

CHAPTER 5: FUTURE FARMLAND PRESERVATION PROGRAM



Preservation Goals

Sussex County is 343,445 acres (535 square miles) in size. Of this, 102,547 acres, or 30 % of total county land area, are under farmland assessment, which encompasses croplands, woodlands, farm structures and wetlands/waterways that occur on agricultural property. The *2002 Census of Agriculture* identifies 22% of total county land area, or 75,496 acres, as farms, which excludes some farmland assessed parcels that are not in active agricultural production.

Since 1983, the County has preserved 9,468 acres of farmland, with an additional 2,894 acres pending this year, for a total of **12,362 acres** of preserved farmland in Sussex County. According to the *2002 Census of Agriculture*, this leaves 63,134 acres comprising 84% of the County's total farmland unprotected in Sussex County.

The *2003 Comprehensive Farmland Preservation Plan* for Sussex County anticipated the following preservation goals:

One year acreage target:	2,522 acres
Five year acreage target:	12,610 acres
Ten year acreage target:	25,220 acres

In the four years since the completion of the Comprehensive Plan, the Sussex CADB has preserved 2,886 acres. Based upon the State's Minimum Eligibility Criteria and the funding available for farmland preservation, the 2003 goals remain appropriate for Sussex County. The following sections will outline the project areas, identify candidate farms meeting the Minimum Eligibility Criteria as defined by the SADC and provide funding projections for the purchase and preservation of land in Sussex County.

Public Participation

As part of the development of the *Sussex County Comprehensive Farmland Preservation Plan Update*, the Sussex CADB invited farmers, County Board of Agriculture members, and representatives from state and federal farming organizations and agencies to two public meetings on the Farmland Preservation Plan Update. The first meeting was to gather input

on the direction and future of the county's farmland program and the second was to receive comments on the Draft Plan.

Public Hearing #1 – Farmland Owners and Community Leaders – May 21, 2007

The Sussex County Board of Chosen Freeholders and the Sussex County Agriculture Development Board hosted a public meeting entitled "A Vision for Farmland Preservation in Sussex County". The meeting took place on May 21, 2007, at 7:00 p.m., in the Freeholder Meeting Room at the Sussex County Administrative Center at One Spring Street in Newton. Attended by over fifty residents, the meeting focused on the current and future status of agriculture and the farmer in Sussex County. Present at the meeting were representatives from the County Agriculture Development Board, farmland owners, interested residents, and local community leaders. Those present were encouraged to ask questions and voice their opinions about the existing plan and the future of agriculture in Sussex County.

Attendees expressed general support for the farmland preservation program as well as a strong desire to protect land from suburban sprawl, both as agricultural land and as habitat for wildlife. Some participants in the Farmland Preservation Program, especially those who have taken advantage of the variety of programs available to assist local farmland owners, stated that they were happy with the program. Some farmers in attendance felt that the program's restrictions on preserved farmland, especially those on farm buildings, placed them at a disadvantage. Restrictions on the use of farms structures for ancillary purposes, such as veterinary practices and farm stands, were particularly contentious. Farmers felt that these prohibited retail uses greatly supplement their incomes, and restrictions on them may prevent some farmers from preserving their land.

Many farmers felt that the program lacked consistency in its implementation. Some expressed a lack of faith in the appraisal process caused by appraisers presenting low and vastly different values. For example, one farmer reported a \$1,600 per acre difference in two separate appraisals on his farm, and though he wants to preserve his farm, he feels that the offer given him was too low. Additionally, some farmland owners reported inconsistencies among various government agencies concerning farmland preservation. One farmer reported that the County road department was trying to replace part of her working farm with roadside retaining ponds.

In addition to preserving the land on which agriculture takes place, efforts to preserve the farmer are considered necessary as well. Impediments to this, as stated by attendees of the meeting, include economic limitations on farmers' access to land and a lack of agricultural supply and service infrastructure in the County. Access to land is a major problem for Sussex County farmers. As development consumes tillable land, the remaining farmlands become more expensive. Attendees pointed out that the price of land is too high for most local farmers to compete for the purchase of preserved farmland. Some attendees asserted that the law should be changed in a way that would not only promote agriculture in the region, but also help farmers to compete in auctions for preserved farmlands. Infrastructure is another major issue. There is a shortage of processing facilities, such as

creameries and lumber mills, in the region, which makes agriculture more costly. Operations such as these must be actively supported in order to preserve farmers in Sussex County. Attendees were encouraged by a recent influx of agricultural businesses, such as the Sussex Tractor Supply and a new large animal veterinarian, to the area.

Public Hearing #2 – October 15, 2007 – Comments on Draft Farmland Plan

The Sussex CADB hosted the second of two public meetings on the Draft Comprehensive Farmland Preservation Plan Update on Monday evening, October 15, 2007 at the Sussex County Administrative Center. Attended by farmers from throughout the County, discussion focused on how the farmland program works, a description of the County farmland project areas, and the process for preserving farmland under the updated SADC rules. Several farmers also expressed concern regarding loss of equity in their land due to changing state regulation, the trend in land values in the County, and the potential loss of agricultural support services for local farmers. Following the public discussion, the Sussex CADB approved the draft Comprehensive Farmland Preservation Plan Update and recommended it be forwarded to the State and County Planning Board for their approvals.

Project Area Summaries

The Sussex CADB has identified ten project areas within the County's Agriculture Development Area for farmland preservation. These project areas are shown on the *Project Areas Map* included within this Plan and described below. These project areas were developed by analyzing the County's soils and tillable land areas, as well as productive farmland and existing preserved farmland clusters. Mapping tools developed by the Garden State Greenways program were also employed.

Western Highlands 1 and Western Highlands 2 Project Areas

The Western Highlands Project Areas (1 and 2) are the southernmost project area in Sussex County. They are located to the northeast of the border of Sussex and Warren County and northwest of the border of Sussex and Morris County. These project areas extend east to Route 15 and west to Route 94. Byram, Green, Andover, Fredon, Stanhope, Hopatcong, Newton, Hampton, Lafayette and Sparta are located within these project areas.

The Western Highlands 2 encompasses Byram and Hopatcong and falls within the Highlands. The Western Highlands 1 falls within the Ridge and Valley and contains higher quality agricultural soils and fewer steep slopes than the Highlands region. There are 11 preserved farms located within Western Highlands 1 project area.

Located within the Upper Delaware River watershed, these project areas are also home to forested woodland and wetland areas. The Musconetcong and Pequest Rivers flow through the region. It should be noted that Byram, Stanhope, Andover Borough, Hopatcong and Newton are not part of the approved ADA.

Eastern Highlands 1 and Eastern Highlands 2 Project Areas

The Eastern Highlands Project Areas (1 and 2) are the easternmost project areas in Sussex County. These project areas extend east to the County's border with Passaic (N.J.) and Orange (N.Y.) Counties. They extend west to Route 565 in the northwest and Route 15 in the southwest. These project areas include Franklin, Hamburg, Hardyston, Vernon, Sparta, and Ogdensburg.

Located completely within the Highlands Region, this Physiographic Province has steep slopes, many over 25%, which make the land very difficult to use for agricultural purposes. Due to its topography, the Eastern Highlands Project Areas (1 and 2) contains fewer ADA farmland assessed properties and much of the land falls within the Highlands Preservation or Highlands Planning Areas. There are three preserved farms within these project areas. Fed by the Pequannock River, Rockaway River and Wallkill River watersheds, the land in the Eastern Highlands Project Areas (1 and 2) consists mainly of upland forests. These forests provide critical habitat for threatened and endangered species. It should be noted that Franklin, Hamburg, and Ogdensburg are not part of the approved ADA.

Kittatinny Valley East Project Area

The Kittatinny Valley East Project Area is located in the northern part of Sussex County. It lies to the southwest of the County's border with Orange County and to the northwest of Route 565 in Vernon. Libertyville Road in Wantage and the Wantage-Montague border comprise the southwest and northwest boundaries of this project area. The townships of Wantage and Vernon are partially encompassed by this project area.

This project area falls within both the Highlands and the Ridge and Valley Physiographic Provinces, but the vast majority of it lies within the Ridge and Valley Province. This project area contains prime agricultural soils and includes 25 preserved farms, the highest number in the County. This project area is part of the Wallkill River watershed, which provides the water for the grassland habitat that composes much of the region. In addition to grasslands, there is a small concentration of wetlands located in the eastern part of the project area.

Central Kittatinny Valley Project Area

The Central Kittatinny Valley Project Area is located between the East and West Kittatinny Valley Project Areas within Sussex County. The southern boundaries of this project area are Routes 15 and 206 in the west and Route 94 in the east. It extends north to the town lines of Sandystown with Frankford and Wantage in the west and Libertyville Road in the east. The towns within this project area include Lafayette, Branchville and Frankford.

Located centrally within the Kittatinny Valley, this project area contains a high percentage of prime agricultural soils. This project area includes numerous ADA farmland assessed properties and 17 preserved farms. Fed by the Wallkill and Upper Delaware River watersheds, the Kittatinny Valley Central Project Area is mostly grassland, providing a

suitable land base for agriculture. The Paulins Kill is the primary surface water source that provides water to the local grasslands. Branchville is not part of the approved ADA.

Kittatinny Valley West 1 and Kittatinny Valley West 2 Project Areas

The Kittatinny Valley West Project Areas (1 and 2) are located northwest of the Western Highlands Project Areas (1 and 2). The southeast boundary of this project area is Route 94. These project areas extend north to the town line of Walpack Township in the west and Routes 15 and 206 in the east. Included in these project areas are Fredon, Stillwater, Hampton, Newton, Frankford and Lafayette.

The Kittatinny Valley West Project Areas (1 and 2) are situated in the southwest part of Sussex County within the Kittatinny Valley region. This region contains a large concentration of farmland assessed property that is identified as within the County's ADA. The topography of the Kittatinny Valley provides fairly flat and manageable lands for farming. There are 17 preserved farms within these project areas. The Paulins Kill provides the major water source for this region. Although composed primarily of grassland, there are a few forested areas and wetlands scattered throughout this project area. Newton is not part of the approved ADA.

Upper Delaware 1 and Upper Delaware 2 Project Areas

The Upper Delaware Project Areas (1 and 2) are the northernmost project areas in the County. They are located to the northwest of the Kittatinny Valley Project Areas. The boundary between these project areas is the town line between Sandystown and Frankford and the town line between Montague and Wantage. They lie to the northeast of Walpack, which is not included in the project area. The project area extends northwest up to the New Jersey- Pennsylvania State line and includes the Townships of Montague and Sandyston.

Within these project areas are the Kittatinny Ridge, which is composed of steep (greater than 25%) slopes. Much of the land outside of these project areas is preserved as public open space. The soils that are present are classified as prime farmland soils and soils of statewide importance. There are four preserved farms in these project areas. These project areas contain a productive belt of agricultural land stretching from Sandyston to Montague. The Delaware River and Flat Brook are two recognizable bodies of surface water in the region. Part of the Upper Delaware River watershed, most of the land within this area is upland forest which provides a critical habitat for threatened and endangered species that live within the forested area.

The below Table summarizes the total acreage within each of the Projects Areas:

PROJECT AREAS	TOTAL ACRES IN PROJECT AREA
Central Kittatinny Valley	33,375
Eastern Highlands 1	22,600
Eastern Highlands 2	12,648
Kittitiny Valley East	24,327
Kittitiny Valley West 1	19,158
Kittitiny Valley West 2	21,991
Upper Delaware 1	8,385
Upper Delaware 2	7,163
Western Highlands 1	11,006
Western Highlands 2	15,542
Total acreage:	176,195

Project Area Summaries

For each project area, an analysis was completed to identify the amount and density of preserved farmland, soils and size of the area. For each project area the following was determined:

- Final Approvals: Pending farmland applications with Final Approvals;
- County Easement Purchase: Farmland from which development easements have already been purchased through the County Easement Purchase program;
- Other Permanently Restricted Farmlands: Other permanently deed restricted farmlands;
- Eight-Year Programs: Farmland enrolled in the 8-Year Program;
- Open Space Compatible with Agriculture: Other permanently preserved lands dedicated for open space that are compatible with agriculture;
- Prime, Statewide, and Unique Soils: The total acreage of prime soils, soils of statewide importance, and unique agricultural soils in each project area.

For each of the above categories, the land area within each project area is expressed as a ratio between the total acreage for each category and the total acreage of the project area. Also included is the percentage of each category expressed as a percentage of the total project area.

The project area summaries for each are presented within the following tables.

Central Kittatinny Valley	Acreage	Density Ratio	Percentage
Total Acres in Project Area	33,375		
Farms with Final Approval	40.67	41 : 33,375	0.12%
County Easement Purchase	2,157.87	2,158 : 33,375	6.47%
Other Permanently Restricted Farmlands	-	- : 33,375	0%
Eight-Year Programs	-	- : 33,375	0%
Open Space Compatible with Agriculture	74.43	74 : 33,375	0.22%
Prime, Statewide & Unique Soils	7,176.05	7,176 : 33,375	21.50%

Eastern Highlands 1	Acreage	Density Ratio	Percentage
Total Acres in Project Area	22,600		
Farms with Final Approval	452.08	452 : 22,600	2.00%
County Easement Purchase	300.58	301 : 22,600	1.33%
Other Permanently Restricted Farmlands	-	0 : 22,260	0%
Eight-Year Programs	-	0 : 22,600	0%
Open Space Compatible with Agriculture	6.17	6 : 22,600	0.03%
Prime, Statewide & Unique Soils	2,317.28	2317 : 22,600	10.25%

Eastern Highlands 2	Acreage	Density Ratio	Percentage
Total Acres in Project Area	12,648		
Farms with Final Approval	-	0 : 12,648	0%
County Easement Purchase	172.29	172 : 12,648	1.36%
Other Permanently Restricted Farmlands	-	0 : 12,648	0%
Eight-Year Programs	-	0 : 12,648	0%
Open Space Compatible with Agriculture	569.61	570 : 12,648	4.50%
Prime, Statewide & Unique Soils	1,175.62	1176 : 12,648	9.29%

Western Highlands 1	Acreage	Density Ratio	Percentage
Total Acres in Project Area	11,006		
Farms with Final Approval	392.48	392 : 11,006	3.57%
County Easement Purchase	806.53	807 : 11,006	7.33%
Other Permanently Restricted Farmlands	329.96	330 : 11,006	3.00%
Eight-Year Programs	100.00	100 : 11,006	0.91%
Open Space Compatible with Agriculture	107.47	107 : 11,006	0.98%
Prime, Statewide & Unique Soils	2,580.75	2581 : 11,006	23.45%

Western Highlands 2	Acreage	Density Ratio	Percentage
Total Acres in Project Area	15,542		
Farms with Final Approval	31.56	32 : 15,542	0.20%
County Easement Purchase	42.97	43 : 15,542	0.28%
Other Permanently Restricted Farmlands	-	0 : 15,542	0%
Eight-Year Programs	-	0 : 15,542	0%
Open Space Compatible with Agriculture	190.63	191 : 15,542	1.23%
Prime, Statewide & Unique Soils	1,210.68	1211 : 15,542	7.79%

Upper Delaware 1	Acreage	Density Ratio	Percentage
Total Acres in Project Area	8,385		
Farms with Final Approval	106.84	107 : 8,385	1.27%
County Easement Purchase	545.58	546 : 8,385	6.51%
Other Permanently Restricted Farmlands	-	0 : 8,385	0%
Eight-Year Programs	53.63	54 : 8,385	0.64%
Open Space Compatible with Agriculture	0.13	0 : 8,385	0%
Prime, Statewide & Unique Soils	2,283.39	2283 : 8,385	27.23%

Upper Delaware 2	Acreage	Density Ratio	Percentage
Total Acres in Project Area	7,163		
Farms with Final Approval	395.39	395 : 7,163	5.52%
County Easement Purchase	283.36	283 : 7,163	3.96%
Other Permanently Restricted Farmlands	-	0 : 7,163	0%
Eight-Year Programs	-	0 : 7,163	0%
Open Space Compatible with Agriculture	48.44	48 : 7,163	0.68%
Prime, Statewide & Unique Soils	1,933.28	1933 : 7,163	26.99%

Kittatinny Valley West 1	Acreage	Density Ratio	Percentage
Total Acres in Project Area	19,158		
Farms with Final Approval	668.94	669 : 19,158	3.49%
County Easement Purchase	1,331.83	1332 : 19,158	6.95%
Other Permanently Restricted Farmlands	-	0 : 19,158	0.0%
Eight-Year Programs	-	0 : 19,158	0.0%
Open Space Compatible with Agriculture	1.35	1 : 19,158	0.01%
Prime, Statewide & Unique Soils	3,243.95	3244 : 19,158	16.93%

Kittatinny Valley West 2	Acreage	Density Ratio	Percentage
Total Acres in Project Area	21,991		
Farms with Final Approval	358.58	359 : 21,991	1.63%
County Easement Purchase	404.18	404 : 21,991	1.84%
Other Permanently Restricted Farmlands	-	0 : 21,991	0%
Eight-Year Programs	-	0 : 21,991	0%
Open Space Compatible with Agriculture	6.02	6 : 21,991	0.03%
Prime, Statewide & Unique Soils	805.52	806 : 21,991	3.66%

Kittatinny Valley East	Acreage	Density Ratio	Percentage
Total Acres in Project Area	24,327		
Farms with Final Approval	97.20	97 : 24,327	0.40%
County Easement Purchase	4,237.90	4238 : 24,327	17.42%
Other Permanently Restricted Farmlands	-	0 : 24,327	0%
Eight-Year Programs	-	0 : 24,327	0%
Open Space Compatible with Agriculture	2.31	2 : 24,327	0.01%
Prime, Statewide & Unique Soils	3,404.67	3405 : 24,327	14.00%

Minimum Eligibility Criteria

Minimum Eligibility Criteria are based upon the SADC's recently adopted (*May 21, 2007*) rules for farmland preservation and project eligibility. In order to be eligible for preservation the site must be developable, have soils capable of supporting agricultural or horticultural production and meet minimum tillable land standards. (N.J.A.C. 2:76-6.20) In summary:

For all lands less than or equal to 10 acres:

- The land must produce at least \$2,500 worth of agricultural or horticultural products annually.
- At least 75% or a minimum of 5 acres of the land (whichever is less) must be tillable.
- At least 75% or a minimum of 5 acres of the land (whichever is less) must be capable of supporting agriculture or horticulture.
- The land in question must exhibit development potential as defined by the SADC (based upon zoning, ability to be subdivided, less than 80% wetlands, less than 80% slopes of 15% or more).
- The land must meet the above criteria or be eligible for allocation of development credits pursuant to a Transfer of Development Credits (TDR) program.

For lands greater than 10 acres:

- At least 50% or a minimum of 25 acres of land (whichever is less) must be tillable.
- At least 50% or a minimum of 25 acres of land (whichever is less) must have soils capable of supporting agriculture or horticulture.
- The land in question must exhibit development potential as defined by the SADC.
- The land must meet the above criteria or be eligible for allocation of development credits pursuant to a Transfer of Development Credits (TDR) program.

The minimum eligibility analysis involved a parcel-based screening of tax lot characteristics. Farmland preservation applications often include multiple lots; combining these lots may increase the acreage eligible for SADC cost share funding in Sussex County. These Minimum Eligibility Standards must be met in order for the State to provide matching funds on a farmland preservation project. The County may proceed without State funding on projects that do not meet these Minimum Eligibility Standards.

Any property included within the County's ADA is potentially eligible for preservation providing that at least one parcel is on the targeted farm list, is an assemblage of parcels that in total meet SADC minimum standards, or have sufficient justification by the

CADB that the parcels were not identified as targeted due to a specific mapping or other error.

Within the identified project areas, Sussex County has identified candidate farms (or “targeted farms” as referenced in the May 21, 2007 rules) that meet the tillable land and soils minimum eligibility standards. *Note:* The list of targeted farms will be provided in the PIG application to be submitted to the SADC, separate from this Plan.

The following queries were made utilizing the ArcView GIS data:

Farmland that meets the SADC Criteria for Agricultural Soils

Soil acreage was determined using the Soil Survey as prepared by the Natural Resource Conservation Service for prime farmland soils, soils of statewide importance and soils of unique importance. Farm parcels are sorted on size based upon the State Agriculture Development Committee (SADC) Minimum Eligibility Criteria for soils.

<u>Farm Size</u>	<u>Requirements</u>
0-6.667 acres	75% soils capable of supporting agricultural production
6.667-10 acres	5 acres of soils capable of supporting agricultural production
10-50 acres	50% soils capable of supporting agricultural production
50+ acres	25 acres of soils capable of supporting agricultural production

Farmland that meets the SADC Criteria for Tillable Land

Tillable acreage was determined using the N.J. Department of Environmental Protection 2002 Land Use/Land Cover mapping for agricultural lands, agricultural wetlands, brush/shrub lands, and old fields. Utilization of these classification codes is appropriate for Sussex County as these lands are actively farmed and are integral to the farming program in the County. Farm parcels were sorted on size based upon the State Agriculture Development Committee (SADC) Minimum Eligibility Criteria for tillable land.

<u>Farm Size</u>	<u>Requirements</u>
0-6.667 acres	75% tillable
6.667-10 acres	5 acres tillable
10-50 acres	50% tillable
50+ acres	25 tillable acres

Farmland that meets SADC Criteria for both Tillable Land and Soils

Utilizing the tillable acreage determined from the N.J. Department of Environmental Protection 2002 Land Use/Land Cover mapping for agricultural lands and soil acreage determined using the Soil Survey as prepared by the Natural Resource Conservation Service for prime farmland soils, soils of statewide importance and soils of unique importance, farm parcels were sorted on size based upon the State Agriculture Development Committee (SADC) Minimum Eligibility Criteria for tillable land and soils.

It is important to note that this analysis was completed on an individual “Q-Farm” basis, whereas a “farm” in many instances is a collection of “Q-Farm” parcels. Individual parcels

that do not meet the state minimum criteria can often be combined to become more competitive applications.

The following table details the acreage of Q-Farm parcels that meets each of the Minimum Eligibility Criteria as defined by the SADC for the Sussex County project areas.

PROJECT AREAS	Acreage of Q-Farm Parcels within the Project Area meeting the SADC Minimum Eligibility Criteria for Soils	Acreage of Q-Farm Parcels within the Project Area meeting the SADC Minimum Eligibility Criteria for Tillable Land	Acreage of Q-Farm Parcels meeting the SADC Minimum Eligibility Criteria for both the Soils and Tillable Land
Central Kittatinny Valley	3,743	8,463	4,778
Eastern Highlands 1	801	1,880	1,134
Eastern Highlands 2	203	1,075	267
Kittitunny Valley East	1,570	6,755	1,409
Kittitunny Valley West 1	1,445	3,268	1,871
Kittitunny Valley West 2	343	3,726	383
Upper Delaware 1	612	540	501
Upper Delaware 2	1,058	938	1,025
Western Highlands 1	1,584	2,565	2,199
Western Highlands 2	225	820	483
Total acreage:	11,585	30,029	14,050

Of the ten project areas, soils are the limiting factor in determining project eligibility. Overall there are 30,029 acres of land that meet the tillable land criteria, but there is a third of that amount, 11,585 acres of land, that meets the soil criteria.

Merging these two data sets on a QFarm parcel basis, there are **14,050 acres** of Qfarm parcels that meets both the Minimum Eligibility Criteria for soils and tillable land. The *2002 Census of Agriculture* identifies 75,496 acres of farmland in Sussex County, of which 12,362 acres are permanently preserved. Of the remaining unreserved farmland (63,134 acres) only **22%** of the farmland in Sussex County would be eligible for farmland preservation using the State’s new Minimum Eligibility Criteria.

In Sussex County, farmers work marginal land so that it is productive and profitable. The Sussex CADB prefers to identify potential farmland preservation projects on a case by case basis, closely with the SADC, to ensure that the Minimum Eligibility Criteria are not constraining their farmland preservation program and the willingness of the farmer to preserve their property.

Sussex County was not able at this time to provide listings of properties as individual farms. Instead, the project area summaries are based on a given area and farm-assessed parcels. A list maybe generated during 2008 in which individual farms are listed with all relevant block and lots. The project areas include all farm-assessed properties. One requirement for the Sussex County Agriculture Development Area is that only farm assessed properties can be evaluated, thus applications from Sussex County to the SADC

will have parcels already on our target list. Sussex County will not submit substandard parcels unless sufficient justification for their inclusion into the farmland preservation program is provided as well. The Sussex CADB feels this would be extremely unlikely as there are a significant amount of productive, viable farms that will meet the SADC criteria to pursue for preservation.

The Sussex County Project Areas (and individual farms within them) will not always meet the soil criteria regarding percentages of prime and state significant soils. This does not make them ineligible for preservation by the Sussex CADB. The Sussex CADB will continue to accept and evaluate applications from any farm within the approved ADA.

In addition to the State's new Minimum Eligibility Criteria, the SADC has also identified an "Eligible Farm" standard as defined in section 17.2 of the newly adopted rules. In this case, grant funding will be based upon an individual farm having a rank score that is "*equal to or greater than 70% of the county's average quality score of all farms granted preliminary approval by the SADC through the county easement purchase program and/or the county planning incentive grant program within the previous three fiscal years.*" This number was certified at the July 2007 SADC meeting and transmitted to the Sussex CADB. (Steve Bruder)¹ Utilizing this Minimum Score may allow the Sussex CADB increased flexibility for identifying potential farmland preservation projects.

County Ranking Criteria

The Sussex CADB calculates the rank of each farm based upon the State's criteria. The Sussex CADB supplements this ranking with an on-site visit for each applicant. A copy of the State ranking criteria is included within the *Appendix*.

The Sussex CADB utilizes the SADC ranking criteria, which examines the size, boundaries and buffers, local commitment, percent of tillable acres, soil type and density of a farm. The request for exceptions (and their location) is also discussed. The Sussex CADB wants there to be a housing opportunity attached to each preserved farm.

The Sussex CADB conducts a field inspection for each farmland preservation application. The field visit allows for interaction between the farmer and the board members. This results in a better understanding of the farm for the members of the CADB and of the program and its implications for the landowner. This also allows the Board to see the type of operation, the potential for improving and/or expanding the operation and how this farm may fit into the overall farming economy of the municipality and County. The Sussex CADB carefully evaluates farms based on both SADC criteria, site inspections and how the farm, once preserved, will fit into the overall agricultural picture of Sussex.

County Policies - Farmland Preservation Applications

The Sussex CADB follows the SADC's policies regarding housing opportunities, division of premises and exception areas. Below is a brief summary of the state policies for each of these issues:

Approval of Housing Opportunities

Agricultural labor housing: Agricultural labor housing is permitted under the Farmland Preservation Program and protected under the Right-to-Farm (RTF) Act. The State Agricultural Development Committee understands the need for this type of housing and does have a policy that a landowner may refer to in order to construct labor housing. These applications are reviewed by both the local CADB and the State Agriculture Development Committee. The Sussex CADB recognizes that, currently, agricultural labor housing is not protected under the Right to Farm Act. It maybe permitted on a preserved farm, with the approval of the CADB and SADC, but that does not give it RTF protection.

House replacement: The policy of the State Agriculture Development Committee on house replacement is that requests for replacement of a residence on permanently preserved land must be reviewed and approved on an individual basis by the CADB and the SADC.

Residual dwelling site opportunity allocation: Residual Dwelling Site Opportunities (RDSOs) are potential housing prospects located within a deed-restricted farm. By designating an area as an RDSO, the landowner is implying that the land will be used for a residential unit or other structure as referred to in N.J.A.C. 2:76-6.17. The purpose of the building in question must be for "single-family residential housing and its appurtenant uses." (*SADC website*)² To qualify as an RDSO, the SADC requires that the use of the residential unit be for agricultural purposes and "at least one person residing in the residential unit shall be regularly engaged in common farm site practices." The Sussex CADB does not regularly approve RDSO's. A farm may be eligible for an RDSO at a density not to exceed one residential unit per 100 acres. This density calculation includes existing and proposed residential buildings.

Division of the Premises

The goal of the State Agricultural Development Committee is to preserve large tracts of farmland and, therefore, a division of the premises is not an encouraged practice, however when division occurs it must be for agricultural purposes and must result in agriculturally viable land parcels. A landowner wishing to divide permanently preserved farmland must submit a written request. The application must be approved, in writing, by both the State Agricultural Development Committee and the CADB. Many landowners are currently utilizing this practice for estate planning purposes.

Approval of Exception

Exceptions are defined by the SADC as “acres within a farm being preserved” which are “not subject to the terms of the deed of easement.” When an exception is made, the landowner does not receive any compensation in the excepted area. There are two types of exceptions that can occur; severable and non-severable.

Severable: A severable exception is defined by the SADC as an “area which is part of an existing Block and Lot owned by the applicant which will be excluded from the restrictions of the Deed of Easement and may be sold as a separate lot in the future.” (*SADC website*) A severable exception is made “if a landowner wants to be able to sell the excepted area separate from the deed-restricted farm.”

Non-severable: Non-severable exceptions are defined by the SADC as “area which is part of an existing Block and Lot owned by the application that will not be subject to the restrictions of the Deed of Easement but cannot be sold separately from the remaining premises unless it is part of a larger area which is deemed to be agriculturally viable.” (*SADC website*) Unlike a severable exception, a non-severable exception is “always attached to the protected farm.”

Exceptions made to farmland have the potential to impact the value of the property. When an appraisal occurs, both severable and non-severable exceptions are considered in the determination of the restricted/ after value of the property.

Funding Plan

Description of County Funding Sources

As written in *Chapter 4*, the Sussex County Open Space and Farmland Preservation Trust Fund was established in 2000, with the support of 73% of voters. This trust was initially set at two cents, with 90% of the income from the Trust allocated towards farmland preservation. Prior to the establishment of the dedicated Trust, Sussex County funded farmland preservation through a \$3 million bond issued in 1987. In 2005, the voters of Sussex County approved a second dedicated fund of one and one-half cents. This second source of funding is shared between open space and farmland preservation and is competitive in nature.

Sussex County anticipates approximately \$7 million dollars will be generated for their dedicated Trust Fund this year (2007). A portion of this funding is earmarked for open space preservation, both through the traditional program (where 90% is dedicated for farmland projects and 10% is dedicated for open space) and the competitive program. The competitive program utilized the 1.5 cents approved by the voters in 2005 and generates approximately \$3 million of the total funds set aside for land conservation in Sussex County. These funds can be used for either open space or farmland preservation, depending upon the applications submitted to the County.

County of Sussex Analysis of Open Space Tax Levies 2008 Projected Revenues (in dollars)				
Year	Total Levy	Original Rate(.02)		Additional Rate(.015)
		Dedicated to Farmland Preservation	Dedicated to Open Space	Dedicated to Farmland or Open Space Preservation
2006	\$6,026,531.56	\$3,099,359.09	\$344,373.23	\$2,582,799.24
2007	\$6,940,123.99	\$3,569,206.60	\$396,578.52	\$2,974,338.87
2008	\$7,460,633.33	\$3,836,897.14	\$426,321.90	\$3,197,414.28
Totals	\$20,427,288.88	\$10,505,462.83	\$1,167,273.65	\$8,754,552.39
Levy Allocations2006-08				

Financial Policies Related to Cost-share Requirements Between County and Municipal/ Other Funding Partners/ Installment Purchases

There are currently no formal policies in place regarding cost-share requirements for partnership projects between Sussex County and other funding partners including other government agencies and/or nonprofit organizations. The Sussex CADB is supportive of donation/bargain sales and has not used installment purchases to date, but may consider this tool in the future. Both of these tools serve to leverage limited funding resources and are described below:

Donation and Bargain Sale: This mechanism for preserving a farm involves a donation by the landowner. If the landowner donates a portion of the value of the development rights when an easement is sold, this is called a bargain sale. A bargain sale can result in substantial tax savings for the landowner and can stretch County farmland preservation funds. The landowner donation is a reduction in the amount of gain that is subject to the capital gains tax, and the landowner can take a tax deduction for the amount donated against his or her federal and state income taxes.

Installment Purchase: Through an installment purchase agreement, development rights may be acquired by the Sussex CADB through a payment plan that provides payments to the landowner over time. Receiving the income from the sale in installments may provide the landowner with financial management and/or tax advantages.

Cost Projections and Funding Plan Associated with Preservation Goals

The Sussex County Open Space and Farmland Preservation Trust Fund generates approximately \$7 million annually, with a portion of this funding earmarked for open space preservation.

Since 2005, the average cost to purchase easements increased from \$2,524.55 per acre in 2004 to \$4,087.67 an acre in 2005 and \$4,230.09 an acre in 2006 (*see Program History Table in Chapter 4*). So far in 2007, the average cost per acre has been less, at \$3,475.00 an acre. On average, the County pays approximately 29% of the cost of an easement with the

State paying the remaining share. Using the 2005, 2006 and 2007 per acre average as a base, it is assumed that the average cost of purchasing a development easement in Sussex County is \$3,931 per acre. Over the same three-year period, there was fluctuation in the average value of an easement, but the average per acre cost increased 38% from 2004 to 2007.

For the 10-year financial analysis, eight assumptions were made regarding the growth of the County’s Open Space Tax Levy, the rate of increases in land prices and the cost-share between Sussex CADB and the SADC. These are described below:

Assumptions for Financial Analysis:

- 1 assume 7.5% funding growth for County Open Space Tax Levy
- 2 assume 10% increase in land cost (average per acre cost)
- 3 assume farmland funding is 90% of two cents
- 4 assume 10% of 1.5 cents is for farmland - NOTE - this funding is on a first come, first serve basis
- 5 assume county funding is reduced 10% for administrative costs (staff and due diligence)
- 6 assume county funding is not encumbered by prior obligations
- 7 assume county funding is used to pay 100% cost of 2 50-acre farms per year
- 8 assume county cost share is on average 29%, but for this analysis a variety of %cost shares are done

For the 1.5 cent Open Space Tax Levy, the funding is available for either open space or farmland preservation on a first come-first served basis. For the purposes of this analysis, a very conservative view was taken by estimating that only 10% of this funding will be available for farmland preservation. According to the Chief Financial Officer in Sussex County, the Open Space Tax Levy is anticipated to grow at a rate of 7.5% each year. It is also estimated that on average, land values will increase by 10% per year. In special cases where a farm is of special interest, the CADB may purchase land without state funding. These figures are derived through the following analysis.

	Year	Estimated Funding for Farmland	Funding Available After Purchasing two 50-Acre Farms	Average per Acre Cost
1	2006	\$ 3,021,875.11	\$ 2,598,866.11	\$ 4,230.09
2	2007	\$ 3,479,976.44	\$ 3,132,476.44	\$ 3,475.00
3	2008	\$ 3,740,974.71	\$ 3,358,724.71	\$ 3,822.50
4	2009	\$ 4,021,547.82	\$ 3,601,072.82	\$ 4,204.75
5	2010	\$ 4,323,163.90	\$ 3,860,641.40	\$ 4,625.23
6	2011	\$ 4,647,401.19	\$ 4,138,626.44	\$ 5,087.75
7	2012	\$ 4,995,956.28	\$ 4,436,304.06	\$ 5,596.52
8	2013	\$ 5,370,653.00	\$ 4,755,035.56	\$ 6,156.17
9	2014	\$ 5,773,451.98	\$ 5,096,272.79	\$ 6,771.79
10	2015	\$ 6,206,460.88	\$ 5,461,563.77	\$ 7,448.97
	2016	\$ 6,671,945.44	\$ 5,852,558.62	\$ 8,193.87

	County Cost <u>Share = 29%</u> (plus 100 ac County direct)	County Cost <u>Share = 40%</u> (plus 100 ac County direct)	County Cost <u>Share = 50%</u> (plus 100 ac County direct)	County Cost <u>Share = 60%</u> (plus 100 ac County direct)	County Cost <u>Share = 70%</u> (plus 100 ac County direct)	County Cost <u>Share = 80%</u> (plus 100 ac County direct)	County Cost <u>Share = 100%</u> (plus 100 ac County direct)
Year	Acres Preserved per year	Acres Preserved per year	Acres Preserved per year	Acres Preserved per year	Acres Preserved per year	Acres Preserved per year	Acres Preserved per year
2006	--	--	--	--	--	--	--
2007	3,208.39	2,353.58	1,902.86	1,602.39	1,387.76	1,226.79	1,001.43
2008	3,129.90	2,296.68	1,857.34	1,564.45	1,355.25	1,198.34	978.67
2009	3,053.21	2,241.07	1,812.86	1,527.38	1,323.47	1,170.54	956.43
2010	2,978.25	2,186.73	1,769.39	1,491.15	1,292.42	1,143.37	934.69
2011	2,905.00	2,133.62	1,726.90	1,455.75	1,262.07	1,116.81	913.45
2012	2,833.41	2,081.72	1,685.38	1,421.15	1,232.41	1,090.86	892.69
2013	2,763.45	2,031.00	1,644.80	1,387.34	1,203.43	1,065.50	872.40
2014	2,695.08	1,981.43	1,605.15	1,354.29	1,175.11	1,040.72	852.57
2015	2,628.27	1,932.99	1,566.39	1,322.00	1,147.42	1,016.50	833.20
2016	2,562.97	1,885.65	1,528.52	1,290.43	1,120.37	992.83	814.26
	28,757.93	21,124.50	17,099.60	14,416.33	12,499.71	11,062.25	9,049.80

Based upon the above analysis, Sussex County, at the current funding rate for the County and State, will preserve approximately 3,000 acres per year. Due to the extreme uncertainty in state funding, the analysis was completed based upon a varied rate in percent participation from the State. If the State does not continue to partner with the County on farmland preservation projects, the ability of Sussex County to purchase farmland will be dramatically affected and the County's ability to preserve land will be one-third of its current capacity.

Farmland Preservation Program CADB Administrative Resources

Staff resources

Currently, there are two people within the Sussex County Department of Planning working in the farmland preservation program. Staff is responsible for farmland preservation program administration, outreach, assistance to farmers in making applications, monitoring easements on an annual basis and promoting the County's Agritourism initiative. They are also responsible for administering the right-to-farm program and receiving assistance from the County Extension Office on right-to-farm issues.

Legal support

Sussex County's Counsel, Dennis McConnell, provides legal support for the County's farmland preservation program.

Database development and Geographic Information System Resources

Sussex County has its own office of GIS Management that is responsible for database development and management of the farmland parcel data. The Office of GIS implements an integrated and cooperative GIS program among the local governments and agencies within Sussex County. Sussex County Government uses GIS technology throughout several Divisions including the Engineering, Planning, Health, Weights and Measures, Mosquito Control. The GIS office is responsible for the design and maintenance of the county's GIS which is used to generate the various geospatial datasets such as parcels, roads, zoning, and district boundaries just to name a few. Additionally, they create custom applications which are used to distribute GIS data to the departments, local governments and citizens of Sussex County.

Typically, the Office of GIS provides the following services:

- GIS technology coordination, consulting and implementation
- GIS application development, support, and training
- GIS data design, automation, documentation, and distribution
- GIS strategic planning and system integration planning
- Database administration

Current Projects include:

- Stormwater Management
- Strategic Growth
- Spatial Data realignment (parcels, roads, hydrology etc.) to aerial photography
- ArcSDE Implementation
- Development of Interactive Mapping Applications
- Conversion of internal CAD/GIS systems to ArcGIS 8.x

Factors Limiting Farmland Preservation Implementation

Funding

As detailed in the above funding analysis, funding is the most critical limiting factor in the success of the County's farmland preservation program. Currently Sussex County pays, on average, 29% of the total project cost to preserve a farm. Due to the lack of State funding and the uncertainty of future funding, Sussex County is facing an uncertain future in terms of its ability to increase the rate of farmland preservation projects over the next ten years.

Projected Costs

Over the past three years, the value of a development easement in Sussex County has increased dramatically. The average cost per acre to purchase easement has increased from \$2,253 an acre in 2004, to \$3,457 an acre in 2007 - a 53% increase in value. This trend is

one that will continue into the future. Much of Sussex County's most productive farmland is outside of the Highlands Preservation Area, and thus susceptible to competing development interests. Increased competition for this limited resource will continue to force land prices up. Wantage Township has already seen an increase in the number of potential development applications to both its Zoning and Land Use Boards.

Land Supply

There are **102,547 acres** of land in Sussex County under farmland assessment. The *2002 Census of Agriculture* identifies **75,496 acres** as agricultural land in Sussex County. Since 1983, the County has preserved 9,468 acres of farmland, with an additional 2,894 acres pending this year, for a total of **12,362 acres** of preserved farmland in Sussex County. Based upon the *2002 Census of Agriculture*, there are 63,134 acres of farmland remaining unprotected in Sussex County, or 84% of the farmland as identified by the *2002 Census of Agriculture*.

There is still land remaining in Sussex County available for farmland preservation. Challenges for the farmland preservation program are limitations placed upon these potential farmland projects based upon the new SADC rules regarding Minimum Eligibility Criteria. As seen in the above section, only **14,050 acres** of farm assessed land meet both the Minimum Eligibility Criteria for soils and tillable land. Of the unpreserved farmland remaining, based upon the *2002 Census of Agriculture*, only **22%** of the farmland in Sussex County would be eligible for farmland preservation using the State's new Minimum Eligibility Criteria. Thus, Sussex County may need to purchase more of its farmland through the County direct program. It is important to note that this analysis was done on a parcel basis and farms with multiple parcels may qualify based on the SADC Minimum Eligibility Criteria, where their individual lots would not.

In addition, there is a general trend in Sussex County toward a greater number of smaller farms. Decreased farm size creates a problem for farmland preservation because the goal is to preserve large contiguous tracts of land, which becomes more difficult when the size of farms grows smaller.

Landowner Interest

In more recent years, with the increased cost of farming, many residents of Sussex County are forced to rely on additional sources of income rather than just on traditional agricultural practices. Farmers often rely on sources of income other than farming to sustain their livelihood. Once one piece of farmland in an area is preserved, the hope is that interest in preserved farmland will be generated among surrounding farms. An increase in landowner interest will advance the goal of preserving large tracts of contiguous land.

¹ Personal communication, Steve Bruder, State Agriculture Development Committee. June 29, 2007.

² State Agriculture Development Committee. New Jersey Farmland Preservation Program Appraiser Handbook. May 24, 2007. <http://www.state.nj.us/agriculture/sadc/appraiserhandbook.pdf>. June 2007.