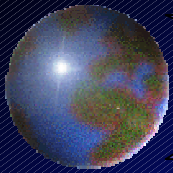




*Proposed
Changes to
New Jersey's
Farmland
Preservation
Program*

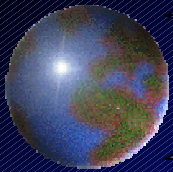
March 3, 2006



Agriculture in the Garden State

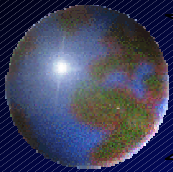
- Most densely populated state in nation
- 2nd highest average agricultural land value in US: > \$9,245/acre
- Among highest nationally in property taxes paid on agricultural lands – even with Farmland Assessment
- Average size of farm: 81 acres
- Median size of farm: 22 acres
- Average rate of farmland loss:
 - 10,000 acres/year
 - 17% of NJ Land Area in Farms
 - 17% of Farmland Preserved





Farmland Preservation Program History

- Agriculture Retention and Development Act (1983)
- Bond Issues (1981, 1989, 1992, 1995): total of \$200 million for Farmland Preservation
- Garden State Preservation Trust (GSPT) Act (1998):
 - ✓ \$98 million/year in sales tax to Farmland, Open Space and Historic Preservation
 - ✓ GSPT bonded \$1.15 billion; total 2.0 billion
 - ✓ 10 years of acquisition
 - ✓ 20 additional years to repay borrowing



Farmland Preservation Funding

- Farmland Preservation Program funding

- ✓ Prior to GSPT: \$20 M/year
- ✓ After GSPT: \$87 M/year (00-06)

- GSPT Funding Status

- ✓ 70% of acquisition period expired
- ✓ 80% of available funding appropriated

- New State Source of Funding Needed Soon

- Other Sources of Revenue

- ✓ County, municipal and non-profit funds
- ✓ Federal FRP funds
- ✓ Revenues from sale of fee-simple properties

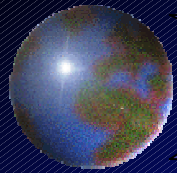




Goals of Proposed Program Changes

1. Reduce time required for acquisition
2. Expend GSPT funds in a timely fashion
3. Streamline and simplify procedures
4. Reduce redundancy of processing
5. Insure quality of all farms preserved

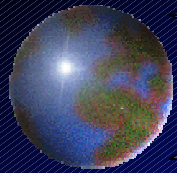




County EP Program – Move to County-wide PIG

- Require County-wide FPP Strategic Plans
- Counties set their own minimum standards and ranking criteria
- Can use SADC funds on any farm included in FPP Plan
- Can submit applications for SADC approval year round

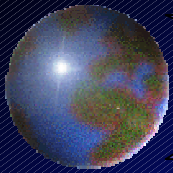




County EP Program - Move to County-wide PIG

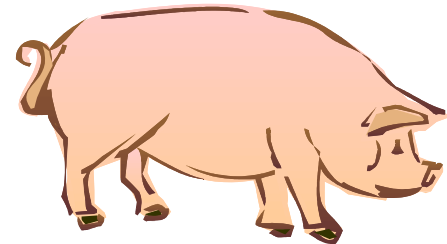
- SADC to set minimum and maximum funding allocation each year based on:
 - Program demand
 - Funding availability
- Eliminate statewide “bid-down”
 - Use Relative Best Buy to allocate remaining \$
- Subsequent years’ funding depends on expenditure performance

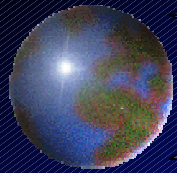




Proposed Changes to Municipal "PIG" Program

- Enhance farmland preservation plan requirements (regional context)
- Provide 3 year expenditure window
- Require SADC review of closing documents prior to closing
- Require RTF ordinance

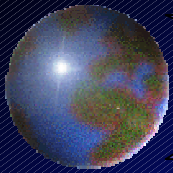




Changes to SADC State Acquisition Programs

- Combine SADC's Direct EP and Fee Simple programs
- Accept and process applications year-round
- Adopt county-sensitive prioritization criteria
 - Average FPP size
 - Average FPP score

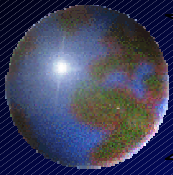




State Acquisition - Procedures

- SADC strategically target & solicit applications statewide
- Advertise regionally
- Request input and support of CADB
- Insure realistic landowner expectations
- 120-day commitment letter
- Obtain appraisals prior to negotiations

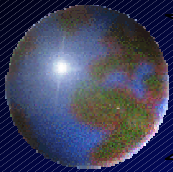




Non-Profit Program

- Grants up to 50% of acquisition cost
- Allow non-profits to submit farmland preservation plans (PIGs)
- Two year expenditure requirement

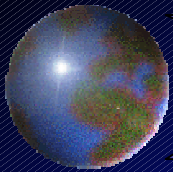




Proposed Minimum Standards

- Establish minimum quality criteria for all applicant farms
- Ensure farms <10 ac. can support commercial farming operations
 - \$2,500 income
 - ≥ 5 ac. contiguous tillable land
- Farms >10 ac.
 - Min. 50% tillable or 25 acres
- Purchase of easement results in reduction of development potential (appraisal based)





Timeframe for Proposed Changes

- Proposals circulated for informal comment in fall '05
- Final proposal draft by April '06
- Adopt in Summer '06
- Accept FPP plans summer/fall '06
- Appropriation request early '07

