

New Jersey State Agriculture Development Committee



**PRESERVED
FARMLAND**
PRIVATE LAND, PUBLIC LEGACY

**Fiscal Year 2000
Annual Report**

The State Agriculture Development Committee

The State Agriculture Development Committee (SADC) administers New Jersey's Farmland Preservation Program and promotes innovative approaches to maintaining the viability of agriculture. It administers the Right to Farm Program, staffs the Transfer of Development Rights Bank and operates the Farm Link Program, which matches farm sellers with potential buyers.

Cover: Governor Whitman unveiled New Jersey's first "Preserved Farmland" sign at this 326-acre farm in Readington and Branchburg townships, Hunterdon and Somerset counties, in Summer 2000. The SADC purchased the farm in 1996, deed restricted it for permanent agricultural use and resold the farm at auction to current owners Pat Hilton and Fred Van Doren.

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From the Governor



Our scenic and productive farmlands contribute so much to our quality of life here in the Garden State. It's not surprising, then, that we consider them an important part of the legacy we intend to pass on to future generations. We want our children and grandchildren to have the same opportunity to know and appreciate the clean, green and open New Jersey that we enjoy.

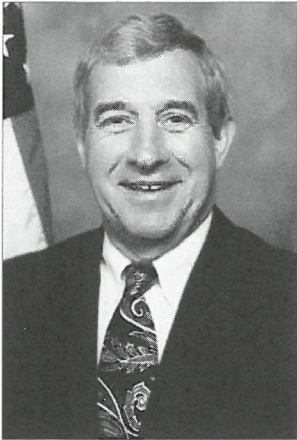
This past year marked a turning point in our efforts to substantially bolster that legacy. In June 1999 I was proud to sign into law the Garden State Preservation Trust Act, which for the first time established a stable source of funding for farmland and open space preservation. Thanks to the overwhelming support of New Jersey voters, this funding will enable us to preserve an additional one million acres of farmland and open space over the next 10 years.

This law provides the framework for a landmark preservation plan that protects more than just our land. By preserving farmland and open space, we are protecting the very character of New Jersey's communities and the longstanding farming traditions that earned us our reputation as the Garden State.

All New Jerseyans can be proud of the tremendous investment that we have made in land preservation and in the quality of life in our state. By continuing to work together to achieve our million-acre goal, we can ensure that New Jersey is a great place to live, work and raise a family for generations to come.

A handwritten signature in green ink, reading "Christine Whitte". The signature is written in a cursive style with a long horizontal line extending from the end.

From the Secretary



New Jersey's 9,600 farms are valuable for far more than their ability to provide us with ready access to a variety of farm-fresh products. They also are a major force behind a strong economy and the single largest source of scenic open space that remains. Clearly, retaining productive and taxpaying farmland benefits all New Jerseyans.

Responsibility for carrying out that charge rests with the State Agriculture Development Committee, which administers the Farmland Preservation Program. In Fiscal Year 2000, 76 farms covering 11,262 acres were permanently preserved under the program. All told, 432 farms covering 64,739 acres have been preserved since the program began in 1983. That's certainly a significant achievement, but it represents only a beginning.

Thanks to the Garden State Preservation Trust Act, the Farmland Preservation Program now will have an average of four times more annual funding than in years past. As a result, we've been able to greatly expand our traditional programs and offer new ones as well to meet Governor Whitman's goal of preserving an additional 500,000 acres of farmland over the next decade.

New Jersey has a long and proud farming tradition. This report details the State Agriculture Development Committee's efforts over the past year to maintain that tradition through farmland preservation and other programs it administers to protect and promote responsible farming. As we build on those efforts in the coming years, we continue to invite everyone's participation in helping us to preserve New Jersey's growing heritage.

A handwritten signature in dark ink, appearing to read "Arthur K. Branch". The signature is fluid and cursive, with a large, stylized initial "A".

Farmland Preservation Program: An Overview



Governor Whitman signs the historic Garden State Preservation Trust Act in June 1999 in Morris County.

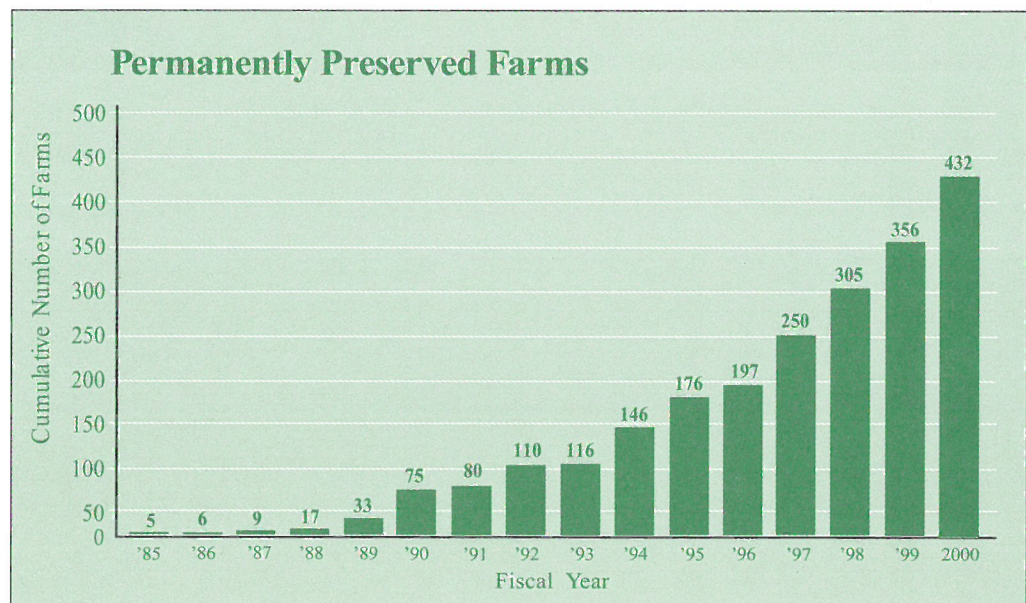
New Jersey's farmland has disappeared at a rapid rate over the past 35 years. The same qualities that make land suitable for farming – it's cleared, and generally flat and well-drained – also make it highly sought after for development. Between 1980 and 1990 alone, New Jersey lost 150,000 acres of farmland. Today, approximately 830,000 acres remain in agricultural production.

In Spring 1996, Governor Whitman established the Governor's Council on New Jersey Outdoors to review the state's open space and recreational needs, and to identify stable sources of funding to keep New Jersey green. The Council concluded that New Jersey needs to preserve an additional one million acres of open space – including 500,000 acres of farmland to retain a "critical mass" of production and ensure that the state's agricultural industry survives.

In her 1998 inaugural address, Governor Whitman called for a stable source of funding to preserve those million acres. The Legislature that summer approved placing on the November ballot a constitutional amendment that would dedicate \$98 million per year for 10 years for that purpose and authorize the issuance of up to \$1 billion in revenue bonds. By a 2-1 margin, New Jersey voters overwhelmingly endorsed the measure.

June 1999 marked the turning point in New Jersey's farmland preservation efforts as Governor Whitman signed into law what would quickly become a national model for farmland and open space preservation – the Garden State Preservation Trust Act.

The Act set forth the framework for the preservation of an additional 500,000 acres of



farmland and another 500,000 acres of open space and historic sites over the next 10 years. It also established the Garden State Preservation Trust to oversee preservation efforts. The result will be the permanent preservation of 40 percent of New Jersey's total land mass, or approximately half of New Jersey's remaining undeveloped lands.

The Farmland Preservation Program will receive approximately 40 percent of the total farmland and open space preservation funding. Previously, farmland preservation funding had averaged \$15.3 million per year; the major source was allocations from the Green Acres and farmland bond issues. With the establishment of the Garden State Preservation Trust, farmland preservation funding increased nearly five-fold to \$80 million in Fiscal Year 2000.

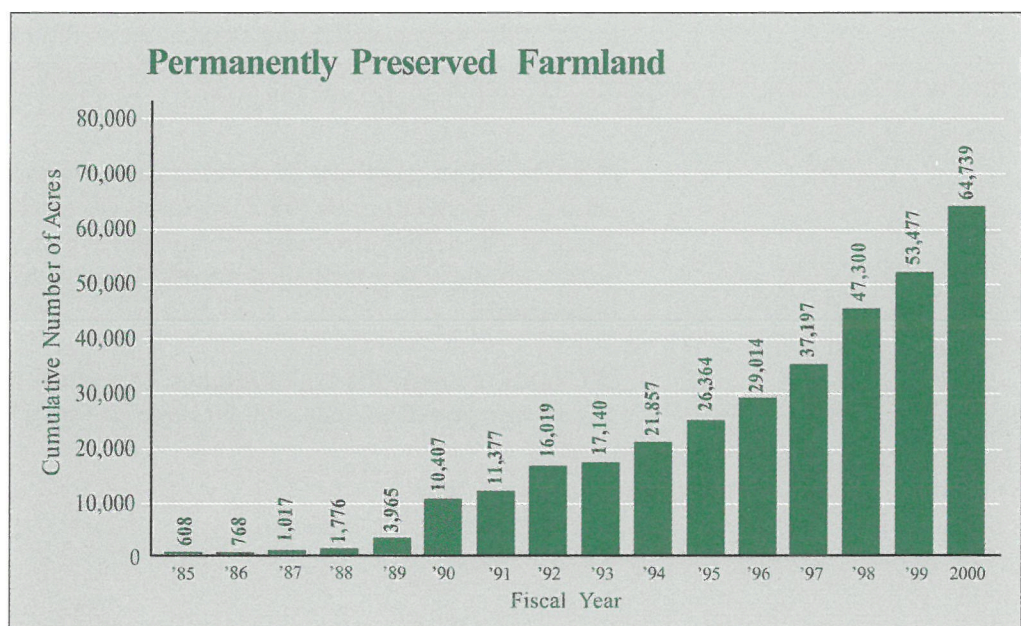
In recent years, New Jersey has continued to lose farmland at a rate of approximately 10,000 acres per year. Clearly, the establishment of the Garden State Preservation Trust – with a stable and increased funding source – marked a pivotal point in New Jersey's efforts to stem that loss and ensure the continued viability of our agricultural industry.

The Preservation Process

The State Agriculture Development Committee (SADC) administers the Farmland Preservation Program, which was established in 1983. As of June 30, 2000, 432 farms covering 64,739 acres had been permanently preserved under the program.

Farmland is preserved through the sale or donation of property titles or development easements. When landowners sell or donate their development easements, they still own their land but give up the right to develop it for anything other than agricultural uses.

The Farmland Preservation Program can help landowners meet their financial





The 40-acre Hlubik farm in North Hanover Township, Burlington County, entered the state Farmland Preservation Program in November 1999 through the county's purchase of development rights.

goals, providing them with the capital to expand their existing operations, eliminate or reduce their debt load, and further their estate or retirement planning. Participating landowners also are eligible to apply for cost-sharing grants to fund soil and water conservation projects, and enjoy limited protection from government acquisition of land through eminent domain, public and private nuisance actions, and emergency restrictions on the use of water and energy supplies.

Traditionally, farms have been preserved in the following ways:

■ **County purchases of development easements.**

Most farms have entered the Farmland Preservation

Program through county purchases of development rights, with the SADC providing grants to counties to fund 60-80 percent of the costs.

■ **Fee simple purchases.** The SADC purchases entire farms outright from willing sellers, deed restricts the properties for agriculture only and resells the farms at auction to private owners.

■ **Donation of development rights.** Although not feasible for everyone, this option can provide significant income and estate tax benefits for some landowners.

■ **Eight-Year Program.** Landowners may choose to voluntarily restrict development for a period of eight years. In exchange, they are eligible to apply for cost-sharing grants for soil and water conservation projects, and enjoy certain other benefits and protections.

In FY 2000, increased funding enabled the Farmland Preservation Program to launch three additional programs that greatly expand preservation opportunities. The Garden State Preservation Trust legislation provided for the first two:

■ **SADC direct purchase of development easements.** Under this option, priority is given to preserving those farms adversely affected by the 1999 drought. The SADC also may purchase development easements on superior-quality farmland that is likely to be developed or has regional or statewide importance.

■ **Grants to nonprofit organizations.** This new program provides nonprofit groups with grants funding up to 50 percent of the costs of farmland preservation projects.

■ **Planning Incentive Grants.** This option encourages counties and municipalities to develop comprehensive plans to preserve large contiguous tracts of farmland. It emphasizes the use of installment purchases and other innovative funding techniques to leverage state preservation dollars.

The Selection Process

Land is eligible for the Farmland Preservation Program if it qualifies for farmland tax assessment and is part of an agricultural development area – an area where the county agriculture development board has determined that farming is viable over the long term.

Most farmland owners first apply to the Farmland Preservation Program through their county agriculture development board. The county boards review, approve and forward applications to the SADC, coordinating with the State and local municipalities throughout the process.

The State Agriculture Retention and Development Act requires that the SADC prioritize applications for farmland preservation funding according to the following criteria:

- survivability of agriculture, or the degree to which preservation of the farm would encourage the retention of productive agriculture in a particular area;
- imminence of development, or the likelihood that the land will change to a nonagricultural use;
- and relative best buy, or the best deal for taxpayer money.

The 207-acre Emel farm in Mannington Township, Salem County, was preserved in February 2000 when the county purchased the development rights with cost-sharing assistance from the state.



To evaluate applications according to the first two criteria, the SADC uses a scoring system that objectively rates applications by assigning a range of points for each of the following factors:

- Soil quality;
- Proportion of tillable acres;
- Boundaries and buffers that reduce the negative impacts of nonagricultural development (e.g., other protected farmland and open space surrounding the property);



- Local commitment to agriculture;
- Size of the farm and agricultural density of the surrounding area;
- Prioritization by the county agriculture development board; and
- Degree of imminence of change.

Under the county easement purchase program, these scores are used to compile a preliminary list that ranks from highest to lowest priority all of the applications for each funding round. The highest ranking farms on the final list are those that will be preserved with available funding.

Development value is determined through a separate, equally objective appraisal process. Two independent appraisals are required from licensed, professional appraisers for every farm considered for preservation. The appraisers evaluate all factors affecting a farm's value, including wetlands, septic suitability, market conditions and zoning. Appraisers must reduce their price recommendations to accurately reflect wetlands, wet soils or any other development limitations.

Appraisers determine both the fair-market value of a farm – or what it would be worth if it were developed – and the farm's value for agriculture only. The difference between these two values determines the development easement value.

Each appraiser independently arrives at development values, which are reviewed



The 97-acre Risko farm in Harmony Township, Warren County (above), and the 142-acre Emmons farm in Delaware Township, Hunterdon County (right), entered the state Farmland Preservation Program in FY 2000 through county purchases of development rights.

by an SADC appraiser. The SADC reviewer issues his recommendations to the SADC, which certifies a final value – the highest amount the State is willing to pay.

Under the county easement purchase program, each landowner has the opportunity to submit a sealed bid offering to reduce the farm's sale price below the certified value. For every one percent a landowner discounts, two points are added to the farm's quality score, so landowners who choose to discount can move their farms up the priority list to improve chances of preservation.

As a result, the final rankings reflect not only the farms with the best agricultural potential but those that are the best value. Through the discounting process, the SADC has saved more than \$25 million over the past 10 years.

Farmland Preservation: 2000 and Beyond

Because pressures from nearby development threaten the survivability of farming operations, the SADC is focusing much of its efforts on preserving large, contiguous blocks of farmland. Parks and other protected open space also provide suitable buffers, and the SADC continues to work with the Department of Environmental Protection's Green Acres Program to coordinate open space preservation efforts – including identifying opportunities to provide public access to stream corridors and other recreational opportunities where possible.

Under the Garden State Preservation Trust Act, the SADC also has been charged with determining easement values for farmland in the Pinelands development area. A subcommittee is expected to make recommendations in FY 2001.

Farmland preservation is a partnership that involves not only farmland owners but all levels of government, nonprofit organizations, the general public and others with an interest in preserving our agricultural heritage and ensuring that our farmlands forever remain open and productive.

With the establishment of the Garden State Preservation Trust and a stable source of funding, Governor Whitman, the State Legislature and the voting public have joined together to make a substantial commitment to farmland preservation – one that will safeguard not only our agricultural industry, but a better quality of life for current and future generations of New Jerseyans.

Farmland Preservation Initiatives



Arthur J. Griscom, Jr., with his wife Ruth, signs the deed permanently preserving their 108-acre farm in Mannington Township, Salem County, in May 2000. Looking on are (from left) Salem County Agriculture Development Board Chairman Andy Buzby and Administrator Kris Alexander, and Agriculture Secretary Art Brown, Jr.

County Easement Purchase Grants

Most farms have entered the Farmland Preservation Program to date through county purchases of development easements. The SADC provides grants that fund 60-80 percent of the purchase costs, or an average of 65 percent.

The SADC for the first time held two county funding rounds in the same calendar year. In May 2000, the SADC approved funding for county purchases of development easements on 145 farms totaling 12,672 acres. One month later, it certified development values for an additional 74 farms totaling 6,442 acres in the second funding round. The SADC was expected to grant final approvals on successful applications in the second round in August 2000.

The process begins when farmland owners who want to sell their development rights apply to their county agriculture development board. The county boards review applications at the local level and forward approved applications to the SADC, which conducts two separate evaluations.

First, the SADC calculates a quality score for each farm based on criteria that assign points for agricultural value. Scores are used to compile a preliminary ranking of all of the applicant farms for that particular funding round. The highest ranked farms are those with the best soils and other characteristics that will promote the long-term viability of the agricultural industry.

Next, the SADC certifies development values for each farm based on the recommendations of two independent appraisers and a third SADC review appraiser. A certified value is the maximum price on which the State is willing to cost-share.

The final step is the SADC's discounting process, which is designed to ensure that farms are purchased for the best possible price. All landowners are given the opportunity to submit sealed bids offering to discount their easement prices below their certified values. For every one percent a landowner discounts, two points are added to the farm's quality score. Therefore, a landowner who discounts is able to improve his or her farm's ranking.

The highest-ranked farms on the final list – those of the best quality for agriculture and the best value for taxpayer dollars – are the ones that are funded for preservation based on available funding.

Easement Purchase Grants to Counties in FY 2000

County	Landowner	Municipality	Acres
Burlington	Bur/Bird, E. & E.	North Hanover	49
Burlington	Bur/Hlubik, P. & S.	North Hanover	40
Burlington	Bur/Von Lintig, H. M. & C.	Springfield/Westampton	154
Cape May	Cape May/A. & J. DeVico	Dennis	36
Cape May	Cape May/W. & A. Novasack	Dennis	330
Cape May	Cape May/B. Kozak	Middle	127
Cape May	Cape May/G. Pagano	Middle	60
Cumberland	Hopewell Nursery Inc.	Deerfield/U. Deerfield	508
Cumberland	Hubschmidt, J. & M.	Hopewell	153
Gloucester	Visalli, C. & M. N.	Elk	157
Gloucester	Eachus, Ella V.	Elk/Hrrsn/Mantua/SHrrsn	311
Gloucester	Glo/Hackett, R. & D.	South Harrison	130
Gloucester	Glo/Leone, A. & A.	South Harrison	151
Gloucester	Glo/Reisenweaver	South Harrison	55
Gloucester	Marino Brothers	South Harrison	177
Hunterdon	Emmons, A.	Delaware	142
Hunterdon	E. Amwell Twp./Sowsian	East Amwell	149
Hunterdon	Garrett, R. & D. & Mack, J. & L.	East Amwell	65
Mercer	Runge Estate	Hamilton	119
Mercer	Samu, W. & J.	Hamilton	101
Mercer	Radvany, J.	Hopewell	23
Mercer	Weidel, R. A. Sr.	Hopewell	37
Mercer	Mastoris	Washington	38
Mercer	Washington Twp./Sunshine	Washington	100
Middlesex	Conrad, D. & Jones, G.	Cranbury	183
Middlesex	Indian Mills Associates	Cranbury	64
Middlesex	Simonson, E., S., E., R. J.	Cranbury	76
Middlesex	DeSandre, J. Sr., M. & H.	Plainsboro	46
Monmouth	Quiet Winter Farm, Inc.	Colts Neck	65
Monmouth	Mazzucco, J. A.	Millstone	53
Monmouth	Dey, S. II & E.	Upper Freehold	126
Monmouth	DiPiero, D. & R.	Upper Freehold	115

Easement Purchase Grants to Counties in FY 2000

County	Landowner	Municipality	Acres
Monmouth	Freiberger, R. & K.	Upper Freehold	112
Monmouth	Gordon, J. I. & Potter, F.	Upper Freehold	64
Monmouth	VanPelt, R. & L.	Upper Freehold	32
Morris	Lowensteiner, H. & M.	Chester Borough	53
Morris	Tomkins, S. Jr. & E.	Mendham	55
Morris	Hildebrant, R. M.	Mount Olive	51
Morris	Kenney, J. & C.	Washington	44
Morris	Malinowski, M.	Washington	20
Morris	Radics, S. & McKeon, D.	Washington	113
Ocean	Liedtka, N. Jr. & S.	Plumsted	81
Salem	Haluska, W. & J.	Alloway	299
Salem	Emel, R. & I.	Mannington	207
Salem	Griscom, A. & R.	Mannington	108
Salem	Catalano, A.	Pilesgrove	234
Salem	Sickler, R. & S. J.	U Pittsgrove/Pilesgrove	320
Salem	Cassaday, G. Sr., B., G. Jr. & C.	Upper Pittsgrove	317
Salem	Flanagan, C. & A. & C. & M.	Upper Pittsgrove	216
Salem	Kern, W., M. & E.	Upper Pittsgrove	365
Salem	Myers, C., H. & E.	Upper Pittsgrove	96
Somerset	LaBaw, A.M.	Hillsborough	41
Somerset	Osterman, A. & K.	Hillsborough	101
Sussex	Snook, B. D.	Lafayette	142
Sussex	Frankowski, J. & I. & W.	Wantage	112
Sussex	Hamming, I. & B.	Wantage	282
Sussex	Russell, J. Jr. & B. R.	Wantage	88
Sussex	Zebrowski, D.	Wantage	159
Warren	Augusta, J. & M.	Franklin	111
Warren	Bennett, T. & S.	Frelinghuysen	90
Warren	War/Risko, L. & D.	Harmony	97
Warren	J. G. McShane & Co., Inc.	Independence	109
Warren	Durholz, J. & S.	Knowlton	63
Warren	Yentema, P. & P.	Mansfield	102
Total	64		8,224



The SADC directly purchased its first development easement on this 237-acre farm in Warren County — a key link in a network of more than 2,300 acres of surrounding open space.

Direct Easement Purchases

The Garden State Preservation Trust Act, signed into law in June 1999, for the first time enabled the SADC to directly purchase development easements. Prior to that, development rights could be purchased only by counties, with the SADC providing grants to help fund those purchases.

Under this program, priority is given to those farms affected by the 1999 drought emergency. The SADC also may purchase development rights on farms that are of superior quality and (1) likely to be developed or (2) of statewide or regional importance.

In December 1999, the SADC directly purchased its first development easement on

the 237-acre former Anisfield farm in Allamuchy, Warren County. That purchase strengthened a network of more than 2,300 acres of surrounding lands that either are protected or slated for protection in the immediate area.

Grants to Nonprofit Organizations

The Garden State Preservation Trust Act also for the first time authorized the SADC to provide cost-sharing grants of up to 50 percent to assist nonprofit organizations in purchasing farms or development easements on farms.

Like other farms under the Farmland Preservation Program, those purchased by nonprofit organizations must continue to be maintained for agricultural use. The SADC adopted rules to implement the new program in January and expects to offer its first nonprofit grant in Fall 2000.

Planning Incentive Grants

This new program enables counties and municipalities to preserve large blocks of farmland through a streamlined application process. Rather than applying to preserve farms individually, towns and counties identify project areas consisting of multiple farms. The SADC provides cost-sharing grants of 60-80 percent to help fund the purchase of development rights on farms within these project areas.

Planning incentive grants emphasize careful planning of project areas, joint applications between municipalities and counties, and funding coordination among all levels of government. Under this program, municipalities may apply directly to the SADC for preservation funding, giving them the opportunity to play a more active role in the preservation process.

To be eligible for a planning incentive grant, a municipality must establish a dedicated program funding source and an agricultural advisory committee, as well as adopt a farmland preservation element as part of its master plan. A county also must identify a program funding source, work with its agriculture development board and closely coordinate its proposals with its comprehensive farmland preservation plan.

The program encourages the use of innovative funding techniques, such as installment purchases. Installment purchases – made easier by legislation signed by Governor Whitman in July 1999 – allow state and local governments to quickly lock in farmland purchases at current prices and spread out payments to landowners over multiple years.

Once it grants preliminary approval to applications, the SADC establishes multi-year preliminary funding allocations; the maximum initial allocation is \$1.5 million per municipal/county applicant per year. As it makes installment payments, the SADC may increase or decrease preliminary allocations in subsequent years based on the applicants' progress.

This new program clearly has tremendous potential to substantially bolster farmland preservation efforts: Only eight months after its establishment in August 1999, the program had received 20 applications from 11 municipalities and 3 counties to potentially preserve 345 farms covering nearly 20,000 acres – roughly equivalent to the entire acreage preserved through the Farmland Preservation Program over the previous two years.

In the first funding round for this program, the SADC received 12 applications for funding to preserve 194 farms covering 12,518 acres in five counties. The SADC in February 2000 granted preliminary approval to all of these projects (applicant indicated in bold):

- **Washington Township**, Warren County – 4 Farms/375 Acres
- **Pohatcong Township**, Warren County, Valleys and Ridge ADA – 50 Farms/2,022 Acres
- **Pohatcong Township**, Grasslands ADA, Warren County – 24 Farms/1,284 Acres
- **Greenwich Township**, Warren County – 7 Farms/549 Acres
- **Raritan Township**, Hunterdon County – 15 Farms/1,127 Acres
- **Readington Township**, Hunterdon County – 12 Farms/824 Acres
- **Bethlehem Township**, Hunterdon County – 5 Farms/450 Acres
- **East Amwell Township**, Hunterdon County – 16 Farms/1,224 Acres
- **Delaware Township**, Hunterdon County – 6 Farms/456 Acres
- Long Valley, Washington Township, **Morris County** – 23 Farms/1,115 Acres
- Southampton Township, **Burlington County** – 29 Farms/2,853 Acres
- Roosevelt Borough/Millstone Township, **Monmouth County** – 3 Farms/239 Acres

In February 2000, an additional eight municipal applications – covering 148 farms totaling 5,719 acres in three counties – were received as part of the second funding round. The SADC granted preliminary approvals in April to the following:

- **Bethlehem Township**, Hunterdon County – 6 Farms/357 Acres
- **Readington Township**, Hunterdon County – 7 Farms/690 Acres
- **Tewksbury Township**, Oldwick NW Area, Hunterdon County – 7 Farms/332 Acres

At the end of the fiscal year, the remaining applicants were working to meet conditions for SADC preliminary approval. These applicants were:

- **Washington Township**, Warren County – 8 Farms/498 Acres
- **Pohatcong Township**, Silver Hill ADA, Warren County – 27 Farms/673 Acres
- **Pohatcong Township**, Still Valley ADA, Warren County – 29 Farms/641 Acres
- **Harmony Township**, Warren County – 45 Farms/2,178 Acres
- **Bedminster Township**, Somerset County – 19 Farms/350 Acres

The application deadline for the third round of planning incentive grants is September 25, 2000.

Fee Simple Purchases



The SADC purchased the former Barrett farm in Hunterdon County through its fee simple program. It then resold the farm at public auction with permanent agricultural deed restrictions.

The fee simple program enables the SADC to quickly step in and preserve those farms that often are in the most imminent danger of development – those whose owners intend to sell not just the development rights but the entire properties.

Under this program, the SADC purchases farms outright, removes the development rights and resells the deed-restricted properties at auction to the highest bidders. In addition to ensuring permanent preservation, this program offers another benefit: It provides other farmers, who often have difficulty competing with developers to buy farmland, with opportunities to purchase land at affordable prices that reflect only farmland values, not development potential.

The single largest preservation project in the history of the Farmland Preservation Program – the two-phase acquisition of 1,076 acres of farmland in Gloucester and Salem counties in late 1999 and early 2000 – took place through the fee simple program. The farmland – located mainly in Elk and Franklin townships – was purchased from Gracemark Partners and Sunnydale Partners with cost-sharing assistance from Gloucester County.

In late 1999, the SADC also purchased in fee simple the 73-acre Siciliano Farm in East Windsor Township – with Mercer County sharing in the acquisition cost – and

the 173-acre Geck Farm in Mannington Township, Salem County. These were followed in early 2000 by the purchases of the the 185-acre Chubb Farm, which was acquired by Chester Township with cost-sharing assistance from the SADC and Morris County; the 136-acre Blazier Farm in Washington and Mansfield townships, Warren County; and the 150-acre Barrett Farm in Union Township, Hunterdon County, which was purchased with cost-sharing assistance from both the township and county.

All of these farms were resold at auction in Spring 2000 in the largest public offering of preserved farmland in the Farmland Preservation Program's history. Prior to this, the program had purchased and resold approximately 3,100 acres since its first fee simple purchase in 1987. The farms resold in Spring 2000 represent nearly 1,800 additional acres – a record number that reflects the increased availability of preservation funding.

The SADC in March 2000 also purchased the 276-acre Strang Farm in Alloway and Mannington townships, Salem County. The farm includes an historic, Greek Revival-Italianate style brick home built in 1864. When this property is offered at public auction in Fall 2000, it will be sold with two easements – a first for the SADC. One easement will preserve the land for agriculture, while the other will ensure protection of the historic structure.

Donations

Donations of development rights can provide some landowners with significant federal income tax benefits, assist them in estate planning, as well as offer them the satisfaction of knowing that their land will always be preserved.

In January 2000, Governor Whitman signed legislation that provides another benefit – a state income tax deduction for anyone who contributes open space to a public or nonprofit conservation organization. This legislation was prompted by the 1997 donation of the development easement on the 57-acre Gardner Farm in East Amwell, Hunterdon County.

In August 1999, the 104-acre Inga Denton estate property in East Amwell entered the state Farmland Preservation Program. The estate earlier had donated the development easement on the property to Hunterdon County with assistance from the New Jersey Conservation Foundation.

In October 1999, more than 600 acres of state-owned farmland in Ewing Township, Mercer County, were permanently preserved through the conveyance of development rights to the SADC. The 321-acre Knight Farm –

The donation of the development rights on the Gardner Farm in Hunterdon County in 1997 prompted new legislation that provides a state income tax deduction for landowners who donate open space.



The 317-acre Cassaday Farm in Upper Pittsgrove, Salem County, was in an eight-year program before it was permanently preserved through the county easement purchase program in May 2000.



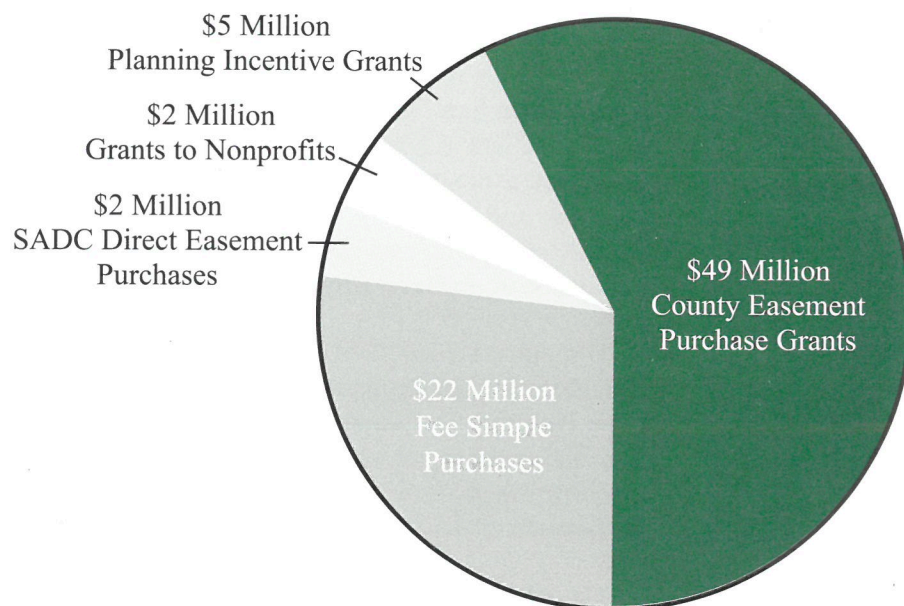
owned by the Department of Human Services and leased to the Department of Corrections – and the 307-acre Jones Farm – owned by the Department of Corrections – were entered into the Farmland Preservation Program as a result of this transfer.

Eight-Year Program

As an alternative to permanently preserving their land, farmland owners may choose to voluntarily restrict development for a period of eight years. Although landowners do not receive any direct compensation, this does qualify them for certain benefits of the permanent program, including eligibility to apply for 50 percent cost-sharing grants for soil and water conservation projects.

In FY 2000, the SADC approved 37 new farms totaling 2,585 acres for entry into the Eight-Year Program and 9 farms totaling 539 acres for renewals. At year's end, a total of 370 farms covering 29,163 acres were in the program.

\$80 Million Funding Allocation FY 2000



Related Programs

Soil and Water Conservation Grants

Landowners in the permanent or eight-year preservation programs are eligible to apply to the SADC for 50 percent cost-sharing grants to fund approved soil and water conservation projects. These projects not only protect soil and water resources, but increase productivity and profitability for the farmer.

These projects include terrace systems; diversions; water impoundment reservoirs; irrigation systems; sediment retention, erosion or water control systems; drainage systems; animal waste control facilities; and land shaping and grading.

In FY 2000, the SADC approved a record \$1.6 million in grants to help fund 135 soil and water conservation projects.

Right to Farm Program



The Right to Farm Act protects responsible farmers from conflicts that can result from nearby development.

In July 1998, Governor Whitman signed amendments to the Right to Farm Act to provide eligible, responsible farm operations with greater protection from restrictive municipal ordinances, and public and private nuisance actions.

In Fiscal Year 2000, 71 right-to-farm cases were referred to the county or state levels of the program – holding at a steady level from 70 cases the previous year. In Fall 1999, the SADC held three workshops to train county agriculture development boards to conduct public hearings on right-to-farm issues.

Farmers who adhere to agricultural management practices that have been adopted by the SADC are entitled to greater protection under the Right to Farm Act. In Fiscal Year 2000, the SADC adopted new agricultural management practices for food processing by-product land application; commercial vegetable and tree fruit production; and natural resource conservation. Proposals also were developed for amendments to the commercial vegetable and tree fruit production agricultural management practices.

Through a \$70,000 USDA Farm Service Agency grant, the SADC took steps toward initiating an agricultural mediation service, administered through the Right to Farm Program. The purpose of mediation is to assist farm operators in settling right to farm and credit issues while avoiding time-consuming and costly legal proceedings. A mediator has no decision-making authority, so the success of mediation depends on the cooperation of all individuals involved in a dispute.

The SADC in May sponsored mediation training for approximately 30 potential mediators. The first case under the new program – a credit dispute – was successfully mediated in June.

Farm Link Program

Farm Link matches potential buyers and sellers of farmland. The program is useful for those who want to expand their farms or start farming, and also for retiring farmers or landowners who would like to ensure that their land stays in agricultural production but have no family members who want to continue to farm.

The program also serves as a clearinghouse for information on everything from the availability of preserved farms for sale, to business contacts and resources. Both unrestricted and deed-restricted farmland enrolled in the Farmland Preservation Program are tracked through Farm Link.

In FY 2000, the Farm Link database continued to be updated and made available at no charge to buyers and sellers. At the end of the fiscal year, more than 270 participants were enrolled in Farm Link. One of the SADC's fee simple farm purchases during the year was initiated through a Farm Link inquiry from the executor of a farmland estate who was searching for a buyer.

Additionally, the Farm Link Program assists nonprofit organizations, municipalities and counties in finding buyers for farms that they have preserved and want to resell with permanent deed restrictions.

Transfer of Development Rights Bank

New Jersey's Transfer of Development Rights (TDR) Bank is located in, but not of, the SADC, which provides staff to its Board of Directors. The Bank provides financial and other assistance to landowners and to municipalities that enact TDR ordinances. Rules establishing TDR Bank operating procedures – including those for the purchase of development credits – were adopted by the Board of Directors in May 2000.

TDR programs are designed to encourage a shift in growth away from agricultural, environmentally sensitive or open space regions of a municipality to more appropriate areas. Landowners in areas where land use is restricted are allowed to sell their development rights – or development credits. Purchasers of these credits then may use them to build elsewhere in a designated growth area at a higher density than is normally allowed in a town's zoning ordinance.

The TDR Bank maintains a statewide registry of land protected through the transfer of development rights. As of June 30, 2000, four properties totaling 563 acres had been preserved through the Lumberton Township, Burlington County, TDR program. The landowners of these properties preserved them by enrolling their total of 191 development credits with the township. Developers have purchased all of those credits and at the end of the fiscal year had used all but four credits to build at higher densities in a designated growth area.



State Agriculture Development Committee

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