

AGRICULTURE AND RESOURCE CONSERVATION ASSESSMENT



**A REQUIREMENT OF THE
RURAL AND FAMILY LANDS PROTECTION ACT**



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DECEMBER 19, 2001

PREFACE

The Rural and Family Lands Protection Act was passed by the Florida Legislature during the 2001 legislative session and is contained within Chapter 2001-279, Laws of Florida. The Act provides that the Department of Agriculture and Consumer Services, in consultation with other public agencies, prepare a report to determine and prioritize needs for implementing the Act. The report is to be submitted to the Governor, Senate President and Speaker of the House by December 31, 2001.

This program is designed to meet 3 specific needs --1) a program designed to protect valuable agricultural lands; 2) a program that will create easement documents that work together with agricultural production to ensure sustainable agricultural practices and reasonable protection of the environment without interfering with agricultural operations in such a way that could put the continued economic viability of these operations at risk; and 3) a program that also protects natural resources, not as its primary purpose, but in conjunction with economically viable agricultural operations.

The Department would like to extend a special thanks to those who participated in the development of the report which included the Farm Bureau of Florida, Audubon of Florida, Florida Forestry Association, Florida Stewardship Foundation, The Nature Conservancy, Florida Department of Community Affairs, Florida State University - Florida Natural Areas Inventory, University of Florida - Institute of Food and Agricultural Sciences, University of Florida Geoplan Center, Florida Department of Environmental Protection, Florida Fish and Wildlife Conservation Commission, South Florida Water Management District, Southwest Florida Water Management District, St. Johns River Water Management District, Suwannee River Water Management District and Northwest Florida Water Management District.

RURAL AND FAMILY LANDS PROTECTION ACT AGRICULTURE AND RESOURCE CONSERVATION ASSESSMENT

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INTRODUCTION

Pursuant to Paragraph 14 of the Rural and Family Lands Protection Act (Act), the Department of Agriculture and Consumer Services (Department), in consultation with other public agencies, has prepared this report that determines and prioritizes the needs for implementing the Act. A copy of the Act is attached as Addendum 1.

This Report:

1. Locates, summarizes and evaluates the geographic distribution of certain types of natural resources or resource-based land uses that have been identified as important by stakeholder team members and the Department;
2. Identifies areas of the state where existing privately-owned ranch and forest lands containing those natural resources that could be protected through implementation of the Act;
3. Identifies areas of the state where implementation of this Act could contribute to local or regional land use planning efforts, the reduction of urban sprawl, and protection of the agricultural economy;
4. Forecasts the funding needs for the program.

The Department believes it is important to include stakeholders in such a process. A diverse group of stakeholders participated in the development of this Report, and a list of those who contributed is attached as Addendum 2.

The result of the research and discussions is a program much different from the Preservation 2000 and Florida Forever programs. While those programs focus on protecting and preserving the natural environment and providing nature-based recreational opportunities, the Rural and Family Lands Protection Act focuses on maintaining the agricultural land base in Florida. The Act recognizes that a thriving rural economy with a strong agricultural base and viable rural communities is essential to Florida's future. Landowners of ranch and forest lands generally have a healthy respect for Florida's natural resources, and this is evident from their ability to maintain some of the best remaining examples of intact ecosystems, natural communities, and wildlife habitats in Florida. By focusing on agricultural lands that contain important natural resource attributes the simultaneous benefit of a healthy natural environment can be achieved without adversely impacting agricultural productivity.

The agricultural, natural resource, and commodity values of rural ranch and forest lands are vital to the state's economy, rural heritage, and quality of life. Florida's population growth and urban expansion will undoubtedly result

in continued conversion of agricultural and rural lands into other more intense land uses such as residential and commercial development. To control urban sprawl, and provide the necessary land base for continued agriculture activities and natural resource conservation, the Act provides a mechanism for landowners to be compensated for continuing existing land uses in lieu of converting their land to non-agricultural uses. By compensating landowners for the value of their property brought about by development demands, the pressure to convert to non-agricultural uses is relieved and the landowners can continue to realize income from their agricultural land while recognizing the stewardship ethic that has protected these lands from development.

The conversion of rural lands to higher density and more intense uses is having a profound effect on Florida's ability to maintain a balance between population growth and the natural resources necessary to support that growth. The development of isolated, rural landscapes is fragmenting and degrading the quality and character of Florida's natural and agricultural lands. Not only does the prevailing development pattern threaten the state's ability to meet the needs of its citizens through adequate delivery of services and the maintenance of an agricultural economy, it also interrupts the natural hydrological and biological functions that support both agriculture and healthy ecosystems. The fragmentation of plant and animal habitat occurring through rural land conversion poses a material threat to the survival of a number of species important to Florida's natural environment and the propagation of agricultural products. The Act specifically addresses the twin concerns of loss of agricultural lands and natural resource values. Implementation of the Act will help direct future urban growth in Florida while protecting important agricultural and natural resources.

TRENDS AND PREFERENCES

During the last few years a number of surveys have been undertaken for the purpose of determining how Americans and Floridians view:

- The importance of agriculture to the United States' economy.
- The importance of sound conservation practices in agriculture.
- The use of conservation easements and other protection measures to protect rural landscapes.

The results of independent surveys by The American Farmland Trust and The Nature Conservancy revealed that Americans and Floridians overwhelmingly support programs that assure that American farmers, ranchers and private forest landowners can continue to provide agricultural commodities to supply the needs of Americans and Floridians. The surveys also reflect that the public supports these programs not only for the importance of agriculture to our economy, but for the protection rural lands afford natural resources.

Benefits such as water pollution prevention, wetlands protection, improvement of air quality, prevention of soil erosion and providing habitat for wildlife were cited as reasons for protecting our rural landscapes.

THE THREAT OF CONVERSION IN FLORIDA

Dr. John E. Reynolds of the University of Florida, Institute of Food and Agricultural Sciences (IFAS), has published several articles exploring the competing land use pressures on rural Florida land. Based on his research published in Soils and Crop Sciences Society of Florida, Proceedings, Volume 59, September 22-24, 1999, Florida can expect to **lose nearly 1.3 million acres of land to urban conversion** in the next ten years.

Florida's rural land base has experienced a five-fold increase in urban conversion from 1964 to 1997. This increase in urban land use has resulted in the **loss of nearly 5 million acres of valuable agricultural lands** during this period, with most of the loss involving ranch and forest lands.

IDENTIFICATION OF NATURAL RESOURCES ON RANCH AND FOREST LAND

The Act specifies that wildlife habitat, water resources and watersheds, aquifer recharge areas, open space, natural areas and agricultural lands are to be protected through a program of conservation easements and management agreements. Consistent with the Act, the stakeholders evaluated a wide range of natural resource values (e.g. surface water, ecological greenway, etc.) and reached consensus on the protection of the below listed natural resources as the program's top priorities. Florida State University's Florida Natural Areas Inventory (FNAI), under contract with the Department, utilized water management district (WMD) and Florida Fish and Wildlife Conservation Commission (FWC) land cover data and performed a scientific study of agricultural land uses with **significant species habitat, natural floodplain, and groundwater recharge** characteristics. FNAI also researched and evaluated urban growth patterns in an effort to predict the path of urban growth in Florida over the next decade. The FNAI and University of Florida GeoPlan Center (GeoPlan) research was used to establish the geographical distribution of agricultural lands with natural resource qualities that could be adversely affected by urban sprawl over the next ten years.

The following are descriptions of the natural resource attributes that were evaluated for the program:

Areas of **significant species habitat** (flora and fauna) were developed by combining species habitat information from FWC and FNAI. The FWC

provided Strategic Habitat Conservation Areas, habitats from Habitat Conservation Needs of Rare and Imperiled Wildlife in Florida, and habitat priorities determined by expert working groups for Florida black bear and Florida panther. These data identify lands needed to meet the minimum conservation goals for 55 animal species. FNAI developed Habitat Conservation Priorities, which identify important habitat for 265 plant and animal species. FNAI compiled these data into a single habitat map for significant species.

Areas of **natural floodplain** were synthesized by FNAI using primarily Federal Emergency Management Agency (FEMA) “special flood hazard areas (SFHA),” associated with major rivers. Streams identified by the U.S. Geological Survey Digital Line Graph 1:2,000,000 hydrography maps and in the “Fifty Major Rivers of Florida” from the Florida Rivers Assessment (Florida Resources and Environmental Analysis Center 1989) were used to represent the major riverine systems in Florida. All contiguous SFHAs occurring within the drainage sub-basins of these rivers were included as floodplain. In counties where no digital FEMA data were available (10 counties in the Suwannee River Water Management District plus Okeechobee County) floodplain was estimated based on 1995 water management district landcover data, landsat data (FWC), National Wetlands Inventory data, and 10-foot contours (USGS).

Areas of **groundwater recharge** critical to springs, sinks, aquifers, other natural systems, or water supply. This information was compiled by FNAI from the following sources: Suwannee River WMD (*Floridan aquifer in the SRWMD*); St. Johns River WMD (*Floridan aquifer in the SJRWMD*); Florida Geological Survey, 1995 *Generalized Prime Recharge for Aquifers of Primary Use, Scale 1:250,000, Open File Map Series 69-82* (used for Floridan aquifer outside of SRWMD and SJRWMD, sand and gravel aquifer in the western panhandle, and surficial aquifer along Atlantic coast north of St. Lucie County); *Recharge rates to the intermediate aquifer system in the Southern West-Central Florida Ground-Water Basin, Southwest Florida WMD* (intermediate aquifer in SWFWMD); Fairbank, P. and S. Hohner, 1995; *Mapping Recharge (Infiltration/Leakage) throughout the South Florida Water Management District, Technical Publication 95-02* (surficial aquifer on east coast south of Indian River County); Dr. Thomas Missimer, Missimer International, Inc. (surficial aquifer in Lee, Collier and Hendry Counties).

The following table shows the calculations made to arrive at the agricultural *ownership* acres. The table also reflects the percentages of each agricultural land type with resources as it relates to total private agricultural lands.

TABLE 1 – PERCENTAGE OF AGRICULTURAL LANDS TO DEVELOPABLE LANDS

Column	A	B	C	D	E
	Remaining Developable Lands	Agriculture on Private Lands	Ag Land with Resources	Ownerships with Resources	% of Agricultural Lands
Forest		6,317,000	3,988,000	4,985,000	79%
Ranch		4,629,000	3,443,000	4,304,000	93%
Crop		3,314,000	1,683,000	2,104,000	63%
TOTAL	16,349,000	14,260,000	9,114,000	11,393,000	80%
% of Developable		87%	56%	70%	

FNAI's research concluded that there are nearly 16.35 million acres of developable uplands remaining in Florida (Column A). Of these remaining developable acres, over 14.26 million acres or 87 percent are in some form of private, agricultural use (Column B). To determine which of these agricultural lands contained one or more of the natural resource attributes (habitat, recharge or floodplain) FNAI overlaid the three resources layers on top of the lands containing the three agricultural land types (forest, ranch and crop) and identified over 9.11 million acres of agricultural lands with natural resource attributes (Column C). However, it was recognized that these natural resources are scattered throughout or isolated within agricultural ownerships. Therefore, those portions of these ownerships dedicated strictly to agricultural use and not containing natural resources must be accounted for in the acreage estimate. In order to calculate the acreage within ownership boundaries, it was the consensus of the stakeholders that 25 percent more land than was identified by FNAI as possessing natural resources should be included. This is the first program in Florida to target protection of agricultural landscapes in order to capture the natural resources they contain, thus requiring inclusion of entire ownerships when only a portion possess the natural resource values measured in the FNAI research. Based on this assumption, over 11.39 million acres of agricultural lands will qualify for protection under the Rural and Family Lands Protection Program (Column D). Column E shows each agricultural land ownership with resources (Column D) as a percentage of the total private agricultural lands in Florida (Column B).

RESOURCE AND DEVELOPMENT PRESSURE MAPS

The next four pages contain maps developed by FNAI as a result of its research into the geographical distribution of agricultural lands with natural resources identified for inclusion in the program and project the impact on these lands by development over the next ten years.

The first map delineates all agricultural lands in Florida, distinguished as ranch lands, crop lands, and forest lands. Ranch lands include natural rangeland, unimproved and improved pasture. Crop lands include row and field crops, as well as citrus groves and other orchards. Forest lands include natural pineland and pine plantations. Agricultural lands were identified using land use/land cover data developed from aerial photography by Florida's five water management districts.

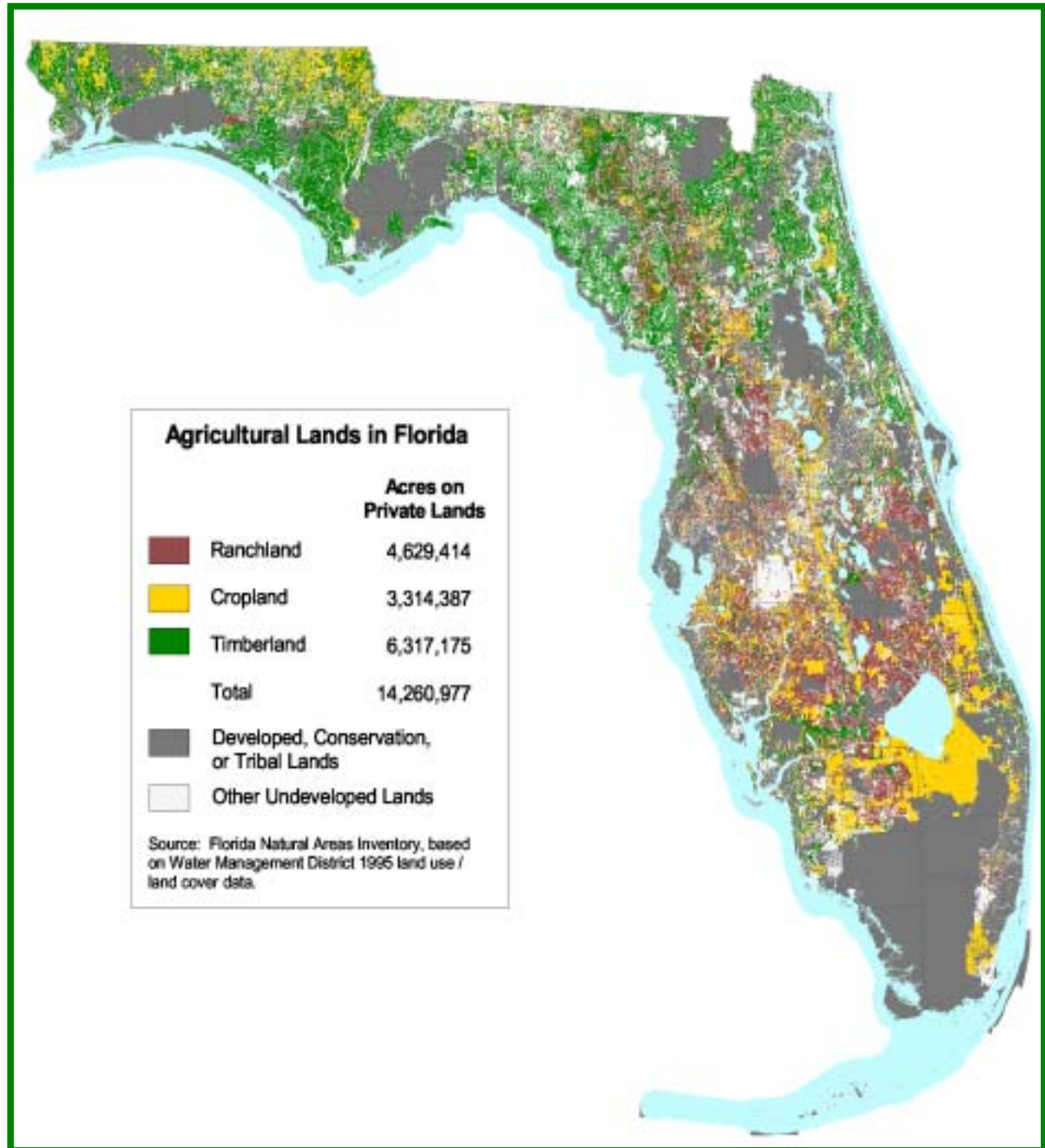
The second map highlights those agricultural lands that also feature significant natural resource values (significant species habitat, natural floodplain and groundwater recharge).

The third map is the complete GeoPlan/FNAI growth potential model. Development pressure was determined using a statewide growth potential analysis developed by the University of Florida Geoplan Center. The Geoplan analysis examined historic and projected future growth patterns, using tax records, census data, and major urban features such as roads and metropolitan areas.

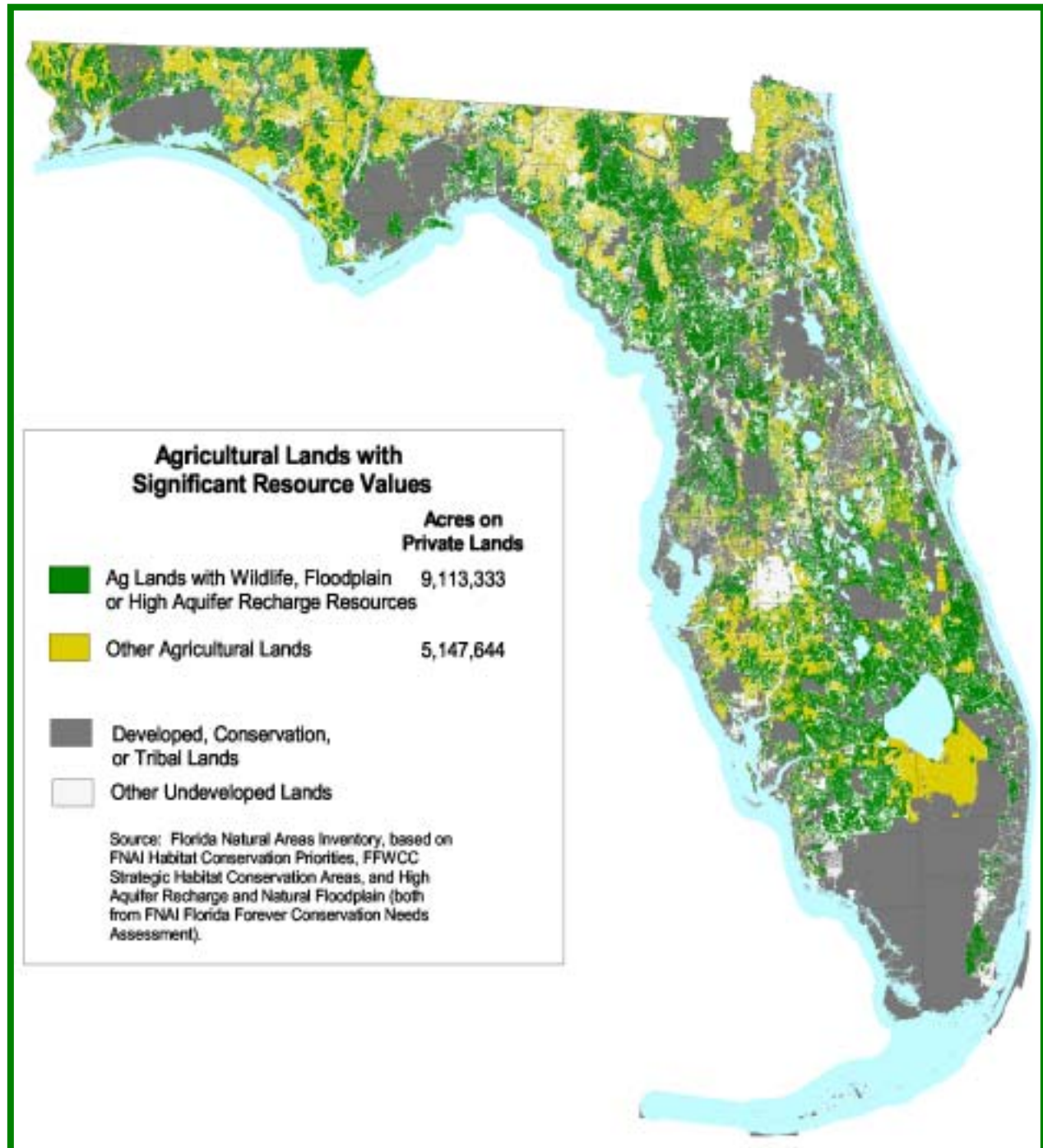
The fourth map focuses on the agricultural lands with significant resource value shown on Map 2, and highlights those areas that are facing moderate to high development pressure (ie. conversion to urban land uses) as shown on Map 3.

Each map includes a category of lands identified as *Developed, Conservation or Tribal Lands* (gray highlighting). This was done to remove from consideration all lands that are not available for development. Developed lands would include both private and governmental developed lands (e.g. military bases). This makes it easier for the reader to identify the *Other Undeveloped Lands* (white highlight).

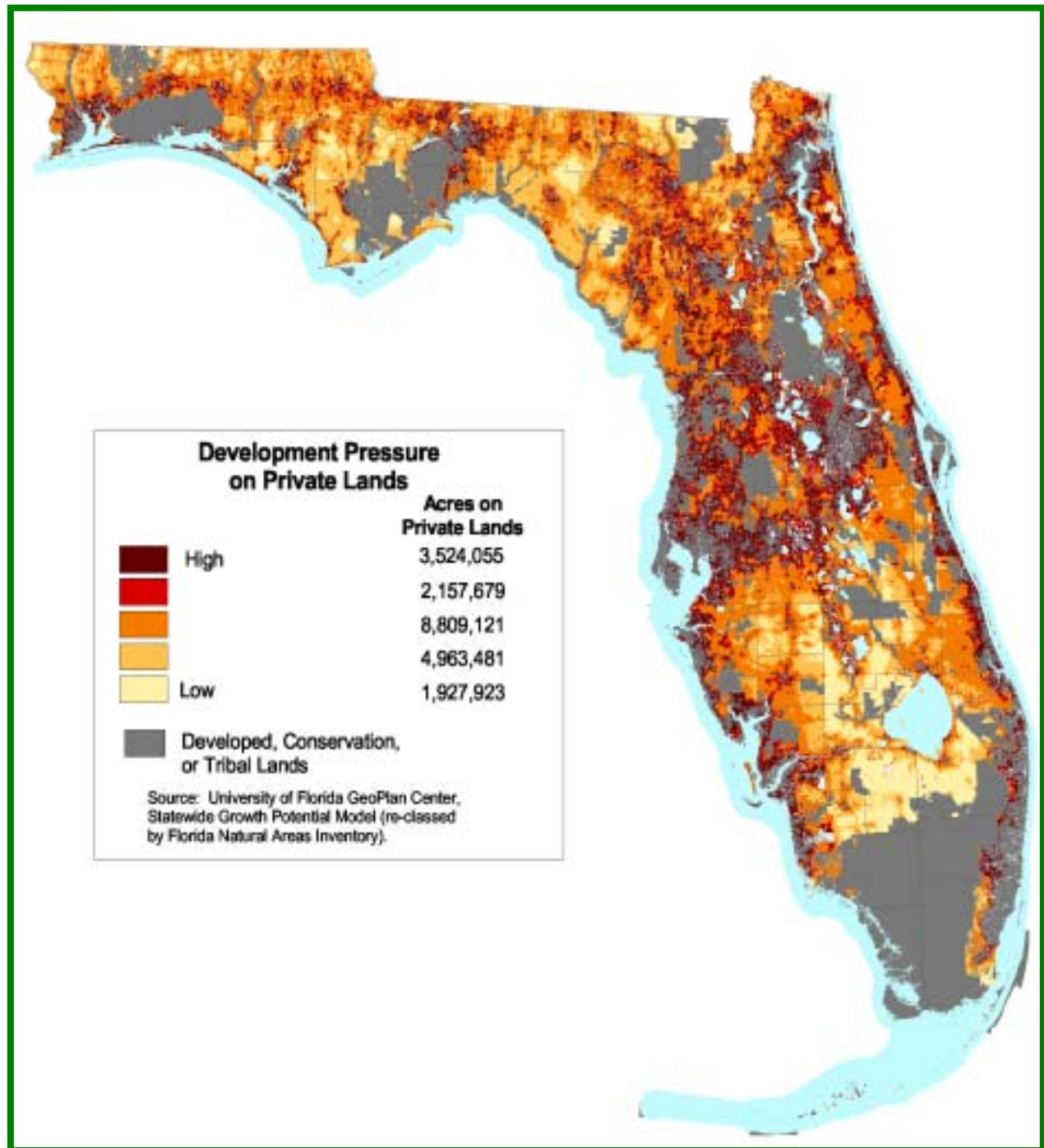
MAP 1



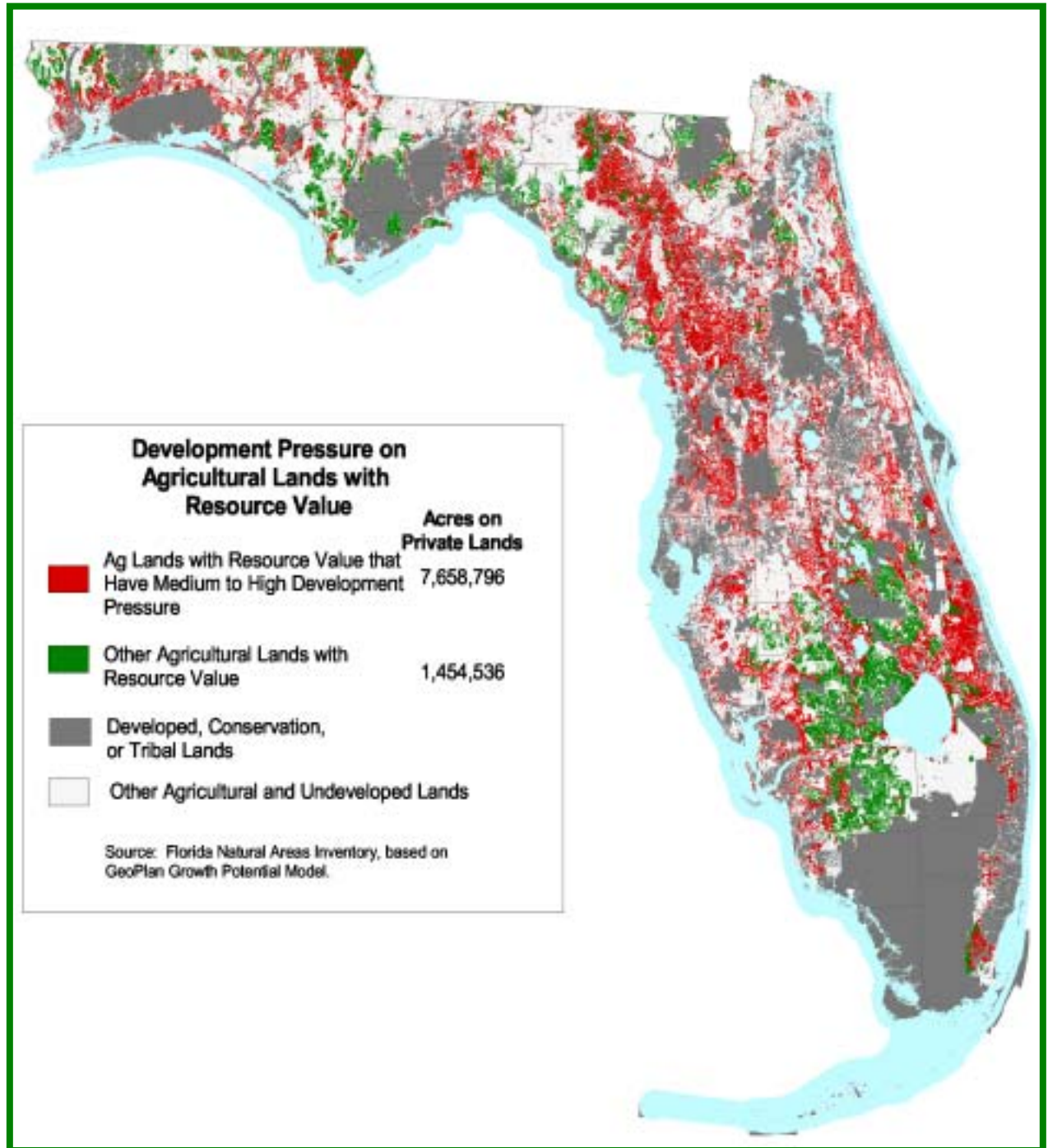
MAP 2



MAP 3



MAP 4



FORECASTED FUNDING NEED

Since the passage of the Act, the Department has received numerous calls from agricultural landowners inquiring about and expressing an interest in this program. Also, during the mid to late 1990s, the Florida Stewardship Foundation developed a pilot project that sought the interest of landowners in participating in a service agreements program similar to the Resource Conservation Agreements contained in the Act. The response was overwhelming with landowners of more than 350,000 acres seeking participation. Funding for that pilot project is not yet available and these owners find themselves under increasing pressure to consider development conversion over protection of their agricultural lands.

The following table shows the acreages and percentages of agricultural land types that would be protected. To reflect the priority the Act places on ranch and forest lands, the program targets a higher percentage of these lands for protection:

TABLE 2 – TEN YEAR AGRICULTURAL LAND CONVERSION AND PROTECTION FORECAST

	Acres of Conversion	10 yr Protection	Percent of Protection
Total Land Conversion	1,292,000	70%	
Forest w/ Resources	394,000	469,900	52.2%
Ranch w/ Resources	340,100	405,600	45.0%
Crops w/ Resources	166,300	24,900	2.8%
Agriculture (70%)	900,400	900,400	100%

The first step in the funding forecast was to develop a reasonable estimate of acres to protect over the next ten years. With the understanding that urban development and growth will inevitably consume a significant portion of the remaining unprotected agricultural lands, **the objective of this program should be to protect one acre of agricultural land for every acre lost** over the next decade. Using Dr. Reynolds' 1,292,000 acres estimate of land conversion to urban uses over the next ten years, it was determined that 70 percent or 900,400 of the converted acres would be agricultural lands with significant resources. The 70 percent represents agricultural ownerships with resources (11,392,000 ac.) as a percentage of the remaining developable lands (16,349,000 ac.) – [see Table 1 – Page 5]. Since the Act placed a higher priority on ranch and forest lands, over 97 percent of the total agricultural lands targeted for protection would consist of these lands, while crop lands would constitute less than 3 percent.

The next step in the forecast was to determine the potential cost to protect these lands. Conservation easement valuation data was obtained from

each of the five WMDs and DEP and compared with research performed by IFAS. A study performed by IFAS in September 2000 looked at agricultural land values and the value of transition lands throughout the State of Florida. Utilizing the projections done by the University of Florida IFAS and Florida State University FNAI on agricultural land conversion and the available land value data from the water management districts and IFAS, a forecast of funding need was developed.

The forecast model assumes acquisition efforts will be concentrated in the urban fringe and rural areas within the projected path of development. Due to the voluntary nature of the program, it may take a number of years to acquire sufficient agricultural lands within a particular urban fringe area to actually contain urban sprawl or redirect development. It is anticipated that as acquisition in an urban fringe area is ongoing, residential or commercial development demand may begin to compete for the agricultural lands in the acquisition areas. To allow the program to compete directly with developers willing to pay higher urban development prices, the forecast model includes funding for a limited number of higher cost easements. Accordingly, the funding forecast only projects about 44,000 acres (5%) in high growth metropolitan areas (high unit cost) while targeting over 835,000 acres (95%) in the urban fringes and rural areas (low-moderate unit cost).

The last variable incorporated into the funding forecast was an annual inflation rate of 4 percent. The stakeholders (water management districts, DEP and the Department) familiar with real estate activity throughout the state recommended this rate. While it was recognized that areas of the state would have higher or lower rates, this rate would be indicative of a statewide average. Based on the projection of land conversion and the estimates of unit value derived, the annual land acquisition cost of this program will be nearly \$150 million. Federal matching funds will likely be available (*see Funding Alternatives – Addendum 3*). A realistic estimate of federal funding for this program would be no more than \$10 million to \$20 million per year predicated on past congressional appropriations and nationwide competition for these funds. The funding estimate adds 5 percent funding for Resource Conservation Agreement (RCA) for purposes outlined in the Act. The Act stipulates that no more than 10 percent of the program funds can be used for RCAs and Agricultural Protection Agreements (APAs). Funding for the 30-year APAs would be included within the overall acquisition-funding forecast. For planning purposes 5 percent has been allocated for these temporary protection measures leaving the remaining 5 percent available for RCAs. The RCA funding would be administered through service agreements that actively improve habitat and water restoration or conservation on lands, protected by perpetual conservation easements acquired under this program, over and above that which is already required by law or which provide recreational opportunities.

The following table summarizes the funding need for the program:

TABLE 3 – TEN YEAR FUNDING FORECAST

Category		2002 - 2012	
		Funding	Acres
Timber, Ranch & Crop (Total)		\$ 1,537,113,000	900,400
Potential Federal Funding	\$15M/yr.	\$ 150,000,000	N/A
Sub-total		\$ 1,387,113,000	900,400
RCA Funding	5%	\$ 73,006,000	N/A
Total		\$ 1,460,119,000	900,400

While \$1.46 billion is needed over a ten-year period to keep pace with the development that is consuming our best agricultural lands making it difficult to protect our rural economy, healthy natural environment, and viable rural communities, it is recognized that this is a new and innovative approach not before attempted in the State of Florida. As such, it is the Department's recommendation that funding for the program be phased in. In lieu of requesting an appropriation of \$146 million for the program in the first year, **it is recommended that no less than \$25 million be appropriated the first year.** A \$25 million appropriation would be sufficient to pursue and protect approximately 14,000 acres while providing \$1.25 million (5%) for RCAs described in the preceding paragraph. A phased funding approach will allow sufficient time to: develop rules and a process for evaluating properties; solicit and evaluate properties; contract for land acquisition services; and, procure appraisals. The initial appropriation will also allow the Department to begin pursuing matching federal funds. Once the program is fully operational and easements have been acquired, the Department will be in a position to re-evaluate its forecast model based on actual experience and seek an appropriate level of funding to assure that the program's long term goals and objectives are met.

FUNDING ALTERNATIVES

Conservation easement and protection agreement programs compensate property owners for restrictions on the future use of their land. One of the biggest challenges in administering these programs is figuring out how to pay for them. It is necessary to have reliable sources of revenue to allow farmers, ranchers and forest landowners to incorporate the sale of easements and other protection agreements into their long-term financial plans. Attached to this report, as Addendum 3, is a matrix and descriptions of the various funding sources that provide the most practical means of funding this program. Many other potential funding alternatives used in other parts of the country were evaluated, including special taxing districts, cellular phone tax and lottery proceeds, but none were thought to be practical for this program.

CONCLUSION

This report identifies, describes and establishes the geographic distribution of the natural resources and resource-based land uses that are vital to maintaining a thriving rural economy with a strong agricultural base, healthy natural environment, and viable rural communities essential to Florida's future. The Department along with the stakeholders evaluated a number of potential natural resource attributes and reached consensus on three (significant species habitat, groundwater recharge and natural floodplain) that best represented the natural resource qualities that should be pursued and protected on agricultural lands that are subject to ever increasing development pressure. This program will protect agricultural lands in the path of development so that Florida will continue to maintain a viable agricultural sector in our State's economic base, so the citizens of Florida can continue to enjoy rural landscapes and open space, and in so doing provide simultaneous protection of environmentally significant areas.

Urban sprawl and its impact on Florida's agricultural economy continue to be a significant concern to Floridians. Florida continues to lose valuable agricultural lands to urban development. This report projects the areas of the state under the greatest development pressure that contain important agricultural and natural resources that should be protected. In concert with Florida's growth management system, this program can help protect rural economies as well as shape the form of our urban areas by directing development to those areas where we have already made significant investments in the infrastructure needed to support development. By providing incentives that direct development and land conversion away from our most productive and valuable agricultural and natural resources, we can provide for a continued strong rural economy and high quality of life.

Finally, the report evaluates and estimates a funding need of \$1.46 billion for the program over its first ten years and provides a summary of potential funding sources for implementation.

- We are **losing our best agricultural lands** at an alarming rate.

Agriculture was the basis for most permanent inland settlements in the United States. Settlements were typically established in the center of the most fertile areas and near rivers that offered a source of water and transportation. Thus, most United States cities and larger rural towns are surrounded by productive agricultural land that, in turn, is threatened by their expansion. During the 1980s, most major metropolitan areas developed commercial and employment centers at or near

their outer boundaries, creating "edge cities," often with suburbs of their own. As a result, 84 percent of non-metropolitan counties that are adjacent to a metropolitan area gained population between 1990 and 1994, averaging net migration gains double that of the nearby metro area.

- Providing **incentives to agricultural landowners to maintain their land in agricultural production** is a viable means to slow or stop this loss.

Rapid population growth in many rural counties bordering metropolitan areas has resulted in a dramatic increase in the "edge effect" as urban land uses conflict with rural ones. Rural homesites, ranchettes and farmettes increasingly mix with valuable agricultural land. The conflicts that result make commercial production more expensive and difficult. Lack of profitability, increasing taxes, regulations, trespassing incidents, scarcity of labor and escalating land prices can force agricultural landowners to give up. Many other states have implemented successful agricultural land protection programs that compensate landowners for maintaining their land in agricultural production.

- The **Rural and Family Lands Protection Act supplies the mechanism** to provide those incentives.

All of these factors lead us to conclude that our state needs to focus its efforts and its energies toward saving its best agricultural land for future generations. Agricultural land deserves to be treated as more than just a holding pattern for future development. Florida needs to take a more strategic approach to agricultural land protection. Now that the various agricultural, environmental and economic benefits provided by agricultural land have been identified and the legislation is in place to implement this protection effort, the necessary funding must be found to permanently protect this invaluable resource.

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ADDENDUM 1

Rural and Family Lands Protection Act **Chapter 2001-279, Laws of Florida, Senate Bill 1922**

Section 60. Short title.--Sections 60 through 64 of this act may be cited as the "Rural and Family Lands Protection Act."

Section 61. Definitions.--As used in sections 62 and 63 of this act, the term "department" means the Department of Agriculture and Consumer Services.

Section 62. Section 570.70, Florida Statutes, is created to read:

570.70 Legislative findings.--The Legislature finds and declares that:

(1) A thriving rural economy with a strong agricultural base, healthy natural environment, and viable rural communities is an essential part of Florida. Rural areas also include the largest remaining intact ecosystems and best examples of remaining wildlife habitats as well as a majority of privately owned land targeted by local, state, and federal agencies for natural-resource protection.

(2) The growth of Florida's population can result in agricultural and rural lands being converted into residential or commercial development.

(3) The agricultural, rural, natural resource, and commodity values of rural lands are vital to the state's economy, productivity, rural heritage, and quality of life.

(4) The Legislature further recognizes the need for enhancing the ability of rural landowners to obtain economic value from their property, protecting rural character, controlling urban sprawl, and providing necessary open space for agriculture and the natural environment, and the importance of maintaining and protecting Florida's rural economy through innovative planning and development strategies in rural areas and the use of incentives that reward landowners for good stewardship of land and natural resources.

(5) The purpose of this act is to bring under public protection lands that serve to limit subdivision and conversion of agricultural and natural areas that provide economic, open space, water, and wildlife benefits by acquiring land or related interests in land such as perpetual, less-than-fee acquisitions, agricultural protection agreements, and resource conservation agreements and innovative planning and development strategies in rural areas.

Section 63. Section 570.71, Florida Statutes, is created to read:

570.71 Conservation easements and agreements.

(1) The department, on behalf of the Board of Trustees of the Internal Improvement Trust Fund, may allocate moneys to acquire perpetual, less-than-fee interest in land, to enter into agricultural protection agreements, and to enter into resource conservation agreements for the following public purposes:

- (a) Promotion and improvement of wildlife habitat;
- (b) Protection and enhancement of water bodies, aquifer recharge areas, wetlands, and watersheds;

- (c) Perpetuation of open space on lands with significant natural areas; or
- (d) Protection of agricultural lands threatened by conversion to other uses.

(2) To achieve the purposes of this act, beginning no sooner than July 1, 2002, and every year thereafter, the department may accept applications for project proposals that:

- (a) Purchase conservation easements, as defined in s.704.06.
- (b) Purchase rural-lands-protection easements pursuant to this act.
- (c) Fund resource conservation agreements pursuant to this act.
- (d) Fund agricultural protection agreements pursuant to this act.

No funds may be expended to implement this subsection prior to July 1, 2002.

(3) Rural-lands-protection easements shall be a perpetual right or interest in agricultural land, which is appropriate to retain such land in predominantly its current state and to prevent the subdivision and conversion of such land into other uses. This right or interest in property shall prohibit only the following:

- (a) Construction or placing of buildings, roads, billboards or other advertising, utilities, or structures, except those structures and unpaved roads necessary for the agricultural operations on the land or structures necessary for other activities allowed under the easement, and except for linear facilities described in s. 704.06(11);
- (b) Subdivision of the property;
- (c) Dumping or placing of trash, waste, or offensive materials; and
- (d) Activities that affect the natural hydrology of the land or that detrimentally affect water conservation, erosion control, soil conservation, or fish or wildlife habitat, except those required for environmental restoration; federal, state, or local government regulatory programs; or best management practices.

(4) Resource conservation agreements will be contracts for services which provide annual payments to landowners for services that actively improve habitat and water restoration or conservation on their lands over and above that which is already required by law or which provide recreational opportunities. They will be for a term of not less than 5 years and not more than 10 years. Property owners will become eligible to enter into a resource conservation agreement only upon entering into a conservation easement or rural lands protection easement.

(5) Agricultural protection agreements shall be for terms of 30 years and will provide payments to landowners having significant natural areas on their land. Public access and public recreational opportunities may be negotiated at the request of the landowner.

(a) For the length of the agreement, the landowner shall agree to prohibit:

1. Construction or placing of buildings, roads, billboards or other advertising, utilities, or structures, except those structures and unpaved roads necessary for the agricultural operations on the land or structures necessary for other activities allowed under the easement, and except for linear facilities described in s. 704.06(11);
2. Subdivision of the property;
3. Dumping or placing of trash, waste, or offensive materials; and
4. Activities that affect the natural hydrology of the land, or that detrimentally affect water conservation, erosion control, soil conservation, or fish or wildlife habitat.

(b) As part of the agricultural protection agreement, the parties shall agree that the state shall have a right to buy a conservation easement or rural land protection easement at the end of the 30-year term or prior to the landowner transferring or selling the property, whichever occurs later. If the landowner tenders the easement for the purchase and the state does not timely exercise its right to buy the easement, the landowner shall be released from the agricultural agreement. The purchase price of the easement shall be established in the agreement and shall be based on the value of the easement at the time the agreement is entered into, plus a reasonable escalator multiplied by the number of full calendar years following the date of the commencement of the agreement. The landowner may transfer or sell the property before the expiration of the 30-year term, but only if the property is sold subject to the agreement and the buyer becomes the successor in interest to the agricultural protection agreement. Upon mutual consent of the parties, a landowner may enter into a perpetual easement at any time during the term of an agricultural protection agreement.

(6) Payment for conservation easements and rural land protection easements shall be a lump-sum payment at the time the easement is entered into.

(7) Landowners entering into an agricultural protection agreement may receive up to 50 percent of the purchase price at the time the agreement is entered into and remaining payments on the balance shall be equal annual payments over the term of the agreement.

(8) Payments for the resource conservation agreements shall be equal annual payments over the term of the agreement.

(9) Easements purchased pursuant to this act may not prevent landowners from transferring the remaining fee value with the easement.

(10) The department, in consultation with the Department of Environmental Protection, the water management districts, the Department of Community Affairs, and the Florida Fish and Wildlife Conservation Commission, shall adopt rules that establish an application process, a process and criteria for setting priorities for use of funds consistent with the purposes specified in s. 570.71(1) and giving preference to ranch and timber lands managed using sustainable practices, an appraisal process, and a process for title review and compliance and approval of the rules by the Board of Trustees of the Internal Improvement Trust Fund.

(11) If a landowner objects to having his property included in any lists or maps developed to implement this act, the department shall remove the property from any such lists or maps upon receipt of the landowner's written request to do so.

(12) The department is authorized to use funds from the following sources to implement this act:

- (a) State funds;
- (b) Federal funds;
- (c) Other governmental entities;
- (d) Nongovernmental organizations; or
- (e) Private individuals.

Any such funds provided shall be deposited into the Conservation and Recreation Lands Program Trust Fund within the Department of Agriculture and Consumer Services and used for the purposes of this act.

(13) No more than ten percent of any funds made available to implement this act shall be expended for resource conservation agreements and agricultural protection agreements.

(14) The department, in consultation with the Department of Environmental Protection, the Fish and Wildlife Conservation Commission, and the water management districts shall conduct a study to determine and prioritize needs for implementing the act.

(a) The department may contract with the Florida Natural Areas Inventory for an analysis of the geographic distribution of certain types of natural resources, or resource-based land uses that have been identified for acquisition by previous conservation and recreation land acquisition programs.

(b) The needs assessment shall locate areas of the state where existing privately owned ranch and timber lands containing resources of the type identified in (a) can be preserved or protected through implementation of the Rural and Family Lands Protection Act.

(c) The department shall report its findings to the Governor, President of the Senate, and Speaker of the House of Representatives by December 31, 2001. At a minimum, the report must include a prioritization of the types of resources to be preserved or protected, the location of privately owned ranch and timber lands containing such resources that could be preserved or protected by easements or agreements pursuant to this act, and the funding needs for the program.

ADDENDUM 2

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ADDENDUM 3

RURAL FAMILY LANDS PROTECTION ACT POTENTIAL FUNDING SOURCES

Potential Sources of Funds	Source of Funding	Funding Available For			Funding	Feasibility	Program Description
	<i>State = S Local = L Federal = F</i>	Perpetual Easements	Agricultural Protection Agreement	Resource Conservation Agreement	<i>Federal Funds Nationwide (Potential)</i>	<i>(Practicality of Method)</i>	
General Obligation Bonds	S	X	X	?	100% of Program Need	Dedicated source	Sufficient unused bonding capability remains.
Real Estate Transfer Taxes	S	X	X	X		Dedicated source or debt service	Ensures level of funding is tied to development activity.
Sales Taxes (1%)	S/L	X	X	X	~\$157M/YR	Dedicated source or debt service	Visiting tourists help fund the program. In use in California to fund farm protection.
Property Taxes	L	X	X	X		Only effective on county by county basis	Use of this funding source would require a commitment from and cooperation of all affected counties
Farmland Protection Program	F	X	?		\$25-\$30M (nationwide)	Same program goals	Protects farmland from conversion to nonagricultural uses. 50% match.
Forest Legacy Program	F	Forest Only	?		\$60M (nationwide)	Limited to forest lands	FLP conservation easements restrict development & require sustainable forestry practices. 25% match.
Farmland Stewardship Program	F			X	Part of Farm Bill	If funded by Congress	Uses a "service contract" similar to the Resource Conservation Agreements in R&FLPA.
Transportation Funding (TEA-21)	F	X	X	X	Varies	Not typically used for this purpose	Easement acquisitions that protect scenic views and historic sites along transportation routes are eligible for this program.

ADDENDUM 3

DESCRIPTIONS OF FUNDING ALTERNATIVES

The following section provides an overview of the alternative funding sources and identifies some issues associated with each when deciding how to compensate for easements and agreements under this program.

GENERAL OBLIGATION BONDS

The use of bonds to pay for the purchase of conservation lands was approved by amendment of Florida's Constitution in 1998. The provision allows the Legislature to pledge a revenue source to service debt on bonds sold for the purpose of land conservation. Currently, that authorization is being used for Florida Forever Bonds, which are supported with revenue from the Documentary Stamp Taxes (Chapter 201, F.S.). The authorization could be extended to bonds for purchase of easements under the Rural and Family Lands Protection Act.

The basic idea of bonding is to lock in the costs and secure the benefits of a project and amortize and pay off the debt from a broader revenue base. It makes long-term capital projects affordable. Bonds make sense for capital acquisitions such as purchase of fee title or less than fee interest if the following tests are met:

1. Long-term capital assets such as land and buildings
2. Rising Property Costs or appreciating assets
3. Low Interest Rates
4. Competition for land uses (development pressure)
5. Increasing Population (beneficiaries)
6. Increasing Revenues (taxable transactions)

Each of these tests is met with the need to preserve rural land.

Land values are increasing at a rapid rate and are driven by speculative and development pressure. The increase in land values outpaces interest rates (about 5% for government bonds). Florida's population is expected to continue to grow at a rapid rate and the average income for Floridians continues to grow. This increase the

number of taxpayers and the value of the taxable transactions will lead to more revenue in the future.

Bonding for Rural Land Protection could parallel Florida's other land bonding programs

A billion dollars could be raised over a ten-year period with debt payments of about \$400 million. While the long-term costs of the bonds would exceed the borrowed amount, comparing the appreciation of the land and the present value of the actual payments, the State of Florida would save money as compared to a pay as you go approach.

The Department would receive annual appropriations authorizing the sale of a set amount of bonds. The sale of bonds would obligate continuing appropriations to retire the debt. Sale of bonds could be done all at once or on an annualized, scheduled basis.

TAXES

Property Taxes are a popular source of funding for local acquisition programs. The use of this funding source would require a commitment from and cooperation of all affected counties.

Documentary stamp taxes are a levy on property sales. Documentary stamps tax revenue may be used to acquire land directly or to cover financing costs on bonds. These revenues ensure that the level of funding is tied to development activity-funding increases when the real estate market is hot and drops off when the market cools.

The State of Maryland levies a 5 percent tax on the sale price of all farmland that, after transfer, will be used for non-agricultural purposes and will no longer qualify for the agricultural use assessment. Sometimes called the "Sell a Farm, Save a Farm" program, all revenues generated go directly into programs to purchase agricultural conservation easements.

Sales Taxes are levies on retail sales imposed by states, local governments and special districts. Sales taxes may be broad-based or targeted to a particular item. Two years ago, voters in Sonoma County, California approved a sales tax increase of 1/4 of one percent (or 25 cents for every \$100 of taxable purchases) over a 20-year period to fund the purchase of agricultural conservation easements and open space. Part of the appeal of this program is that visiting tourists help fund the program.

FEDERAL FUNDS

The 1996 Farm Bill established the **Farmland Protection Program** (FPP) to protect farmland from conversion to nonagricultural uses. The FPP provides matching grants to established state, local and tribal programs, up to a maximum of 50 percent of the final negotiated sales price of conservation easements. A total of \$30 million was authorized for the FPP for 2001. Applications for FPP funding were due in early March of 2001 and are only available until September 30, 2001.

The **Forest Legacy Program** (FLP), a federal program in partnership with states, supports state efforts to protect environmentally sensitive forest lands. Most FLP conservation easements restrict development, require sustainable forestry practices, and protect other values. The federal government may fund up to 75% of program costs, with at least 25% coming from private, state or local sources. Congress appropriated \$60 million for the Forest Legacy Program for fiscal year 2001 – twice the previous year's appropriation. The R&FLPA would provide a vehicle to compete for these federal dollars.

The **Farmland Stewardship Program** (FSP) is a “blending tool” that uses a “service contract” similar to the Resource Conservation Agreements provided for in the Rural and Family Lands Protection Act. The FSP will make it possible to obtain funding from multiple programs to carry out conservation objectives on individual parcels of property. Lands that qualify for funding under the proposed federal legislation must be in primarily native or natural condition or be classified as cropland, pastureland, grazing lands or timberlands. The FSP has been introduced in the U.S. Congress as HR 2542 and as Sec. 275, Subtitle H of HR 2646 with introduction in the U.S. Senate pending.

The Intermodal Surface Transportation Efficiency Act of 1991 provided funding for a broad range of highway and transit programs, including “transportation enhancements.” Enhancements are intended to improve the cultural, aesthetic and environmental quality of transportation routes. Easement acquisitions that protect scenic views and historic sites along transportation routes are eligible for this program. The **Transportation Equity Act for the 21st Century (TEA-21)**, adopted in May of 1998, re-authorized transportation spending through fiscal 2003. Funding for enhancements was increased by nearly 40 percent nationwide, to \$3.6 billion. The program covers up to 80 percent of project costs. TEA-21 funds are rarely used for agricultural easement acquisitions.