225,000 in FY 2007 and \$80,000 in FY 2008) and one full-time equivalent (FTE) for the OFP. The first Coordinator for OFP was hired in January 2007.

Section 3.2-202 of the Code of Virginia requires that the Commissioner of VDACS submit a written report on the operation of OFP to the chairmen of the House Committee on Agriculture, Chesapeake and Natural Resources; and the Senate Committee on Agriculture, Conservation and Natural Resources by December 1 of each year.

The following are the specific powers and duties of OFP, as established in § 3.2-201 of the Code of Virginia:

- “1. To develop, in cooperation with the Department of Business Assistance, the Virginia Farm Bureau Federation, the American Farmland Trust, the Virginia Land Conservation Foundation, the Virginia Outdoors Foundation, the Virginia Association of Counties, and the Virginia Cooperative Extension: (i) model policies and practices that may be used as a guide to establish local purchase of development rights programs; (ii) criteria for the certification of local purchase of development rights programs as eligible to receive grants, loans or other funds from public sources; and (iii) methods and sources of revenue for allocating funds to localities to purchase agricultural conservation easements;
2. To create programs to educate the public about the importance of farmland preservation to the quality of life in the Commonwealth;
3. To provide technical, professional, and other assistance to farmers on matters related to farmland preservation;
4. To provide technical, professional, and other assistance to local governments interested in developing additional farmland preservation policies and programs. Such policies and programs shall include (i) use value assessment and taxation pursuant to §§ [58.1-3230](#) and [58.1-3231](#); (ii) transfer of development rights pursuant to Article 7.1 (§ [15.2-2316.1](#) et seq.) of Chapter 22 of Title 15.2; (iii) agricultural and forestal districts pursuant to Chapter 43 (§ [15.2-4300](#) et seq.) of Title 15.2; and (iv) establishment of local lease of development rights; and
5. To administer the Virginia Farm Link program established pursuant to § 3.2-202.”

In addition, § 3.2-201 was expanded in 2008 to include the following additional language regarding the allocation of state matching funds to local purchase of development rights (PDR) programs:

“State grants shall be distributed to local purchase of development rights programs under policies, procedures, and guidelines developed by the Office of Farmland Preservation. In general, for each \$1 in grant moneys awarded by the Office, the applicable local purchase of development rights program of the county or city shall be required to provide a \$1 match. However, as part of these policies, procedures, and guidelines developed by the Office, the Office shall include incentives that recognize and encourage counties and cities participating in use value taxation pursuant to Article 4 (§ [58.1-3229](#) et seq.) of Chapter 32 of Title 58.1.”

By establishing the Virginia Agricultural Vitality Program, and subsequently OFP, the General Assembly was attempting to address two issues that threaten the future viability of the Virginia agricultural sector. The first of these challenges is the aging farm population and the difficulty young farmers have when entering the profession. Statistics describing this problem are quite dramatic. The average principal farm operator in Virginia is 58.2 years of age. Previous estimates from economists at Virginia Tech indicated that more than 70 percent of Virginia farmland and a significant percentage of Virginia’s farm businesses are expected to be transitioned over the next 15 years. At the same time, research from OFP indicates that many Virginia farmers are not planning for this transition. During the period January through March 2002, OFP sponsored a survey of 1,500 Virginia farmers, with the intent of determining how many had plans for the transition of their farm businesses to the next generation of farmers. This survey was part of a larger strategy adopted by the International Farm Transition Network (IFTN) to develop conclusions about the state of farm retirement planning in the United States, Europe and Japan. This survey shows that of the 512 Virginia farmers that responded, 76 percent either do not plan to retire at all or only plan semi-retirement. Of those 24 percent of farmers who plan to retire, only 30 percent have as yet identified a successor.

The second challenge relates to the rapid loss of farm and forest lands to developed uses in Virginia. The Farmland Information Center (FIC) recently released new data showing the rate of farmland lost to development in Virginia. The FIC, a clearinghouse for information about farmland protection and stewardship authorized by the federal Farmland Protection Policy Act (FPPA), is a public/private partnership between the USDA Natural Resources Conservation Service (NRCS) and American Farmland Trust (AFT). According to the recent numbers from the FIC, between 1997 and 2002, Virginia lost 81,500 acres of agricultural land directly to developed uses. That loss of agricultural land slowed to 60,800 acres between 2002 and 2007. A similar trend occurred when looking at other rural lands as well. When looking at agricultural land, forestland and other rural lands combined, Virginia lost 274,900 acres directly to developed uses between 1997 and 2002, and 206,700 acres between 2002 and 2007. While the good news is that the rate of decline appears to have slowed, this continued fragmentation of farm and forest lands puts pressures on farmers and foresters who now face a public that is increasingly divorced from agriculture, and who are not accustomed to the sights, sounds and smells associated with working lands.

## ACCOMPLISHMENTS

The following are the accomplishments of the office during December 1, 2010 – December 1, 2011:

### **ADMINISTERING PDR MATCHING FUNDS**

Since opening in 2007, OFP staff has worked with local governments, farm and conservation organizations, and other interested parties to establish local purchase of development rights (PDR) programs. PDR programs compensate landowners that permanently preserve their land by voluntarily placing a perpetual conservation easement on the property. Twenty-two local PDR programs exist to date in Virginia, 18 of which have some level of local funding currently available (see Appendix 1).

The 2007 budget amendment provided OFP with \$4.25 million in state matching funds for the 2006-2008 biennium. OFP allocated these funds in February 2008. These funds were to be used to match local funds from certified local PDR programs. This funding was significant, as it was the first time that the Commonwealth of Virginia provided state funds to match local PDR efforts. An additional \$500,000 was approved for FY 2009, \$400,000 for FY 2010 and \$100,000 each for FY 2011 and FY 2012. During the 2011 legislative session, the General Assembly and Governor McDonnell allocated an additional \$1.1 million to the state matching funds to local PDR programs, for a total allocation of \$1.2 million.

OFP worked with key stakeholders to develop a two-part certification process for these funds. The first part was a certification of the amount of local matching funds that the locality had available for their PDR program. The second part was an application to certify the elements of the local PDR program, based on *A Model Purchase of Development Rights (PDR) Program for Virginia*, which was developed by the State Farmland Preservation Task Force in 2005.

During the FY 2011 state matching funds grant round, the OFP allocated \$100,000. Localities had until October 22, 2010 to submit their fiscal and program certification form. Eight localities met the fiscal and certification deadline for FY 2011 funding. These eight localities certified that they had a total of more than \$17 million in non-state funding (\$3,524,331 in FY 2011 and \$13,803,474 from previous years) available to match state funds.

To determine the state matching fund amount for each locality in FY 2011, OFP divided the \$100,000 allocation amount by eight. These funds were available to certified localities to the extent that they were able to provide an equal match using local funds. Given the small amount of funding available to each locality, all eight localities were able to match the \$12,500 available to them. The allocations for FY 2011 were awarded to localities in December 2010 (see Appendix 2).

Localities have up to two years from the execution of the Intergovernmental Agreement (IGA) between the locality and VDACS to go to closing on approved agricultural conservation easements (see Appendix 3). Prior to going to closing, each locality must submit the individual easement to VDACS for review by OFP and the Office of the Attorney General. Once VDACS

approves the easement language, localities may go to closing and submit to VDACS a claim for reimbursement form for up to 50 percent of the total “reimbursable costs” allowed by the IGA.

Like last year, VDACS followed a similar procedure for reprogramming unspent funds from previous years. OFP gave localities with remaining FY 2009 funding until May 27, 2011, to go to closing on and to record an approved agricultural conservation easement. Those localities that either closed on an easement prior to that date, but whose claim for reimbursement form had been put on hold subject to any additional funds; or who closed on a easement by that date, and whose possible reimbursement amount from OFP was greater than the FY 2009, FY 2010 and FY 2011 funds currently available (combined), would be eligible for the reprogrammed FY 2009 funding. The additional FY 2009 funding would then be divided equally among eligible localities, again to the extent that the additional funds were used on easements that were recorded by the May 27, 2011 deadline. OFP and the locality then had five weeks to amend the Intergovernmental Agreements (IGAs) to reflect the reprogrammed funding, complete the reimbursement process and send out the FY 2009 funds before the end of the fiscal year.

A total of \$153,522 of the original \$500,000 in FY 2009 funding was reprogrammed, with four localities (the counties of Albemarle, Fauquier, and Northampton, and the City of Virginia Beach) receiving this additional funding from four other localities (the counties of Clarke, Goochland, James City and Spotsylvania) (see Appendix 4).

As of October 26, 2011, \$4,944,147 in state matching funds administered by the OFP has been used in part to permanently protect 5,174.71 acres (36 easements) in partnership with 11 local PDR programs (see Appendix 5).

There was one change to the Code of Virginia as it relates to VDACS’ allocation of state matching funds to local PDR programs this year. At VDACS’ request, a bill was introduced (HB 1725/SB 1105) in the 2011 General Assembly session to create the “Virginia Farmland Preservation Fund”, a special non-reverting fund for the OFP’s matching funds. This bill was enacted into law as Chapter 95 of the 2011 General Assembly (Appendix 6). Prior to this change in the Code, any unspent general fund appropriation for OFP reverted on June 30 each year, even though the funds may already have been committed to local PDR programs through Intergovernmental Agreements between VDACS and the localities. For VDACS to fulfill its commitment to the localities, the Governor has to approve the reappropriation of the balance to VDACS. The reappropriation process can take up to five or six months. During this time, local PDR programs cannot be reimbursed for approved expenses. The creation of the Virginia Farmland Preservation Fund will expedite the process for reimbursing those local PDR programs that submit claims for reimbursement after June 30 of the year, by making it possible for OFP to pay the claims as soon as they are received instead of having to wait for reappropriation. The special fund balance may be appropriated each year, eliminating the need for reappropriation approval.

VDACS currently is in the process of allocating the \$1,200,000 available in FY 2012 state matching funds to local PDR programs. Thirteen localities with almost \$21 million available in local matching funds (\$8.05 million for FY 2012, and \$12.65 million from previous years) submitted their fiscal and program certification applications by the October 21, 2011 deadline

(see Appendices 7 and 8). In addition, the number of applicants for this grant round increased 63 percent (from 8 to 13) as compared to last year, and include two localities (Shenandoah County and Washington County) that applied for the first time. OFP staff will be working to formally release these funds by December 31, 2011.

#### **PROVIDING TECHNICAL ASSISTANCE AND EDUCATION ON FARMLAND PRESERVATION**

Since the opening of OFP in January 2007, staff has been consistently asked to provide technical assistance to local and state governments, agricultural and conservation organizations, individual landowners and farmers, and others interested in learning more about farmland preservation in Virginia.

The following are efforts by OFP to provide technical assistance and outreach on farmland preservation issues from December 1, 2010 to December 1, 2011:

*Presentations:* OFP delivered 12 presentations/workshops to a wide variety of audiences. Topics included OFP, PDR programs, farmland preservation tools/techniques, conservation easements, use value assessment, farmland loss data and the Virginia Farm Link program (see Appendix 9).

*Website:* OFP continued to provide updated information on its website at [www.vdacs.virginia.gov/preservation](http://www.vdacs.virginia.gov/preservation). The website provides information on the office, as well as the issues and challenges related to the loss of Virginia's working farm and forest lands. It also includes links to the websites, program ordinances, easement templates and other materials for many of the 22 local PDR programs and one TDR program currently established.

*Display:* The OFP display was used at the 2011 Ag Expo at Inglewood Farm (Bealeton, August 4, 2011); the Virginia Association of Counties (VACo) annual meeting (Warm Springs, November 13-15, 2011); and the Virginia Farm Bureau annual conference (Norfolk, November 29, 2011). OFP and Agriculture and Forestry Development Services (AFDS) staff was on hand to provide additional information and to answer any questions.

*Annual PDR survey:* OFP staff continued to work with technical assistance staff from American Farmland Trust (AFT) to encourage local PDR programs in Virginia to provide data annually as part of AFT's "Status of Local PACE Programs" survey. This survey was sent to respondents in January 2011, and the numbers were reported and released in August 2011.

*Landowner phone calls:* The OFP coordinator talked with numerous landowners and farmers interested in understanding the range of options for permanently protecting their land. OFP also fielded numerous calls from farm owners and farm seekers interested in the Virginia Farm Link program and the Virginia Century Farm Program.

*State Land Evaluation Advisory Council (SLEAC):* OFP staff participated in the September and October 2011 meeting of SLEAC. SLEAC is responsible for setting the suggested use value assessment rates for each locality that has adopted this program for real estate devoted to agriculture, horticulture, forestry or open space. OFP also agreed to coordinate a new SLEAC Manual Review Committee. This committee was the result of discussions at the August 2011

SLEAC meeting about the need to update the SLEAC manual, which last was revised in 2003 and has sections of the manual that have not been revised since the early 1990's. The committee will survey commissioners of the revenue and local assessors to collect useful attorney general opinions, court cases, etc. and to ask for any burning questions that respondents would like to see answered in a new "frequently asked questions" section of the manual.

#### **WORKING LANDS DISCUSSION GROUP**

In June 2010, the Commissioner of VDACS and OFP began a new project designed to increase the amount of working farm and forest land permanently protected as part of Governor McDonnell's 400,000 acre land conservation goal. To this end, VDACS worked to increase the number of working farm and forest land owners that take advantage of the Virginia Land Preservation Tax Credit (LPTC) for donated conservation easements. While funding for Virginia's other land conservation programs has seen a sharp reduction over the past few years, funding and legislative support has remained strong for the LPTC. Given that the General Assembly still supports the LPTC with more than \$100 million each year in forgone tax revenue, the LPTC remains the predominant incentive available in Virginia for land conservation.

In examining this goal, VDACS determined that there is a perception by some in the agricultural community that the donation of a conservation easement is not a viable option for protecting productive working lands. Even though much of the land protected by the Virginia Outdoors Foundation (VOF) is in fact working farm and forest land, VDACS felt that a collaborative effort to address this perception might be beneficial. To that end, VDACS coordinated a small group to discuss these issues comprised of representatives from Virginia Farm Bureau, Virginia Agribusiness Council, VOF, Valley Conservation Council, Department of Forestry (DOF), Department of Conservation and Recreation, Department of Historic Resources and a few private landowner attorneys familiar with Internal Revenue Service (IRS) regulations pertaining to conservation easements. In particular, VDACS was interested in providing specific recommendations for variations to the existing VOF easement template that might appeal to a broader range of farm and forest landowners, while still meeting IRS requirements for charitable conservation donations. VDACS also was interested in providing opportunities for better partnership and outreach from the agricultural community on the benefits of donating easements on working lands.

The Working Lands Discussion Group held meetings in September, October and December 2010; and March 2011. In April 2011, OFP staff and Commissioner Lohr presented these recommendations to VOF's Board of Directors. These policy recommendations called for a new "working lands variant" to the existing easement template used by VOF. The VOF board unanimously agreed to adopt these recommendations, which were designed to provide a more flexible conservation easement for those landowners who did not feel that the existing VOF easement template worked for their operations. The VOF board directed staff to have the new easement variant drafted and in place by their October board meeting. The Working Lands Discussion Group reconvened in October 2011 to review the draft working lands variant provided by VOF, and provided additional recommendations to the variant. The working lands variant was formally adopted by the VOF board at their fall board meeting on October 27, 2011, and will begin to be used in easement presented to the board at their next meeting in February 2012.

In addition to the creation of the working lands variant, the Working Lands Discussion Group also conducted significant outreach efforts to the agricultural community as part of this overall initiative. In March 2011, OFP staff, Commissioner Lohr and Secretary of Agriculture and Forestry Haymore delivered the first “Conservation Easement Workshop for Working Lands” in Lexington, Virginia. Roughly 100 farmers, local government staff, service providers and others attended this workshop. The workshop provided an in-depth overview of conservation easement mechanics, land owner considerations, tax benefits for donated easements and easement purchase options. The workshop also provided an overview of the conservation easement process, and how to build an effective team to help with placing a conservation easement on your property. The workshop was an overall success, and there was strong interest from many of the stakeholders that participated in seeing this workshop replicated across the state. As a result, two additional workshops have been set for December 13, 2011 (Pittsylvania County) and January 5, 2012 (Dinwiddie County).

### **VIRGINIA FARM LINK PROGRAM**

OFP is charged with administering the Virginia Farm Link program. Pursuant to § [3.2-202](#) of the Code of Virginia, the purpose of the Virginia Farm Link program is to do the following:

“provide assistance to retiring farmers and individuals seeking to become active farmers in the transition of farm businesses and properties from retiring farmers to active farmers. Such assistance shall include, but not be limited to, (i) assistance in the preparation of business plans for the transition of business interests; (ii) assistance in the facilitation of transfers of existing properties and agricultural operations to interested buyers; (iii) information on innovative farming methods and techniques; and (iv) research assistance on agricultural, financial, marketing, and other matters.”

To date, the primary efforts at VDACS to implement the Virginia Farm Link program has been the establishment of the Virginia Farm Link database. Released by VDACS in May 2008, this database attempts to bring together farm owners and farm seekers to begin the discussion about possible farm transition arrangements. As of October 26, 2011, the database has 15 “active farm owners” and 215 “active farm seekers” currently registered. Since May 2008, 103 active farm owners have received 1,213 individual requests from 378 active farm seekers interested in discussing various transition options with them. The database is located at [www.vafarmlink.org](http://www.vafarmlink.org).

In November 2010, OFP met with members of the Virginia Farm Bureau Young Farmers (VAFBYF) to discuss concerns regarding the effectiveness of the Virginia Farm Link database, and opportunities to better address the initial duties established for the Virginia Farm Link program. While the database has been effective in providing opportunities for interested farm seekers to easily contact interested farm owners, no successful transition had yet been identified. As a result of that meeting, VAFBYF established an ad-hoc sub-committee to work with OFP to address these concerns. Through conference calls and meetings throughout 2011, several key issues were identified and initiatives were discussed to help enhance the Virginia Farm Link program through effective farm transition programming.

To this end, VAFBYF and OFP decided to collaborate on a series of pilot workshops to enhance relationships between farm seekers and farm owners while exploring key steps to successful

farm transitioning. The first pilot took place in Isle of Wight County on August 13, 2011, with approximately 35 participants ranging in ages from 24 to 72 years; and included farm seekers with no experience, farm seekers who are currently farming and looking to expand, farm owners who currently farm, and land owners who are new to farming or do not farm. Participants heard from two attorneys on estate planning, lease development, and transitioning. The participants also examined a farm transition case study, and heard from an estate planner about setting goals for their next steps (see Appendix 10). The pilot was the first of three workshops, with the second planned for February 11, 2012 in Chatham, and the third somewhere in the Shenandoah Valley in August 2012.

The OFP also continued to allocate funding for farm transition workshops designed to help farm families and their service providers transition farms and farming operations to the next generation. A total of \$20,000 has been allocated to Virginia Cooperative Extension (VCE) for these efforts between September 2011 and December 2012, and \$101,410 has been allocated overall since September 2008. These pilot workshops are funded by the revenue generated from the Virginia Agriculture license plate, which since 2006 has provided \$178,635 in funding to the OFP.

OFP staff also used funding from the Virginia Agriculture license plate to print 3,000 copies of the newly released “Planning the Future of Your Farm: A Workbook Supporting Farm Transfer Decisions”. This 112-page workbook, which is a joint project with Virginia Cooperative Extension, is based on a similar workbook that was developed in North Carolina. The workbook covers key farm transition topics in detail, including the following: developing a vision for the future, evaluating farm resources, the tools of farm transfer, and meeting with and selecting professional advisers. The workbook also contains Virginia-specific information on how donated conservation easements can work as part of an overall farm transition strategy. VCE produced an online version of the workbook, and OFP agreed to cover the printing costs associated with this workbook. These workbooks will be handed out at the Virginia Farm Bureau Annual Convention on November 29, 2011 in Norfolk. The workbook information is available in multiple formats, as well as a full downloadable PDF, at <http://pubs.ext.vt.edu/446/446-610/446-610.html> .

#### **VIRGINIA CENTURY FARM PROGRAM**

In October 2010, the OFP was assigned with administering the Virginia Century Farm Program. Pursuant to § [3.2-105](#) of the Code of Virginia,

“The Commissioner shall establish a century farm program to honor farm families in the Commonwealth whose property has been in the same family for 100 years or more. In order to be eligible for recognition under the program, a farm shall: (i) have been owned by the same family for at least 100 consecutive years; (ii) be lived on, or actually farmed by, a descendent of the original owners; and (iii) gross more than \$2,500 annually from the sale of farm products. At the discretion of the Commissioner, a farm that does not gross more than \$2,500 annually but is being used for a bona fide silvicultural purpose may be recognized under the program.”

OFP staff has certified 44 new Century Farms since October 2010. In addition, OFP is working to compile a searchable database that will include key information for all 1,177 Century Farm applications that have been certified since the beginning of the program in 1997.

### **PLANS FOR THE FUTURE**

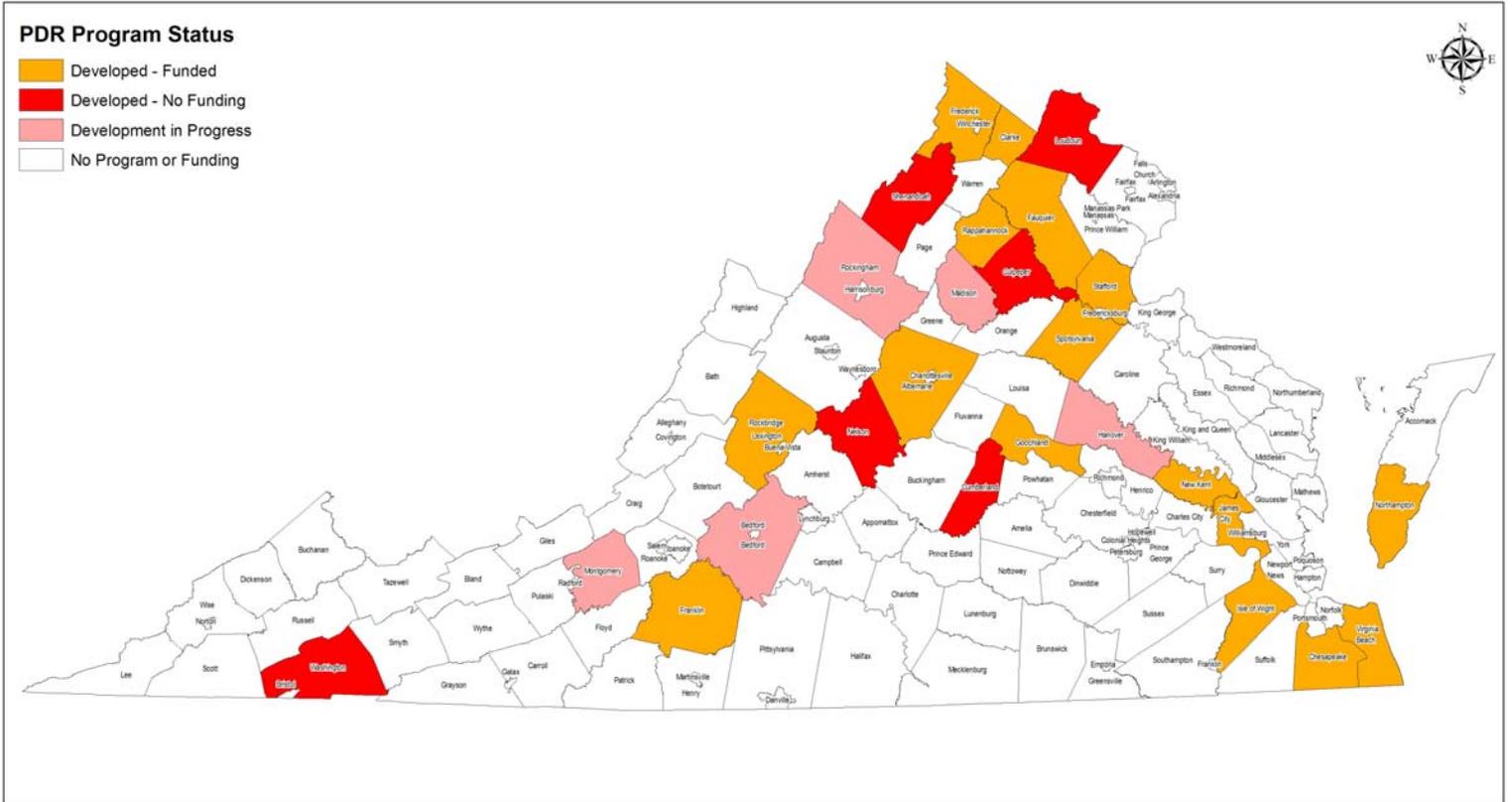
The amount of state funding for local PDR programs increased sharply in FY 2012, though it still is well below the amount originally awarded in FY 2008. The \$1.2 million in funding for FY 2012 did result in 13 programs applying for this increased funding (a 63 percent increase in applications) with two new programs applying for matching funds for the first time (Washington and Shenandoah Counties). While localities continue to struggle to provide local matching funds for their PDR programs, it does appear that the state matching funds have been successful in spurring localities to attempt to raise the required local match. OFP expects to see continued demand for these state matching funds, and if the funds are maintained at this higher level, additional local PDR programs interested in applying for these funds. In addition to providing technical assistance on establishing and improving local PDR programs, OFP also will continue to provide technical assistance on other farmland preservation tools. These additional tools include the following: use value assessment, agricultural and forestal districts, transfer of development rights, and lease of development rights.

OFP plans to continue the outreach phase of its work to encourage more working farm and forest landowners to donate conservation easements in Virginia. To that end, OFP will continue the current outreach efforts with the Working Lands Discussion Group. These efforts will include additional conservation easement workshops for working farm and forest owners in 2012, as well as more promotion of the new working lands variant adopted by the Virginia Outdoors Foundation.

OFP also plans to continue its expansion of farm transition efforts in the future. In addition to continuing to provide workshop funding to Virginia Cooperative Extension and working with them on their farm transition workshop efforts, OFP also plans to continue the work with the Virginia Farm Bureau Young Farmers (VAFBYF) Committee. The VAFBYF Committee recently received word that it is the recipient of a two-year grant to develop a farm seeker certification process, and OFP plans to work closely with the committee on this initiative.

# APPENDIX 1

## STATUS OF LOCAL PURCHASE OF DEVELOPMENT RIGHTS (PDR) PROGRAMS



Map updated on 10/13/10

0      25      50      100 Miles



**APPENDIX 2**

**FY 2011 ALLOCATIONS FOR LOCAL PDR PROGRAMS**

<b><u>Locality</u></b>	<b><u>Local Funds Available (Oct 2010)</u></b>	<b><u>Previous State Funds Remaining (Oct 2010)</u></b>	<b><u>FY 2011 State Funds Awarded</u></b>
Albemarle County	\$943,137.69	\$143,832.19	\$12,500.00
Clarke County	\$160,000.00	\$49,900.00	\$12,500.00
Fauquier County	\$1,401,589.00	\$0.00	\$12,500.00
Isle of Wight County	\$2,490,060.49	\$0.00	\$12,500.00
New Kent County	\$310,050.13	\$0.00	\$12,500.00
Northampton County	\$67,508.91	\$18,730.22	\$12,500.00
Spotsylvania County	\$255,683.00	\$104,670.00	\$12,500.00
Virginia Beach City	\$11,699,776.00	\$143,832.19	\$12,500.00
<b>TOTAL</b>	<b>\$17,327,805.22</b>	<b>\$460,964.60</b>	<b>\$100,000.00</b>

**APPENDIX 3**

**TEMPLATE**  
**INTERGOVERNMENTAL AGREEMENT**

Between  
Virginia Department of Agriculture and Consumer Services  
and  
[locality]

This INTERGOVERNMENTAL AGREEMENT is entered into this 31<sup>th</sup> day of December, 2010, in the City of Richmond, Virginia, between the Virginia Department of Agriculture and Consumer Services (“VDACS”) and [locality] (collectively, “the parties”) to provide mutually advantageous terms for cooperation between VDACS and [locality] to implement VDACS’ contribution of funds in support of [locality]’s purchase of agricultural conservation easements.

WHEREAS, the General Assembly, by Chapter 874 of the 2010 Acts of Assembly, has appropriated \$100,000 each year in the fiscal years ending June 30, 2011 and June 30, 2012 to VDACS for the continuation of a state fund to match local government purchase of development rights program funds for the preservation of working farms and forest lands; and,

WHEREAS, § 3.2-201 of the Code of Virginia authorizes VDACS’ Office of Farmland Preservation to develop methods and sources of revenue for allocating funds to localities to purchase agricultural conservation easements, and to distribute these funds to localities under policies, procedures, and guidelines developed by VDACS’ Office of Farmland Preservation; and,

WHEREAS, for all purposes of this INTERGOVERNMENTAL AGREEMENT, the term “agricultural conservation easement” shall mean a negative easement in gross that has the primary conservation purpose of preserving working farm and/or forest land; and,

WHEREAS, [local governing body] has enacted an ordinance or passed a resolution that: authorizes, in accordance with Title 10.1, Chapter 17 of the Code of Virginia (“the Open-Space Land Act”) and other applicable law, [locality] to purchase agricultural conservation easements from landowners (each hereinafter called “Grantor”); sets forth a clear, consistent, and equitable administrative process governing such purchases; and outlines the goals and purposes of [locality]’s farmland preservation program; and,

WHEREAS, [locality] has agreed to maintain a public outreach program designed to educate various stakeholders in [locality]—including farmers, landowners, public officials, and the non-farming public—about [locality]’s initiatives to preserve working farms and forest lands; and,

WHEREAS, [locality] has agreed to establish a transparent and replicable process for valuation of agricultural conservation easements; and,

WHEREAS, the purchase of agricultural conservation easements is one component of [locality]’s broader farmland preservation program; and,

WHEREAS, [locality] has agreed to use a deed of easement that is sufficiently flexible to allow for future agricultural production in purchases of agricultural conservation easements for which [locality] uses funds contributed to it by VDACS; and,

WHEREAS, [locality] has agreed that any agricultural conservation easement purchased as per the terms of this INTERGOVERNMENTAL AGREEMENT shall meet the definition of "real estate devoted to

agricultural use", "real estate devoted to horticultural use" or "real estate devoted to forest use" as established in § 58.1-3230 of the Code of Virginia; and,

WHEREAS, [locality] has agreed to establish a clear strategy for monitoring and enforcing the terms of the agricultural conservation easements that [locality] purchases; and,

WHEREAS, [locality] has agreed to establish a process that [locality] will use to evaluate the effectiveness of its farmland preservation program, including a protocol for making changes to [locality]'s agricultural conservation efforts based on such evaluations; and,

WHEREAS, VDACS, in reliance on the veracity of the foregoing recitals, certifies [locality] is eligible to receive contributions of funds from VDACS in reimbursement for certain costs [locality] actually incurs in the course of purchasing agricultural conservation easements; and,

WHEREAS, [locality], and the agents and employees of [locality], in the performance of this INTERGOVERNMENTAL AGREEMENT, are acting on behalf of [locality], and not as officers or employees or agents of the Commonwealth of Virginia;

NOW, THEREFORE, VDACS and [locality] agree their respective responsibilities, pursuant to this INTERGOVERNMENTAL AGREEMENT, shall be defined as follows:

**1. VDACS Responsibilities**

- a. VDACS shall, within thirty (30) days of the date of execution of this INTERGOVERNMENTAL AGREEMENT, restrict \$ \_\_\_\_\_ (hereinafter "the allocation amount") in an account, from which VDACS shall withdraw funds only to pay contributions of funds that [locality] is eligible to receive pursuant to this INTERGOVERNMENTAL AGREEMENT, except that upon the expiration of two (2) years from the date of this INTERGOVERNMENTAL AGREEMENT, or immediately upon [locality]'s failure to perform any of its obligations under the terms of this INTERGOVERNMENTAL AGREEMENT, VDACS shall have the right to withdraw any funds then remaining in such account and the right to redirect those funds to other localities that VDACS certifies as being eligible to receive matching funds and that enter into an intergovernmental agreement with VDACS to govern the distribution of matching funds for the purchase of agricultural conservation easements.
- b. Upon [locality]'s recordation of a deed evidencing [locality]'s purchase of an agricultural conservation easement in the circuit court of the city or county where the Grantor's land is located and [locality]'s submission to VDACS of a completed claim for reimbursement, on a form prescribed by VDACS, together with the supporting documentation required under paragraph 2(e) of this INTERGOVERNMENTAL AGREEMENT, VDACS shall reimburse [locality] fifty percent (50%) of the reimbursable costs that [locality] actually incurred in the course of purchasing that agricultural conservation easement, limited to that portion of the allocation amount remaining in the account maintained by VDACS pursuant to paragraph 1(a) of this INTERGOVERNMENTAL AGREEMENT. The following shall not be considered to be reimbursable costs that [locality] actually incurred and shall be subtracted from the total amount of reimbursable costs considered for reimbursement by VDACS in connection with any particular agricultural conservation easement transaction: grants made by the United States of America, the Virginia Department of Agriculture and Consumer Services (VDACS), the Virginia Department of Conservation and Recreation (DCR), the

Virginia Outdoors Foundation (VOF), or any other governmental agency or political subdivision of the Commonwealth of Virginia; payments made by any other funding sources either directly to the landowner or to reimburse [locality]; or in-kind donations or contributions. VDACS may make alternative arrangements for the distribution of funds pursuant to this INTERGOVERNMENTAL AGREEMENT, provided [locality] presents a written request for such alternative arrangement to the Commissioner of VDACS or the Commissioner's designated agent (referred collectively hereinafter as "the Grant Manager") prior to incurring any expense for which [locality] seeks a distribution of funds under the proposed alternative arrangement.

For purposes of this INTERGOVERNMENTAL AGREEMENT, "reimbursable costs" include:

1. The purchase price of the agricultural conservation easement actually incurred by [locality], at present value, including any portion that [locality] will pay over time pursuant to an installment purchase agreement;
  2. The cost of title insurance actually incurred by [locality];
  3. The cost actually incurred by [locality] of one appraisal of the land by a licensed real estate appraiser upon which [locality] purchases an agricultural conservation easement;
  4. The cost actually incurred by [locality] of one survey of the physical boundaries of the land by a licensed land surveyor upon which [locality] purchases an agricultural conservation easement, including the cost of producing a baseline report of the conditions existing on the land at the time of the conveyance of the agricultural conservation easement;
  5. Reasonable attorney fees actually incurred by [locality] associated with the purchase of an agricultural conservation easement, where reasonable attorney fees include those fees associated with outside counsel required for the completion of the easement, but do not include fees related to county or city attorneys serving as staff and who are paid regular salary in the county's or city's employ;
  6. The cost actually incurred by [locality] of issuing public hearing notices associated with [locality]'s purchase of an agricultural conservation easement that [locality] is required by law to issue; and
  7. Any recordation fees actually incurred by [locality] that [locality] is required to pay pursuant to the laws of the Commonwealth of Virginia.
- c. VDACS shall only be responsible for reimbursing [locality] under paragraph 1(b) of this INTERGOVERNMENTAL AGREEMENT for reimbursable costs that [locality] actually incurs in the course of purchasing an agricultural conservation easement when [locality] acquires, by such purchase, a deed of easement that, at a minimum, provides:
1. The primary conservation purpose of the easement conveyed by the deed of easement is the conservation of the land in perpetuity for working farm and/or forestal uses.

2. The Grantor and [locality] agree that the land subject to the agricultural conservation easement shall not be converted or diverted, as the Open-Space Land Act employs those terms, until and unless the Grant Manager, with the concurrence of [locality] or an assignee of [locality]'s interest in the agricultural conservation easement, certifies that such conversion or diversion satisfies the requirements of the Open-Space Land Act.
3. The Grantor and [locality] agree that, in the event of an extinguishment of the restrictions of the agricultural conservation easement that results in the receipt of monetary proceeds by [locality] or an assignee of [locality]'s interest in an agricultural conservation easement in compensation for the loss of such property interest, VDACS shall be entitled to a share of those proceeds proportional to VDACS' contribution toward the total reimbursable cost of acquiring the agricultural conservation easement as evidenced by the completed claim for reimbursement required under paragraph 1(b) of this INTERGOVERNMENTAL AGREEMENT.
4. If the Grantor conveys the agricultural conservation easement for less than its fair market value, the Grantor and [locality] mutually acknowledge that approval of the terms of this Deed of Easement by VDACS and/or its legal counsel does not constitute a warranty or other representation as to the Grantor's qualification for any exemption, deduction, or credit against the Grantor's liability for the payment of any taxes under any provision of federal or state law.
5. All mortgagors and other holders of liens on the property subject to the restrictions contained in the deed of easement have subordinated their respective liens to the restrictions of the deed of easement acquired by [locality]. All such mortgagors and other holders of liens shall manifest their assent to the easement's priority over their respective liens by endorsing the deed of easement.
6. A baseline report documenting the conditions existing on the land at the time of the conveyance of the agricultural conservation easement is incorporated into the deed of easement by reference.

## **2. [locality] Responsibilities**

- a. [locality] shall, within thirty (30) days of the date of execution of this INTERGOVERNMENTAL AGREEMENT, appropriate funds equal to the allocation amount for the purpose of purchasing agricultural conservation easements.
- b. [locality] shall use matching funds that VDACS contributes to [locality], pursuant to this INTERGOVERNMENTAL AGREEMENT, only for the purpose of purchasing agricultural conservation easements that are perpetual and that have the primary conservation purpose of preserving working farm and/or forest lands.
- c. Within one (1) year from the date of this INTERGOVERNMENTAL AGREEMENT, and for each subsequent year in which the INTERGOVERNMENTAL AGREEMENT or a subsequent agreement is in force, [locality] shall submit to VDACS a progress report that:

1. describes any properties that [locality] has identified as prospects for [locality]'s purchase of agricultural conservation easements and the status of any negotiations for the purchase of such agricultural conservation easements;
  2. estimates the timeframes within which [locality] will execute contracts for any such purchases, close on such purchases, and request reimbursement of reimbursable costs for those purchases from VDACS;
  3. describes the measures [locality] has undertaken to develop and/or maintain a public outreach program designed to educate various stakeholders in [locality]'s community—including farmers, landowners, public officials, and the non-farming public—about [locality]'s agricultural conservation easement program and other initiatives to preserve working agricultural land;
  4. describes the measures [locality] has undertaken to develop and/or maintain a formal plan for stewardship and monitoring of the working agricultural land on which [locality] acquires agricultural conservation easements; and
  5. describes the measures [locality] has undertaken to develop and/or maintain a process that [locality] will use to evaluate the effectiveness of its program, including a protocol for making changes to [locality]'s agricultural conservation efforts based on such evaluations.
- d. For any purchase of agricultural conservation easements for which [locality] requests reimbursement from VDACS pursuant to this INTERGOVERNMENTAL AGREEMENT, [locality] shall obtain a policy of title insurance on its purchased interest that covers at least an amount equal to the amount for which [locality] requests reimbursement from VDACS.
- e. Prior to closing on a purchase of an agricultural conservation easement for which [locality] requests reimbursement from VDACS pursuant to this INTERGOVERNMENTAL AGREEMENT, [locality] shall submit, for review and approval by VDACS and its legal counsel, the following documentation:
1. a written agreement setting forth, in the manner prescribed by [locality]'s ordinance or resolution governing its program to acquire agricultural conservation easements, the terms of [locality]'s purchase of the agricultural conservation easement, including the purchase price;
  2. a written confirmation from [locality] that the property/properties to be encumbered by the agricultural conservation easement meet the definition of "real estate devoted to agricultural use", "real estate devoted to horticultural use" or "real estate devoted to forest use" as established in § 58.1-3230 of the Code of Virginia;
  3. a written description of the agricultural, environmental and social characteristics of the property/properties to be encumbered by the agricultural conservation easement;
  4. any installment purchase agreement;

5. the deed of easement that the Grantor will deliver to [locality] at closing, including all exhibits, attachments, and/or addenda;
6. a title insurance commitment for a policy to insure the easement interest under contract indicating an amount of coverage at least equal to the amount of funds for which [locality] requests reimbursement from VDACS; and
7. an itemized list of all reimbursable costs that [locality] has or will, up to the time of closing, incur in the course of purchasing the agricultural conservation easement.

[locality] shall make whatever changes to the proposed deed of easement and/or the installment purchase agreement, where applicable, that VDACS and/or its legal counsel deem necessary to ensure compliance with applicable state law and the requirements and purposes of this INTERGOVERNMENTAL AGREEMENT.

[locality] may fulfill its obligation under this paragraph by submitting accurate and complete copies of all documents enumerated in this paragraph, provided that [locality] shall deliver or make available the original documents to VDACS for review at VDACS' request.

- f. Together with any claim for reimbursement pursuant to this INTERGOVERNMENTAL AGREEMENT that [locality] submits to VDACS, [locality] shall also submit the following supporting documentation:
  1. a copy of the recorded deed of easement that VDACS and/or its legal counsel approved prior to closing, showing the locality, deed book, and page of recordation, and including all exhibits, attachments, and/or addenda;
  2. copies of invoices, bills of sale, and cancelled checks evidencing [locality]'s incursion of reimbursable costs in the course of purchasing the agricultural conservation easement;
  3. a copy of any executed installment purchase agreement related to the purchase, which shall indicate the purchase price; and
  4. a copy of any deed of trust related to the purchase.
- g. [locality] shall provide the Grant Manager immediate written notice of [locality]'s receipt of any application or proposal for the conversion or diversion of the use of any land upon which [locality] or its assignee, where applicable, holds an agricultural conservation easement, for the purchase of which VDACS contributed funds pursuant to this INTERGOVERNMENTAL AGREEMENT.
- h. [locality], or any assignee of [locality]'s interest in an agricultural conservation easement for which [locality] receives a contribution from VDACS pursuant to this INTERGOVERNMENTAL AGREEMENT shall at all times enforce the terms of that easement. [locality] shall provide the Grant Manager immediate written notice of any actions, whether at law, in equity, or otherwise, taken by locality to enforce the terms of the easement or to abate, prevent, or enjoin any violation thereof by any party. Any failure by [locality] or such assignee to perform its enforcement responsibility shall

constitute a breach of this INTERGOVERNMENTAL AGREEMENT, for which VDACS shall have a remedy by way of a civil action for specific performance of that enforcement responsibility; or, VDACS shall have the right and authority, at its option, to demand and receive from [locality] a portion of the full market value of the agricultural conservation easement at the time of the breach in proportion to VDACS' contribution toward the total reimbursable cost of acquiring the agricultural conservation easement as evidenced by the completed claim for reimbursement required under paragraph 1(b) of this INTERGOVERNMENTAL AGREEMENT.

- i. For any purchase of an agricultural conservation easement for which [locality] requests reimbursement from VDACS pursuant to this INTERGOVERNMENTAL AGREEMENT, [locality] shall derive its valuation of the agricultural conservation easement according to the valuation methods prescribed by ordinance or resolution.

### **3. Merger and Supersedure of Prior Agreement**

The parties agree that terms of any INTERGOVERNMENTAL AGREEMENT previously entered into between the parties to govern VDACS' distribution of funds to [locality] from appropriations set forth in Chapter 847 of the 2007 Acts of Assembly, Chapter 781 of the 2009 Acts of Assembly, and/or Chapter 874 of the 2010 Acts of Assembly shall be merged into the instant INTERGOVERNMENTAL AGREEMENT, the latter of which shall supersede all former INTERGOVERNMENTAL AGREEMENTS to the extent that there are any inconsistencies between the terms of these INTERGOVERNMENTAL AGREEMENTS. Notwithstanding the language of this paragraph, VDACS shall only be required to restrict the allocation amount provided in paragraph 1(a) of the prior agreement(s) until the expiration of two (2) years from the date of execution of the prior agreement(s).

### **4. Recertification**

This INTERGOVERNMENTAL AGREEMENT pertains exclusively to VDACS' contribution of funds that the General Assembly has appropriated to VDACS through the fiscal year ending June 30, 2011. VDACS shall not contribute other funds in the future to [locality] except upon VDACS' recertification of [locality]'s eligibility to receive such funds. VDACS may establish and communicate to [locality] certain benchmarks of program development that VDACS will impose upon [locality] as preconditions to [locality]'s recertification for future contributions.

### **5. Governing Law**

This INTERGOVERNMENTAL AGREEMENT is governed by and shall be interpreted in accordance with the laws of the Commonwealth of Virginia. In all actions undertaken pursuant to this INTERGOVERNMENTAL AGREEMENT, preferred venue shall be in the City of Richmond, Virginia, at the option of VDACS.

### **6. Assignment**

[locality] shall not assign this INTERGOVERNMENTAL AGREEMENT, either in whole or in part, or any interest in an agricultural conservation easement for the purchase of which VDACS contributes funds pursuant to this INTERGOVERNMENTAL AGREEMENT, without the prior, written approval of the Grant Manager.

### **7. Modifications**



**APPENDIX 4**

**FY 2009 FUNDING REPROGRAMMING FOR LOCAL PDR PROGRAMS**

<b><u>Locality</u></b>	<b><u>Returned/Lost FY 2009 Funds</u></b>	<b><u>Reprogrammed FY 2009 Funds</u></b>
Albemarle County		\$42,790.31
Clarke County	\$3,821.67	
Fauquier County		\$54,247.37
Goochland County	\$49,900.00	
James City County	\$49,900.00	
Northampton County		\$2,236.63
Spotsylvania County	\$49,900.00	
Virginia Beach City		\$54,247.37
<b>TOTAL</b>	<b>\$153,521.67</b>	<b>\$153,521.68</b>

## APPENDIX 5

### ACRES PROTECTED WITH STATE PDR MATCHING FUNDS

AS OF OCTOBER 26, 2011

<u>Locality</u>	<u>Easements</u>	<u>Acres Protected</u>	<u>*Local Funding</u>	<u>*State PDR Funding</u>	<u>*Other Funding</u>
Albemarle County	4	585.80	\$1,175,937.75	\$663,062.25	—
Clarke County	13	951.83	\$466,057.58	\$466,057.61	\$1,138,125.00
Fauquier County	5	1,331.00	\$1,054,347.19	\$789,671.81	—
Frederick County	1	89.75	\$5,000	\$130,027.00	\$260,000
Goochland County	1	500.93	\$155,623.50	\$155,623.50	—
Isle of Wight County	3	585.40	\$1,794,862.79	\$1,547,744.21	—
James City County	1	103.00	\$250,781.20	\$250,781.20	—
Northampton County	2	440.25	\$114,027.85	\$114,027.85	\$1,238,000.00
Rappahannock County	2	343.23	\$157,431.00	\$156,666.00	—
Stafford County	1	97.83	\$303,055.00	\$299,242.00	—
Virginia Beach City	3	145.69	\$570,142.44	\$371,243.56	—
<b>TOTAL</b>	<b>36</b>	<b>5,174.71</b>	<b>\$6,047,266.30</b>	<b>\$4,944,146.99</b>	<b>\$2,636,125.00</b>

\* Includes easement purchase price and in some cases incidentals such as surveys, title insurance, appraisals, reasonable legal fees, etc.

## **APPENDIX 6**

### **CHAPTER 95**

*An Act to amend and reenact § [3.2-201](#) of the Code of Virginia, relating to the Office of Farmland Preservation; Virginia Farmland Preservation Fund created.*

[H 1725]

Approved March 15, 2011

Be it enacted by the General Assembly of Virginia:

1. That § [3.2-201](#) of the Code of Virginia is amended and reenacted as follows:

§ [3.2-201](#). Powers and duties of Office of Farmland Preservation.

A. The Office of Farmland Preservation shall have the following powers and duties:

1. To develop, in cooperation with the Department of Business Assistance, the Virginia Farm Bureau Federation, the American Farmland Trust, the Virginia Land Conservation Foundation, the Virginia Outdoors Foundation, the Virginia Association of Counties, and the Virginia Cooperative Extension: (i) model policies and practices that may be used as a guide to establish local purchase of development rights programs; (ii) criteria for the certification of local purchase of development rights programs as eligible to receive grants, loans or other funds from public sources; and (iii) methods and sources of revenue for allocating funds to localities to purchase agricultural conservation easements;
2. To create programs to educate the public about the importance of farmland preservation to the quality of life in the Commonwealth;
3. To provide technical, professional, and other assistance to farmers on matters related to farmland preservation;
4. To provide technical, professional, and other assistance to local governments interested in developing additional farmland preservation policies and programs. Such policies and programs shall include (i) use value assessment and taxation pursuant to §§ [58.1-3230](#) and [58.1-3231](#); (ii) transfer of development rights pursuant to Article 7.1 (§ [15.2-2316.1](#) et seq.) of Chapter 22 of Title 15.2; (iii) agricultural and forestal districts pursuant to Chapter 43 (§ [15.2-4300](#) et seq.) of Title 15.2; and (iv) establishment of local lease of development rights; and
5. To administer the Virginia Farm Link program established pursuant to § [3.2-202](#).

B. State grants shall be distributed to local purchase of development rights programs under policies, procedures, and guidelines developed by the Office of Farmland Preservation. In general, for each \$1 in grant moneys awarded by the Office, the applicable local purchase of development rights program of the county or city shall be required to provide a \$1 match. However, as part of these policies, procedures, and guidelines developed by the Office, the Office shall include incentives that recognize and encourage counties and cities participating in use value taxation pursuant to Article 4 (§ [58.1-3229](#) et seq.) of Chapter 32 of Title 58.1.

*C. There is hereby created in the state treasury a special nonreverting fund to be known as the Virginia Farmland Preservation Fund, hereafter referred to as "the Fund." The Fund shall be established on the books of the Comptroller. The Fund shall consist of all moneys appropriated to it by the General*

*Assembly and such moneys as may be made available from any other source, public or private. All moneys shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes of carrying out the provisions of this chapter. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Commissioner.*

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**Legislative Information System**

**APPENDIX 7**

**CERTIFICATION OF LOCAL PURCHASE OF DEVELOPMENT RIGHTS (PDR) PROGRAM  
MATCHING FUNDS – FY 2012**

**Application Deadline: Friday, October 21, 2011**

The \_\_\_\_\_ of \_\_\_\_\_ hereby certifies that on  
(County Administrator/City Manager) (Locality)  
this \_\_\_\_\_ day of \_\_\_\_\_, total local funds in the amount of  
\$ \_\_\_\_\_ were appropriated for the July 1, 2011, to June 30, 2012 fiscal year,  
and that total local funds in the amount of \$ \_\_\_\_\_ are currently available  
from previous fiscal years, for the purpose of purchasing agricultural conservation easements, as  
referenced in Section 3.2-201 of the *Code of Virginia*.

It also is certified that none of the funds listed above are from any of the following: grants made by the United States of America; the Virginia Department of Agriculture and Consumer Services (VDACS), the Virginia Department of Conservation and Recreation (DCR), the Virginia Outdoors Foundation (VOF), or any other agency or political subdivision of the Commonwealth of Virginia; payments made by any other funding sources either directly to the landowner or to reimburse the locality; or in-kind donations or contributions. It is further certified that the total amount above is comprised only of local funding available for the purchase of agricultural conservation easements by the locality.

It is the intent of \_\_\_\_\_ to use these funds to purchase perpetual conservation  
(Locality)  
easements on working farm and forest land through participation in the agricultural conservation easement program administered by VDACS' Office of Farmland Preservation pursuant to Section 3.2-201 of the *Code of Virginia*.

It is understood and agreed that participation in VDACS' agricultural conservation easement program requires meeting additional criteria as promulgated by the Office of Farmland Preservation, and that certification of the locality's available funds does not guarantee nor obligate acceptance into the agricultural conservation easement program.

\_\_\_\_\_  
County Administrator/City Manager

\_\_\_\_\_  
County/City Chief Fiscal Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

Completed certification form and any questions should be addressed to:

Kevin Schmidt  
Coordinator, Office of Farmland Preservation  
Virginia Department of Agriculture and Consumer Services  
102 Governor Street  
Richmond, VA 23219  
Phone: (804) 786-1346  
Fax: (804) 371-7786  
[kevin.schmidt@vdacs.virginia.gov](mailto:kevin.schmidt@vdacs.virginia.gov)  
[www.vdacs.virginia.gov/preservation](http://www.vdacs.virginia.gov/preservation)

## APPENDIX 8

### APPLICATION FOR CERTIFICATION OF LOCAL PURCHASE OF DEVELOPMENT RIGHTS (PDR) PROGRAM- FY 2012

**Application Deadline: Friday, October 21, 2011**

**Locality:**

**Contact person:**

**Title:**

**Address:**

**Address 2:**

**City, State, Zip:**

**Phone:**

**Fax:**

**E-mail:**

**Date:**

The following application is based on *A Model Purchase of Development Rights (PDR) Program for Virginia*, which was released by the Virginia Department of Agriculture and Consumer Services (VDACS) Farmland Preservation Task Force in November 2005. It is strongly suggested that applicants refer to the model PDR document while completing this application. Please visit [www.vdacs.virginia.gov/preservation](http://www.vdacs.virginia.gov/preservation) or call (804) 786-1346 to obtain a copy of this report.

To complete this application, please answer each of the questions listed below. Also, please submit any additional documentation to help support or clarify your answers. *If your locality is currently certified for FY 2011, please only provide an update covering the changes that have occurred to your program since you submitted your application last year.*

#### **1. Adopted PDR ordinance/resolution**

Please attach your local PDR ordinance/resolution as adopted. If your ranking system is not part of your ordinance/resolution, please include this as well.

#### **2. Program goals and purposes**

Please specify your program goals/purposes as outlined in your local PDR ordinance/resolution. *VDACS will be looking for clearly defined program goals/purposes, with a program ordinance/resolution that supports them.*

#### **3. Action plan for education/outreach**

Please provide information on how your program reaches out to farmers/landowners, public officials and the non-farming public.

*VDACS will be looking for examples of efforts to educate various stakeholders in the community on the PDR program and other working farm and forest land preservation initiatives.*

#### **4. Easement valuation process**

Please outline how your locality determines easement value.  
*VDACS will be looking for transparency and replicability in the easement valuation process.*

### **5. Broader agricultural enhancement strategy**

Please outline what additional strategies your locality is using to preserve working farm and forest land, and how these various strategies work together. Examples include: comprehensive land use plan; agricultural zoning; use value taxation; agricultural and forestal districts; agricultural economic development efforts; farm transition efforts, etc.

*VDACS will be looking to see that the PDR program is part of a broader strategy designed to preserve working farm and forest land.*

### **6. Deed of easement**

Please attach a copy of your deed of easement template.

*VDACS will be looking to see that the deed of easement is flexible enough to allow for future agricultural production, and that it contains the appropriate components established in the model document. All easements funded by VDACS must be perpetual. **Please note: A more detailed review by VDACS of each individual easement will be required prior to closing.***

### **7. Monitoring and enforcement strategy**

Please describe your monitoring and enforcement schedules/procedures.

*VDACS will be looking to see that a clear strategy has been established outlining how the easement will be monitored and enforced.*

### **8. Program evaluation mechanism**

Please describe the process used to evaluate the effectiveness of your program, and indicate the process for making changes or updates to your program based on this evaluation.

*VDACS will be looking to see that the program has an evaluation mechanism and a process established for implementing evaluation findings.*

Completed applications and any questions should be addressed to:

Kevin Schmidt  
Coordinator, Office of Farmland Preservation  
Virginia Department of Agriculture and Consumer Services  
102 Governor Street  
Richmond, VA 23219  
Phone: (804) 786-1346  
Fax: (804) 371-7786  
[kevin.schmidt@vdacs.virginia.gov](mailto:kevin.schmidt@vdacs.virginia.gov)  
[www.vdacs.virginia.gov/preservation](http://www.vdacs.virginia.gov/preservation)

## APPENDIX 9

### **OFFICE OF FARMLAND PRESERVATION PRESENTATIONS 2010-2011**

- Delivered update on FY 2011 state matching funds, Working Lands Discussion Group and prospects for FY 2012 land conservation funding to local PDR program managers at their December meeting in Ashland (December 1, 2010).
- Delivered a presentation on the Virginia Farm Link program and the Office of Farmland Preservation at the Virginia Farm Bureau's Young Farmer Winter Expo in Blacksburg (February 12, 2011).
- Delivered update on FY 2011 state matching funds, Working Lands Discussion Group and prospects for FY 2012 land conservation funding to local PDR program managers at their March meeting in Richmond (March 2, 2010).
- Delivered presentation on conservation easements and PDR programs at the "Conservation Easement Workshop for Working Lands" in Lexington (March 9, 2011).
- Delivered presentation on the Office of Farmland Preservation to the VDACS Board at its March 2011 meeting in Richmond (March 24, 2011).
- Delivered presentation on the Office of Farmland Preservation to Virginia Tech students as part of Joe Guthrie's Agriculture Technology Honor's Class panel discussion in Blacksburg (April 5, 2011)
- Delivered presentation on Virginia Farm Link program to the Beginning Farmer and Rancher Coalition committee in Petersburg (April 13, 2011).
- Delivered presentation on meeting land conservation goals with limited funding at Historic Triangle Leadership seminar in Williamsburg (May 12, 2011)
- Delivered presentation on Office of Farmland Preservation funding and acres preserved at Virginia Land Conservation Conference in Charlottesville (June 1-2, 2011)
- Delivered presentation on the 2011 changes to the Virginia Agricultural and Forestal Districts Act at Virginia Association of Assessing Officers in Charlottesville (July 13, 2011)
- Delivered presentation on Virginia Farm Link program at the first Farm Transition Pilot Workshop with Virginia Farm Bureau's Young Farmer Committee in Isle of Wight (August 13, 2011)
- Delivered update on FY 2012 state matching funds to local PDR program managers at their December meeting in Chesterfield County (September 14, 2011).

## **APPENDIX 10**

### **FARM TRANSITION PILOT WORKSHOP AGENDA**

AUGUST 13, 2011

ISLE OF WIGHT RURITAN CLUB

ISLE OF WIGHT, VIRGINIA

- Purpose of the pilot workshop is the following:
  - Bring together farm owners and farm seekers that are serious and ready to do something to determine their farm transition needs
  - Educate target audience about the Virginia Farm Link program and farm transition issues
  - Enhance the communication between farm owners and farm seekers
  - Collect feedback on ways to enhance the Virginia Farm Link program/database

### **MORNING SESSIONS: (8:00 A.M. TO 12:00 P.M.)**

- *Welcome/Introductions/Overview* (10 minutes)
  - Robert Harris, Chair, Virginia Farm Bureau Young Farmers Committee
  - W.P. Johnson, Virginia Farm Bureau Young Farmers Committee
  - Kevin Schmidt, Virginia Department of Agriculture and Consumer Services
- *What do you hope to get out of this workshop?* (10 minutes)
  - W.P. Johnson, Virginia Farm Bureau Young Farmers Committee
- *Bella Acres case study* (60 minutes)
  - Kevin Schmidt, Virginia Department of Agriculture and Consumer Services
- *Developing a vision for the future* (60 minutes)
  - Ron Saacke, Virginia Farm Bureau

#### **Facilitators**

- Angie Hart, Estate Planning Specialist, Virginia Farm Bureau
- Glen Slade, Virginia Cooperative Extension, Surry County
- *Overview of legal and tax issues in farm transition* (60 minutes)
  - Ashley Brooks, Attorney at Law, Huff, Poole & Mahoney P.C.
  - R. Lee Stephens Jr., Attorney at Law, Spotts Fain
- *Financing your farm transition efforts* (20 minutes)
  - Bill Henley, Senior Loan Officer, Colonial Farm Credit
  - Will Loxterkamp, Farm Loan Manager, USDA Farm Services Agency

### **LUNCH: (12:00 P.M. TO 1:00 P.M.)**

Lunch provided courtesy of the Isle of Wight Ruritan Club

**AFTERNOON SESSIONS: (1:00 P.M. TO 5:00 P.M.)**

- *There is no free lunch – thinking about the consequences* (15 minutes)
  - Scott Sink, Hethwood Market, SES Agriculture Enterprises and Little River Produce
- *Developing effective lease agreements* (30 minutes)
  - R. Lee Stephens Jr., Attorney at Law, Spotts Fain
- *Assembling and working with a team of professionals* (30 minutes)
  - Trey Davis, Virginia Farm Bureau
- *Farm transition panel* (45 minutes)
  - Cecil Byrum, Byrum Family Farms, Inc
  - Daryl Butler, Virginia Farm Bureau Field Services
- *Understanding farm owner/farm seeker perspectives* (30 minutes)
  - Ron Saacke, Virginia Farm Bureau
- *Putting it all together- next steps for your farm transition plan* (20 minutes)
  - Angie Hart, Estate Planning Specialist, Virginia Farm Bureau
- *Pilot workshop evaluation exercise* (20 minutes)
  - W.P. Johnson, Virginia Farm Bureau Young Farmers Committee
- *Final farm owner/farm seeker interaction* (20 minutes)