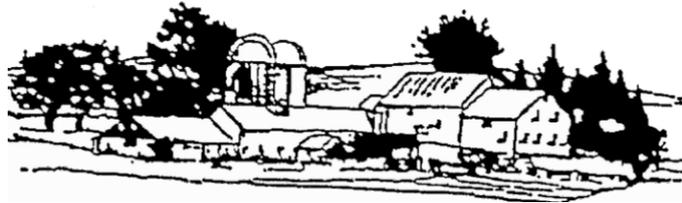


The Colts Neck

Farmland Preservation Bulletin

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James Stuart – Chairperson – 732-530-0662
Bryan Grant – Vice-Chairperson - 732-526-7203
Tom Orgo – Township Committee Liaison – 732-772-1772
John Jacoby –Bulletin Editor & Municipal Liaison to the MCADB – 732-462-6567
Thomas Morin – 732-946- 2625
Virginia Mumford – 732- 409-0216
Patricia Polgar – 732-946-4875
Richard Rehm – 732-946-2644
Adele Sessa – 732-845-3934
Al Yodakis – 732-687-5783
Ellen Terry – Secretary – 609-223-2569

FORWARD:

The Farmland Preservation and Open Space Committee of Colts Neck Township issues a Semi-Annual Bulletin to improve communications between Colts Neck Landowners and the Committee. In the interest of efficiency, the Bulletin will be kept brief but will cover topics that the Committee believes will be of interest and useful to Colts Neck Landowners. In addition to keeping Landowners apprised of Local, County and State actions, issues and options related to the Farmland Preservation Program, the Bulletin will cover Farm Bureau Applications and other information on Agriculture Programs and farmland use in general. Questions should be referred to the above committee members.

WHAT'S HAPPENING AROUND TOWN?

Committee Reorganization – The Committee met on January 31, 2012 and elected Jim Stuart as Chairperson to replace Rich Malinowski whose term had expired and has left the Committee with the thanks of the Committee for his leadership and service. Jim Stuart has had a long history of service to the Township as Committeemen and Mayor, and Monmouth County as a Member of the Monmouth County Agriculture Development Committee (MCADB) and the Monmouth County Planning Board. In addition the Committee elected Bryan Grant to serve as Vice-Chairperson. Tom Orgo, a previous member of the Committee who was recently elected to the Township Committee, will serve as the Liaison with the Township Committee.

Two other new members of the Committee in addition to Mr. Stuart, are Adele Sessa and Al Yodakis.

Preserved Farms Update – Work continues on the processing of a recent Application submitted by the

owner of a 16.12 acre farm located on Phalanx Road near two previously preserved farms ---- the 106.4 acre McCrane farm and the 85.8 acre Blackburn farm. Closing on this preservation application is anticipated shortly.

Additional Colts Neck Farmland Preservation Candidates

Our Committee is continuing to work on apprising additional land owners in Colts Neck of the benefits of placing their farmland in the Preservation Program. Working with the County we have identified a number of farms that we jointly believe meet the State, County and Township criteria for being eligible for the Preservation Program. These farms are all greater than 25 acres and in total comprise approximately 350 acres.

The Township has already preserved, counting the farm preservation in progress mentioned above, a total of 894 acres and the Preservation Committee is anxious to preserve as many of these additional farms as possible while State, County and Township funds are available.

The benefits to the landowner are that they get compensated for the fair market value of the development rights associated with their land and still retain the ownership and use of their land as a farm. Farmland Preservation is a great way to free up some capital for near-term investment; to support the preservation of New Jersey agriculture; to provide a beautiful farm-home for the next generation; and, at the same time maintain the natural beauty of Colts Neck.

The benefits to the Township are that the rural, open-space character of Colts Neck, that we all love ----- and is the reason most of us chose Colts Neck as a place to live and raise a family, is preserved. In addition, all residents of Colts Neck benefit from the Farmland Preservation Program in terms of lower property taxes. This is one of the reasons the taxpayers of Colts Neck are willing to support the Township's portion of the expenses associated with offering this program to Colts Neck landowners. It is also important to know that Colts Neck benefits because the state and County pay the bulk of the expense of the program. The state typically pays 60%, the county 24% and Colts Neck pays 16%. Everyone benefits from this program including future generations, because once farmland is preserved, the beauty of the community is preserved and will not suffer from over-development and associated higher taxes in the future.

Celebration of Delicious Orchard's 100 Year Anniversary

The Secretary of Agriculture for the State of New Jersey, Douglas H. Fisher and other notables, including State Board of Agriculture member representing the Nursery Industry and Colts Neck resident Hugh Mckittrick; State Senator Jennifer Beck; Assemblywoman and Colts Neck resident Caroline Casagrande; Assemblywoman Mary Pat Angelini; Monmouth County Freeholder and Colts Neck resident Lillian Burry; Freeholder Director John Curley; Freeholder Serena DiMaso; Colts Neck Mayor Jarrett Engel; and Colts Neck Committeeman and Colts Neck's pre-eminent farmer, Tom Orgo, were in attendance at the ceremony on January 31, 2012.



Bill McDonald, Secretary Fisher and Tom Orgo discussing the role Delicious Orchards has been playing during the past century to serve the residents of New Jersey and beyond while promoting the sale of the many agricultural products from New Jersey

Delicious Orchards has developed a favorable reputation that is recognized beyond the bounds of

New Jersey and has done much to enhance the reputation of New Jersey, Monmouth County and Colts Neck with their expanding offerings of "Jersey Fresh" produce.

Secretary Fisher praised Delicious Orchards for what they have done to support New Jersey Agriculture, and commented that "Delicious Orchards is an amazing enterprise". He said, "we, at the Department of Agriculture are all very proud of you".

On behalf of the Monmouth County Freeholders, Freeholder Burry presented to Mr. McDonald a plaque honoring the McDonald family and Delicious Orchards. Mrs. Burry also recognized Carroll Barclay, one of the four generations of

Barclays who have been involved in the creation of, and original ownership of Delicious Orchards. She called Delicious Orchards “a destination, not only for Colts Neck residents, but for many visitors to the shore”, and praised the county market for “their longtime association with local farmers”.



David Barclay, Freeholder Lillian Burry and Carroll Barclay – David and his father Carroll represent two of the four generations of Barclays who have been involved in the creation and early ownership of Delicious Orchards. David has placed approximately 96 acres of his orchards in the Colts Neck Farmland Preservation Program.

Monmouth County Issues

Reimbursement of Ancillary Costs for Municipal Planning Incentive Grant Projects – PIG Policy 6

Significant changes have occurred to the Municipal PIG Program since the adoption of the original PIG Policy 5. PIG Policy 6 amends the MCADB policy for cost sharing with municipal partners on ancillary costs related to agricultural easement acquisitions obtained through the Municipal Planning Incentive Grant Program (PIG). The new policy reiterates language adopted by the MCADB on August 7, 2002 and revised on April 6, 2005 and makes the following modifications:

- (1) – In the case of projects that terminate before a closing occurs, and for which appraisal, survey and title work have been conducted, the County and the Municipality will share equal responsibility for said costs (50%/50%).
- (2) **For Projects Without Available Ancillary Cost Reimbursement Funds** – Due to funding limitations, ancillary cost reimbursement is no longer available for all Municipal PIG projects. The county and municipality must determine on a project by project basis how the costs of due diligence work will be divided. Every effort will be made at an early stage of the project to agree upon an equitable division of costs. The County makes every effort to obtain the most competitive price for ancillary costs. Therefore, it is vital that the county and municipality consult and agree upon the costs incurred before moving forward with a vendor as the County cannot cost share on fees that are above market rates.

State Agriculture Development Committee (SADC) Issues

Farmland Preservation Program Options – Overview

While the various Farmland Preservation Programs have been discussed in past issues of this Bulletin, it seems timely to provide a brief overview again to cover any changes and refresh the memory of those interested in preservation.

New Jersey State Acquisition Program – The State Agriculture Development Committee (SADC) purchases development rights or farmland outright for preservation purposes under its state acquisition program. Landowners can either sell the development right to their land and continue to own and farm the land, or sell their land outright. In both cases, the land is permanently deed-restricted for agriculture use. When the SADC purchases farms outright, it resells them at public auction as permanently

preserved farms.

The criteria for participating in this program are as follows: This program seeks to preserve priority farms that are strategically located in each county. Priority farms are those that meet or exceed the county average in size and quality score. The minimum acreage requirement for qualifying as a priority farm in Monmouth County is 39 acres.

Quality scores are determined based on a number of factors, including soil quality, proportion of tillable acres, proximity to other preserved farms and local support for agriculture.

Applications for farms not fully meeting these criteria still will be accepted and considered for approval on a case-by-case basis.

Applications will be accepted year-round. An applicant farm that is strategically located and meets or exceeds the minimum criteria for size and quality score will qualify for immediate consideration for preservation.

The SADC and landowner will enter into a 120-day option agreement in which the landowner agrees not to market the property for that time period. This provides time for two independent appraisers to evaluate the land. Based on the findings of the appraisers and the recommendations of its own review appraiser, the SADC will certify a fair-market value and make an offer. If the offer is accepted, the landowner and SADC will enter into a sale agreement. The SADC will order a survey and title search and work directly with the landowner through closing.

The entire process ---from application to closing --- for this program can be completed in about 12 to 18 months provided there are no major complications associated with survey, title or related issues.

As noted in the 2011 Summer/Fall Issue of the Bulletin, Governor Christie signed the Farmland Appropriations Bill on August 17, 2011 authorizing \$19,738,760.00 to support this program.

County Easement Purchases (*While this program has essentially been replaced by the County PIG Program discussed below, it is discussed here because most of the criteria described for this program applies to the county PIG program as well.*)

The SADC provides counties with grants to fund 60-80 percent of the cost of purchasing developing rights on approved farms. It generally holds one funding round per year.

Landowners apply to their County Agriculture Development Board (CADB). The CADB reviews the application and forwards approved ones to the SADC.

In order to qualify for this program, farms must be in an Agricultural Development Area and be eligible for Farmland Assessment. The SADC prioritizes applications for preservation funding through a ranking system that assigns points for the following factors: (1) Percentage of high-quality soils; (2) Percentage of tillable acres; (3) Suitable boundaries and buffers, such as other nearby preserved farms and open space; (4) The local commitment to agriculture (e.g., right to farm ordinances, financial commitment); (5) Size of the farm, and agricultural density of the area; (6) Imminence of development and prioritization by the CADB. These quality scores establish the SADC's preliminary priority list for preservation.

The SADC certifies development values for each farm based on independent appraisals conducted by two licensed appraisers and a review by an SADC staff appraiser. Counties hire appraisers from an SADC approved list.

Once the SADC certifies development easement values, landowners have 30 days to submit their offers. A landowner can improve a farm's ranking on the preliminary priority list by offering to discount----- or sell the development easement for less than the certified value. For every one percent a landowner discounts, two points are added to the farm's quality score. Landowner offers establish the final priority

list for preservation. The number of farms that will be preserved each round depends on available state, county and sometimes municipal funding.

Interested landowners should contact their CADB.

County Planning Incentive Grant Program

The SADC in July 2007 adopted new rules that represent the most sweeping changes to the Farmland Preservation Program since its inception. One of the most significant changes was the establishment of a new county planning incentive grant program that required participating counties to develop comprehensive farmland preservation plans as a condition of farmland preservation funding.

These plans are required to explore several opportunities beyond farmland preservation, including agriculture land use planning that helps accommodate growth in ways that consume less land; agricultural economic development so farms have more opportunities to be successful; natural resource conservation to protect the resources that sustain agriculture; and, overall governmental support for agriculture. Under the newly adopted rules, these components also were incorporated as a new requirement under the SADC's existing Municipal Planning Incentive Grant Program.

Fifteen counties have developed comprehensive plans to participate in the new PIG program soon after the new rules were announced. Coordinated with those plans were 37 municipal plans, including one by Colts Neck, were developed under the Municipal PIG Program. Altogether, plans under the two programs target the preservation of more than 240,000 acres and explore a wide range of strategies to help sustain agriculture, ranging from promotion of community farmers markets to assisting farmers in diversifying their production to meet new markets. The county and municipal plans estimate farmland preservation funding needs of more than \$1.1 billion.

The funding bill signed by the Governor last year designated \$39 million in grants to 16 participating counties in support of this program. The bill provides a \$1.5 million dollar "base grant" to each county. It also establishes a \$15 million competitive grant fund. Counties that spend their base grants can compete for additional funds in the competitive grant fund until that fund is exhausted. Any county can qualify for up to \$3 million in competitive grants, for a potential total maximum combined grant of \$4.5 million.

Municipal Planning Incentive Grant Program

The detailed criteria for eligibility for participation in the Municipal PIG Program are covered in the Municipal Planning Incentive Grant Easement Purchase Application for an Individual Farm document that may be obtained from the Township or from the SADC Library via the internet. The address for this is as follows: www.state.nj.us/agriculture/sadc/farmpreserve/programs/pigmunicipalfarmapplication.doc

While the criteria for minimum eligibility for participation in this program allows for land parcels less than 25 acres, the focus of the Township and the County is currently on parcels that contain at least 25 acres. Smaller parcels may be considered on a case by case basis, but these would need to have some compensating characteristics to insure acceptance of the application.

The bill signed by the governor last year allocated \$23 million in grants to participating municipalities to preserve farmland. The bill provides \$750,000.00 to each new PIG Applicant (6 townships) and \$500,000.00 to each township that qualified for funding under the FY09 round (37 Townships).

Useful Internet Links

The following are selected Internet Links that are provided here to assist Colts Neck Landowners desiring access to additional information relating to Farmland Preservation and other agricultural issues:

State Agriculture Development Committee (SADC) –

<http://www.state.nj.us/agriculture/sadc/sadc.htm>

Monmouth County Agriculture Development Board (MCADB)

<http://co.monmouth.nj.us/departments/planningboard/environmentalplanning/farmlandpreservation.org>

NJ Farm Bureau – <http://www.njfb.org/>

The American Farmland Trust's Web site (www.farmlandinfo.org), and

The Nature Conservancy's Web Site (www.nature.org)