

Appendix B: Agriculture and Open Space Preservation Toolkit

Agricultural and Open Space Preservation Toolkit

Ada County, its residents, and community stakeholders have emphasized the importance of preserving land for agriculture and open space during recent Issue Summits held as part of the Comprehensive Plan update. Two polls of stakeholders in February 2016 indicate broad support for these goals. Out of nearly 30 Agriculture Policy Summit participants, 84 percent felt the County should facilitate agricultural land preservation, while 95 percent of the 20 Open Space Policy Summit participants felt the county should facilitate open space acquisition. This memo provides a discussion of tools available to Ada County to support these objectives, categorized into two broad approaches.

The first approach involves supporting policies, programs, activities, or relationships that facilitate land preservation. In this role, the County facilitates local governments, organizations, and individuals understanding of common land preservation objectives, and provides assistance, guidance, and supervision in planning and achieving the desired outcomes. Where land development and preservation often entail arrangements between landowners and other land conservation organizations, facilitation can be a very effective tool.

In a second approach, the County can implement mechanisms to directly fund the preservation of agricultural and open space land. In this role, the County must identify land preservation funding needs, and either develop or designate revenue streams specifically for those needs on an ongoing basis; or provide discretionary funds through the county budgeting process. There are a number of options available to the County for generating and allocating public funds, described in greater detail in this memo.

The figure below illustrates the various alternatives under the facilitation and funding approaches for agricultural and open space land preservation:

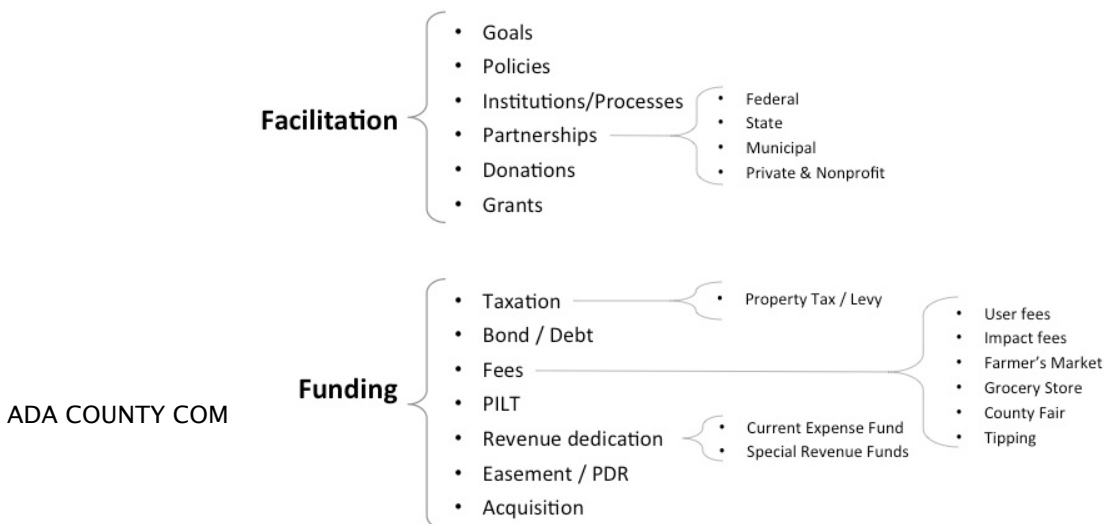


Figure 1. Approaches for supporting agricultural and open space land preservation in Ada County. Source: BBC Research & Consulting.

Facilitation

There are a number of ways that Ada County can facilitate agricultural and open space land preservation. County facilitation can serve a number of purposes, including defining a collective vision for the future of County agriculture and open space programs, promoting a culture of multi-jurisdictional collaboration, and exploring new funding opportunities beyond County funds.

Goals. The County has developed a set of goals to facilitate agricultural and open space land preservation as part of the Comprehensive Plan, defining the county's vision of the future for each. These goals provide direction for policies aimed at conserving open space and preserving agricultural land. By developing and codifying land preservation goals, the County can increase awareness among governments, organizations, and individuals alike. Policy goals that can be quantified with available data, scientific information or objective observation allow the County to benchmark, measure, and motivate progress towards their achievement.

As part of the Comprehensive Plan, Ada County has laid out several goals related to agricultural land preservation and open space acquisition, including:

- **Goal 1.2:** Develop and implement a long-range plan for the acquisition, creation and maintenance of new and existing pathways and trails that form an interconnected countywide system.
- **Goal 1.3:** Develop and maintain a comprehensive system of recreation areas and programs for the use and enjoyment of residents of all ages and abilities.

- **Goal 1.4:** Foster coordination among city, state, and federal agencies, as well as private entities, to provide a full range of recreational opportunities to County residents.
- **Goal 2.4:** Protect the character and functions of distinct uses in rural, unincorporated parts of Ada County.
- **Goal 2.5:** Continue to support the agricultural industry and preservation of agricultural land in rural, unincorporated parts of Ada County.
- **Goal 3.3:** Maintain Ada County’s strong agricultural industry.

Policies. For Policy Summit attendees, strengthening goals and policies was one of the primary ways they thought Ada County should focus its efforts. Under each of the goals above, there are a number of policies that the County has developed as part of the Comprehensive Plan in order to foster agricultural land preservation and open space recreation, listed below.

- **Policy 1.2a—Trails and trailheads.** Support acquisition, preservation, and maintenance of trails and trailheads through a variety of means, such as but not limited to private donations, targeted land acquisitions, environmental protection regulations, and volunteer efforts.
- **Policy 1.2c—Regional collaboration.** Actively collaborate with city, state, and federal agencies, private entities, and other organizations to implement adopted local, state, and federal trails plans.
- **Policy 1.2i—Trail maintenance.** Continue to utilize volunteers and the Sheriff’s Inmate Labor Detail in maintaining and building trails.
- **Policy 1.3a—Recreational services.** Provide a range of recreational services at County–managed facilities within unincorporated areas, including non–traditional services such as boat docks, off–trail BMX and/or mountain biking opportunities, archery ranges, gun clubs, equestrian trails, wildlife viewing areas/sanctuaries, etc., consistent with demand for such facilities by County residents and the ability of the County and partnering agencies or groups to finance them.
- **Policy 1.3b—Park and recreation planning.** Coordinate park and recreation planning with Boise, Canyon and Elmore Counties, cities in Ada County, state and federal agencies such as the BLM, US Forest Service, and the Idaho Department of Parks and Recreation (IDPR) and other non–governmental organizations.

- **Policy 1.3d—Acquisition and development.** Acquire and develop new parks and recreation areas, land, or facilities consistent with identified community goals and priorities.
- **Policy 1.4a—Open space preservation.** Support preservation of open space and natural areas through a variety of means such as, but not limited to, private donations, targeted land acquisitions, environmental protection regulations, or development mitigation measures such as conservation easements and development easements.
- **Policy 1.4b—Open space programs.** Coordinate open space programs in Ada County with those of the incorporated cities and Planned Communities of Ada County, as well as with other regional agencies and jurisdictions and other non-governmental organizations that are involved in open space programs.
- **Policy 1.4c—Development plans.** Require new development to provide for parks and open space through acquisition, dedication, or impact fees.
- **Policy 1.4d—Special projects.** Continue to seek opportunities to partner with the cities and others on parks, trails, or other special projects as opportunities to arise.
- **Policy 2.4a—Agriculture.** Protect agricultural activities from land-use conflicts or undue interference created by existing or proposed residential, commercial, or industrial development. (See Goal 2.5 for additional policy guidance.)
- **Policy 2.4b—Rangeland.** Encourage cooperative land management efforts among public agencies and private land owners.
- **Policy 2.5a—Right to farm.** Support the right to farm in accordance with Idaho Code §§ 22-4501, recognizing that dust, noise, and odors normally associated with agricultural pursuits are considered acceptable in rural areas. Ensure non-agricultural development does not restrict adjacent agricultural operations.
- **Policy 2.5b—Prime agricultural land.** Support the conservation of prime agricultural land and irrigated farmland in collaboration with land owners using available tools at the local, state, and federal level.
- **Policy 2.5d—Sustainable agricultural practices.** Encourage water conservation, efficient irrigation, and other sustainable practices in all local food production activities, regardless of scale.
- **Policy 2.5e—Economic Impact of Agriculture.** Consider the economic impact of agricultural operations in land use decisions.

- **Policy 3.3a–Economic benefits.** Recognize the role of agriculture in the local, regional, and state economy. Monitor and report economic benefits on an annual basis.
- **Policy 3.3b–Food security.** Protect existing agricultural land in rural unincorporated areas and support efforts to bring additional land or operations into production countywide where viable as a means to support local producers, reduce transportation costs and resources needed to import food to the region, and enhance food security.
- **Policy 3.3c–Agricultural production.** Protect the County’s capacity for agricultural production at a variety of scales and for a variety of purposes—livestock or crop production, food production, greenhouse and nursery crops, specialty farming, aquaculture, and others—recognizing that advances in technology and industry practices will continually evolve and new industries may emerge over time.
- **Policy 3.3d–Agricultural processing.** Continue to support limited development of agricultural processing businesses seeking to leverage the County’s location, transportation networks, and proximity to agricultural producers, provided they do not adversely affect adjacent uses.

Institutions and processes.

Local governments generally have the authority to establish government entities or task forces with specific objectives. In order to facilitate improved agricultural and open space land preservation, Ada County could establish dedicated institutions and processes to ensure that the associated policies are being implemented and goals achieved.

Ada County convened one such entity in 2007 with the Open Space Advisory Task Force. This group was appointed to create conservation priorities, identify priorities for public open space acquisition, provide recommendations for funding or incentives to create and maintain the public open space priorities, evaluate existing public lands, and make recommendations for the exchange or consolidation of these public lands. The Task Force presented their findings to the Board of Ada County Commissioners in 2008¹. As a result of their recommendations, the Ada County Parks, Open Space & Trails Advisory Board was formed. This Advisory Board currently meets monthly to provide guidance and carry forward the recommendations of the Task Force plan.

¹ Ada County Open Space Advisory Task Force. “Findings and Recommendations.” April 22, 2008. Presented to the Board of Ada County Commissioners.

A similar task force or government entity could also be established for the preservation of agricultural land. About 80 percent of the participants at the Agriculture Policy Summit favored the creation of an agricultural land conservation advisory board.

Partnerships.

Another approach for supporting the preservation of agricultural and open space lands is for the county to establish strategic partnerships with organizations that can provide support or resources for these objectives. A number of governmental, nonprofit and private organizations often partner with local governments for the purpose of supporting agriculture and open space.

Federal. There are several federal agencies dedicated to agricultural land and open space objectives. The United States Department of Agriculture (USDA) is the primary federal department responsible for overseeing agricultural land use and preservation. The USDA has two primary programs for land preservation:

- The Natural Resource Conservation Service (NRCS)² is an organization that actively supports the preservation of agricultural lands. Their Agricultural Conservation Easement Program (ACEP) provides financial and technical assistance to help conserve agricultural lands and their related benefits. Under the Agricultural Land Easements (ALE) component, NRCS helps American Indian tribes, state and local governments and non-governmental organizations protect working agricultural lands and limit non-agricultural uses of the land.
- The Grassland Reserve Program (GRP)³ works to prevent grazing and pasture land from being converted into cropland or used for urban development. In return for voluntarily limiting future development on their land, farmers can receive rental payments.

The Farm Service Agency (FSA)⁴, a division of the USDA, oversees a number of programs related to the conservation of open space and agricultural lands.

- The Conservation Reserve Program (CRP)⁵ provides annual payments and cost sharing incentives to encourage farmers to convert highly erodible cropland to vegetative cover such grasses, wildlife plantings, trees, filterstrips, or riparian buffers.

² <http://www.nrcs.usda.gov/wps/portal/nrcs/site/national/home/>

³ <http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/easements/grassland/>

⁴ <http://www.fsa.usda.gov>

APPENDIX C: MAP ATLAS

- The Conservation Reserve Enhancement Program (CREP)⁶ is a voluntary federal–state cooperative conservation program for agricultural landowners, providing incentive payments for establishing long–term, resource conserving covers on eligible land.
- The Farmable Wetlands Program (FWP)⁷ is designed to restore wetlands and wetland buffer zones that are farmed. FWP gives farmers and ranchers annual rental payments in return for restoring wetlands and establishing plant cover.
- FSA also makes direct and guaranteed farm ownership and operating loans⁸ to family–size farmers and ranchers who cannot obtain commercial credit. FSA loans can be used to purchase land, livestock, equipment, feed, seed, and supplies, or to construct buildings or make farm improvements. A similar program is available exclusively for beginning farmers and ranchers⁹.

Other federal programs dedicated to open space conservation include:

- The United States Forest Service (USFS)¹⁰ emphasizes the importance of open space conservation in their Open Space Conservation Strategy. This Strategy envisions the USFS as a catalyst and motivator, in partnership with tribes and local communities, to contribute to open space conservation as a policy advisor at the national level, a convener at the regional level, and an information provider and stakeholder at the local level.
- The U.S. Department of Transportation (USDOT)– Federal Highway Administration’s Fixing America’s Surface Transportation (FAST) Act¹¹ is a Surface Transportation Block Grant (STBG) program funding for transportation alternatives. These funds encompass a variety of smaller–scale transportation projects such as pedestrian and bicycle facilities, recreational trails, safe routes to school projects, community improvements such as historic preservation and vegetation management, and environmental mitigation related to stormwater and habitat connectivity.

⁵ <https://www.fsa.usda.gov/programs-and-services/conservation-programs/conservation-reserve-program/index>

⁶ <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=lown&topic=cep>

⁷ <https://www.fsa.usda.gov/programs-and-services/conservation-programs/farmable-wetlands/index>

⁸ <http://www.fsa.usda.gov/programs-and-services/farm-loan-programs/index>

⁹ <http://www.fsa.usda.gov/programs-and-services/farm-loan-programs/index>

¹⁰ http://www.fs.fed.us/openspace/national_strategy.html

¹¹ <http://www.fhwa.dot.gov/fastact/>

- USDOT also oversees the Recreational Trails Program (RTP)¹², which provides funds to states to develop and maintain recreational trails and trail-related open space facilities for motorized and non-motorized recreational trail uses.
- The Department of Interior – National Park Service operates the Rivers, Trails, and Conservation Assistance (RTCA)¹³ Program is designed to provide assistance to community-led natural resource conservation and outdoor recreation initiatives. RTCA conservation and recreation planning professionals partner with community groups, nonprofits, tribes, and state and local governments to design trails and parks, conserve and improve access to rivers, protect special places, and create recreation opportunities.

State. There are opportunities for Ada County to partner with state government organizations in Idaho that support agricultural and open space land uses. The Idaho Soil Conservation Commission (ISCC)¹⁴, a non-regulatory natural resource agency of the Idaho Department of Agriculture¹⁵, works to coordinate programs related to agriculture and related natural resources. ISCC provides for natural resource conservation improvements, projects, and programs at the local level, cooperating with Conservation Districts, state and federal agencies. The Commission leads efforts to conserve, sustain, improve, and enhance Idaho’s private and state lands, and to provide assistance to private landowners and land users to plan, develop, and implement conservation plans addressing soil, water, air, plant, and animal resources.

In 2000, ISCC partnered with five other groups to form Idaho’s core conservation partnership, which now includes the Idaho Association of Soil Conservation Districts (IASCD)¹⁶, USDA Natural Resources Conservation Service¹⁷, the IASCD Auxiliary, the Idaho District Employees Association¹⁸, and the Idaho Resource Conservation and Development Association¹⁹. This alliance of conservation organizations provides many programs and services designed to assist in the implementation of a wide range of conservation activities.

¹² http://www.fhwa.dot.gov/environment/recreational_trails/

¹³ <https://www.nps.gov/orgs/rtca/index.htm>

¹⁴ <http://www.agri.idaho.gov/AGRI/Categories/Environment/scc.php>

¹⁵ <http://www.agri.idaho.gov/AGRI/>

¹⁶ <http://www.iascd.org/>

¹⁷ <http://www.id.nrcs.usda.gov/>

¹⁸ <http://idea.ncdea.org/index.htm>

¹⁹ <http://www.idahorcd.org/IRCDA/state.htm>

The Idaho Soil and Water Conservation Commission (ISWCC)²⁰ also features programs aimed at agricultural conservation. The Resource Conservation and Rangeland Development Loan Program (RCRDP)²¹ provides low-interest loans to landowners to install conservation measures on private property. Eligible projects address soil and water issues, like improving riparian areas or enhancing fish and wildlife habitat. ISWCC also administers Idaho OnePlan²², which provides resources to help farmers and ranchers to create online conservation plans.

Municipal. Ada County may also consider partnering with the local municipal Parks & Recreation departments to collaborate on policies, projects, acquisitions, easements, or funding for agricultural and open space preservation. Some municipalities may have dedicated agencies dedicated to these purposes, such as the newly approved Boise Open Space and Clean Water Advisory Committee. Municipalities may also have dedicated funding sources that can be used in concert with County funds to leverage grants that require matching funds or for direct land acquisition or easement purchase.

Private & Nonprofit. A number of private and nonprofit organizations are dedicated to agricultural and open space land preservation.

Land trusts are private nonprofit organizations that actively work to conserve land by assisting with conservation easement acquisition or by planning and managing land use and easements. The goal of conservation land trusts is to preserve natural areas, particularly for agriculture or open space. Land trusts utilize a number of strategies to accomplish these goals, including land acquisition, purchasing development rights or conservation easements, or providing funding to private buyers or government organizations for these activities.

As non-profit organizations, land trusts generally rely on volunteers, donations, grants, and public programs for their operations and activities. Within the Ada County area, there are two major land trust organizations – The Idaho Coalition of Land Trusts²³ and the Land Trust of the Treasure

²⁰ <http://swc.idaho.gov>

²¹ <http://swc.idaho.gov/what-we-do/conservation-loans>

²² <http://www.oneplan.org>

²³ <http://www.idaholandtrusts.org>

Valley²⁴. National organizations with an active presence in Idaho include The Trust for Public Land²⁵, The Conservation Fund²⁶, The Nature Conservancy²⁷, and Farm Aid²⁸.

Donations. In order to generate interest and outside funding for preserving agricultural or open space lands, the County may facilitate fundraising from outside sources. For example, the County may actively seek donations or volunteer hours from organizations or individuals with an interest in agriculture and open space. Funds or resources donated to these programs can then be used specifically to achieve the County's goals for land and open space preservation.

Grants. The County may also apply, or facilitate applications for grants to help support agricultural land preservation and open space recreation. Governments usually provide assistance through local matching funds. Both federal and state grants are available for these purposes.

The USDA's Natural Resources Conservation Service (NRCS) administers the Farm and Ranch Lands Protection Program, which offers grants to help purchase the development rights of ranch and farm properties to ensure they continued to be used for agricultural purposes. The NRCS also provides cost-share assistance to eligible entities to purchase agricultural easements, up to 50 percent of the fair market value of the easement. If there is a determination that grasslands of special environmental significance will be protected, up to 75% can be funded.

The State of Idaho has established a process for conservation grants, provided by the ISWCC. Under Title 22 Chapter 27 of the Idaho Statutes²⁹, applicants may file an application with the local soil conservation district or the state soil and water conservation commission for a grant from the state soil and water conservation commission general fund for the purpose of financing conservation improvements, projects and implementation of the water quality program for agriculture.

²⁴ <http://www.lttv.org>

²⁵ <https://www.tpl.org>

²⁶ <http://www.conservationfund.org>

²⁷ www.nature.org/

²⁸ <https://www.farmaid.org>

²⁹ <http://legislature.idaho.gov/idstat/Title22/T22CH27SECT22-2733.htm>

Funding

There are a number of direct funding options for Ada County to preserve agricultural and open space land. In this approach, the county collects and/or allocates funds specifically to use for these purposes.

Taxation. Ada County's primary local funding source for government activities and capital funding is an ad valorem (property) tax that is added to the County's general fund (or Current Expense fund). General County funds can be re-allocated to open space and agricultural land preservation. The County can also use several methods to raise and dedicate specific funds for agricultural or open space land preservation, described below.

County property tax. In Idaho, the primary source of county tax revenue is property tax. Property taxes are levied on properties within a county's jurisdiction, and require the owner to pay a percentage of the assessed value of the property to the county. Idaho Code 63-805 establishes county authority to levy a property tax rate of up to 0.0026. Revenues from this levy are held in the county's Current Expense fund, and may be allocated based on the Board of Commissioners' discretion. The total property tax revenue levied for general purposes by Ada County in fiscal year 2014 was nearly \$93 million³⁰. In order to support the preservation of agricultural or open space lands, the County could reallocate a portion of this existing property tax revenue stream to these objectives.

Special levy funds. A second possibility would be to create a separate property tax levy and associated fund dedicated to supporting agriculture and open space. In order to do so, a county must have statutory and budgetary authority for the new tax under the Idaho Code. Agriculture and open space are not explicitly authorized under the state code, however the County may impose a property tax levy of 0.0001 for the purchase and maintenance of County Fair Grounds. The County is also authorized to impose a levy of up to 0.0001 for Parks and Recreation. This levy may be used for "the acquisition, maintenance and operation of public parks or public recreational facilities."³¹ Revenue collected under this authorized tax must be apportioned to a fund designated specifically for uses related to parks and recreation.

³⁰ Comprehensive Annual Financial Report. Ada County, Idaho. Fiscal Year Ended September 30, 2014.

³¹ Idaho Code 63-805

One example of a successful local levy program aimed at protecting plants, wildlife, soils, slopes, recreation and public open spaces is the Boise City Foothills Open Space Management Plan. This plan was developed by several federal, state, and local land management agencies in 2000, along with private landowners. A special election was held in 2001, and voters authorized a \$10 million property tax, to be collected over two years. The tax ultimately generated nearly \$12 million, and these funds were used to protect nearly 11,000 acres, valued at about \$38 million, through fee–title purchase, donation, bargain sale or exchange. The city of Boise is the only city in Idaho that has created a special fund for the protection of open spaces, funded by property tax. In 2015, Boise voters approved a renewed commitment to the plan, with a projected \$10 million in property taxes expected in 2016 and 2017³². It is important to note that counties and cities do not necessarily have the same statutory authority to impose similar property taxes.

Property tax exemptions. While property taxes are generally levied to generate revenue, they may also be useful for incentivizing agricultural or open space land use. Idaho currently allows significant property tax exemptions for land actively devoted to agriculture by lowering the taxable value of eligible lands. Property tax exemptions are also often available for landowners that enter into conservation easement or Purchase of Development Rights agreements, described in more detail in a later section.

Special taxing districts. A final option for generating property tax revenue for agricultural and open space lands would be to establish a dedicated tax district. Under Idaho Code 31–4318 and 31–4304A, a Board of County Commissioners may issue an order forming a recreational tax district with 60 percent approval from voters within the proposed district. Recreation tax districts may overlap with the County’s Parks and Recreation Department, though multiple recreation tax districts may not overlap. Within Ada County there is currently only one recreation tax district, the Western Ada Recreation District, located in the northwest part of the county. The remainder of the county is eligible for the establishment of a recreation district, which could then impose and collect a property tax levy of up to 0.0006, dedicated to acquiring, providing, maintaining and operating public recreation centers, picnic areas, camping facilities, ball parks, recreational pathways, ski areas, and golf courses and public transportation systems and facilities.

³² <https://parks.cityofboise.org/about-us/open-space/>

Bonding. Another funding option for Ada County to acquire or support agricultural and open space land preservation is to issue a bond in order to generate revenue. Under Idaho Code 31-1903, the board of county commissioners may issue bonds for purchasing public open-space land and/or easements for scenic and recreational purposes. In order to issue a bond dedicated to these goals, Ada County would need to submit the bond measure for two-thirds voter approval. Once approved, the County would sell the bond for a cash purchase price, in exchange for a promise to repay bondholders over time. The length and interest terms of repayment often depend on the size of the bond. The issuance of bonds is an attractive source of financing, as Section 103 of the Internal Revenue Code allows local governments to obtain a lower borrowing rate for bonds than for other lending channels. The bond could be repaid with a dedicated revenue source (i.e., a revenue bond with a levy) or through county general funds (i.e., general obligation bond).

Fees. County governments also collect revenues in the form of fees imposed for various activities or uses. Each type of fee has specific criteria and allowed uses, described in further detail below.

User fees. User fees are collected for the use of certain facilities by the public, such as parks, public spaces, highways, and parking, and are established based on the cost of providing the service. In Ada County, user fee revenues support emergency medical services, sanitation, county fair activities and billing services operating costs. These revenues could also be used to support the operations of government entities dedicated to agricultural and open space land preservation. Ada County could implement additional user fees on a number of activities, particularly where the activity is related to agricultural land or open space. Examples of these activities could include a voluntary entrance fee at Farmer's Markets or County Fairs, or to charge fees to use county open space and public land.

In order to establish new user fees, the County Commissioners must issue public notice and hold public hearings on the proposed fee. Fee increases of 5% or more must also follow these requirements.

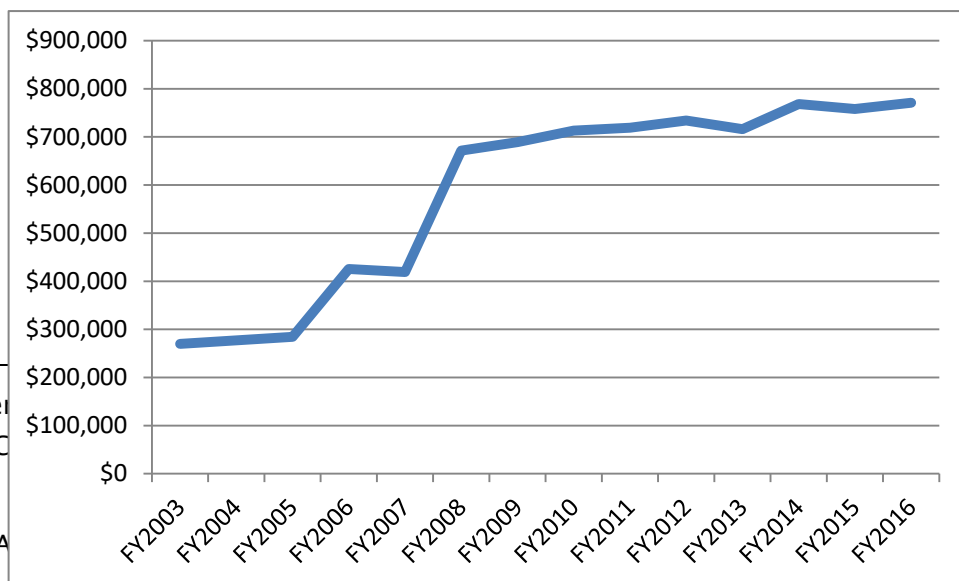
Development impact fees. Another type of fee available to Ada County is a development impact fee. Idaho Code 67-8202 allows governmental entities to impose development impact fees. These fees may be imposed in order to ensure that adequate public facilities are available to serve new growth and development. In Ada County, 'adequate public facilities' may include agricultural or open space lands. Impact fees must ensure that those who benefit from new growth and development are required to pay no more than their proportionate share of the cost of public facilities needed to

serve new growth. These fees could be imposed on new developments that generate additional need for agricultural or open space land. Multiple municipalities in Ada County impose development impact fees and the County can work with the municipalities to develop best practices to preserve agricultural land and open space of regional importance.

Payments in lieu of taxes (PILT). PILT payments are made from the federal government to local governments each year to offset losses in property tax revenues due to the presence of nontaxable Federal lands with their jurisdiction. These types of land include those administered by the Bureau of Land Management, the National Park Service, the U.S. Fish and Wildlife Service (all agencies of the Interior Department), the U.S. Forest Service (part of the U.S. Department of Agriculture), and for Federal water projects and some military installations. PILT payments to a county are not required to be further distributed to other local governments entities such as municipalities or school districts.

Common uses of PILT payments include funding vital services such as firefighting and police protection, construction of public schools and roads, and search-and-rescue operations. However, Section 6902 of U.S. Code Public Law 97-258 explicitly authorizes the use of PILT payments for any governmental purpose, which could include supporting agricultural or open space land preservation.

In 2016, Ada County received \$770,915 in PILT payments, continuing an upward trend seen in Figure 2 below. In recent years, PILT payments received by the County have been allocated into the current expense fund for discretionary allocation³³.



³³ Ada County Open Space...
the Board of Ada C

Figure 2. Annual PILT Payments to Ada County. Source: U.S. Department of the Interior.

Revenue Dedication

Funds that are collected directly by the County may be allocated for agricultural and open space land conservation through two primary channels.

Current expense fund. The County’s current expense fund accounts for all financial resources except those included in special revenue funds. The current expense fund provides the financial resources necessary for day-to-day operations, including administrative and operating costs. Current expense fund expenditures are dedicated through Ada County’s annual budgeting process, and are allocated to meet the priorities determined by the County Commissioners. The county commissioners can allocate current expense funds to agricultural and open space land preservation at their discretion.

Special revenue funds. Ada County may also consider creating a special revenue fund (SRF) specifically for agricultural and open space land preservation. SRFs are legally restricted to expenditures for specific purposes, and are generally funded by the proceeds of specific revenue sources. In some cases, SRFs may not have a specific revenue source, but are composed entirely of transferred resources. Other SRFs combine multiple revenue sources that are limited to a common purpose, such as the license fees and motor fuel taxes that finance highway operations and maintenance.

Supporting Agricultural and Open Space Land Preservation

Once the County has collected and allocated funding for agricultural and open space land preservation, there are three primary purposes for which these funds may be spent to support these objectives.

Land acquisition. Land acquisition allows the county to obtain full ownership of land and water rights via direct purchase. When land is purchased, the County retains full authority to restrict land use to agricultural activities, or to develop open space recreation. In both cases, the full carrying costs of the land, i.e. maintenance and upkeep, are also the full responsibility of the County. Land acquisition is costly, and local governments may not have the necessary resources. However, Ada County demonstrated its ability and willingness to purchase land in 2012, buying 250 acres of a foreclosed subdivision for \$240,000. Policy Summit attendees overwhelmingly supported open space acquisition by a margin of 86 percent in favor versus 5 percent against.

Maintain or improve existing lands and open spaces. The County may expend funds to maintain or improve existing agricultural lands and open spaces. This could take the form of upkeep such as mowing and maintenance, or developing open spaces to support recreational activities.

Purchase development rights. The County may also use funds to purchase development rights from landowners in order to restrict allowed land uses. These programs, also known as conservation easements, are described in detail below. Stakeholders at the Policy Summits also firmly approved PDR programs, with 100 percent of the open space attendees and 80 percent of the agricultural land attendees supporting further evaluation of a County PDR program.

Easements and Purchase of Development Rights (PDR)

Local governments may pursue a voluntary legal agreement, known as an easement, with a landowner to limit the use of land in order to protect its agricultural use and conservation value. Easements may be donated by the landowner, or purchased by non-profit entities such as a land trusts or conservation organizations, as well as local governmental entities. When an easement is purchased, the agreements are also referred to as a purchase of development rights (PDR). These programs can be flexible since the terms of the easement can be adapted to the needs of the landowner and the easement holder, as well as the values of individual communities.

PDR programs and easements often have combined goals of preserving natural areas, agricultural lands and open space. In order to achieve these goals, conservation easements typically restrict certain types of real estate development on the lands. Easement and PDR programs usually have specific criteria to assess the eligibility of lands for protection, and are coordinated with local comprehensive plans and agricultural preservation programs. This is particularly important to garner

support for funding measures to support acquisition of development rights and placing conservation easements, especially for government entities.

Once an easement is established, it is recorded in local land records, and represents a real interest in the property for the easement holder. The restrictions of the easement are then applicable in perpetuity, for current and future owners of the land. The easement holder is responsible for monitoring land use to ensure and enforce compliance with the easement terms.

A key characteristic of PDRs and conservation easements is that they allow the easement holder to achieve specific conservation objectives on the land. However, the land remains under the ownership and control of landowners, and they retain the right to sell or transfer the land. While conservation easements restrict certain land uses for the owner, they generally do not grant any use of the land for the easement holder or the public.

Conservation easements have appeal for landowners since some may qualify the landowner for state income tax credits or property tax incentives. However, easements may reduce the sale value of land because it can no longer be developed for certain uses. This pre- and post-easement valuation difference forms the basis for the tax incentives.

Public funds can be, and are, used to purchase development rights in a PDR program. For county governments, these funds could come from the current expense fund or dedicated special revenue funds. Federal funding is also available for eligible easement purchases, as described in previous sections.

Under the repealed FRPP program, Idaho received an allocation of just over \$9,500,000 in 2013³⁴. In 2014, Idaho received \$3,682,000 in funding under the new ALE program. Three agricultural land easements protecting 4,254 acres were recorded in 2014 with assistance through the ALE program³⁵. According to the NRCS Idaho Office website, nearly 1.21 million is allocated in the ALE program for fiscal year 2016. Applications to participate in the program are accepted through January prior to the upcoming fiscal year.

³⁴ Farm and Ranch Lands Protection Program, Farmland Information Center, 2014

³⁵ Natural Resources and Conservation Service website.

http://www.nrcs.usda.gov/Internet/NRCS_RCA/reports/srpt_cp_acep.html#ncpd

Based on data from the National Conservation Easement Database³⁶, there are currently around 700 conservation easements in the Idaho protecting, 297,964 acres. However, only one conservation easement in the state is held by a local government. The Ada County Assessor's office currently does not track or maintain data on easements³⁷.

Summary

This memo outlines several options available to Ada County to actively support agricultural and open space land preservation. The amount of effort and resources needed for each approach vary significantly. Many facilitation efforts would require little more than communication and coordination, while efforts to directly fund agricultural and open space land preservation could require more intensive actions by the county, such as voter approval for the establishment of new taxes or fees.

Based on polling results from the February 2016 Policy Summits, a large majority of stakeholders support County efforts to both facilitate and fund agriculture and open space. Many respondents believe the County should focus on strengthening goals and policies for both agricultural and open space land preservation. The second most supported facilitation approach for both land uses was to create or reform county level processes for land preservation, such as re-forming an open space advisory committee. Poll results show that stakeholders strongly believe Ada County should evaluate an easement or PDR program for both agricultural and open space land preservation.

Policy Summit participants had differing preferences for funding agricultural versus open space land preservation. Polling results show that stakeholders slightly prefer the dedication of existing revenues for agricultural land, followed closely by imposing new taxes or levies. On the other hand, respondents overwhelmingly believed that a new levy or debt should be used to fund open space acquisition.

As the County continues to develop a new Comprehensive Plan, this memo and these survey results should provide valuable guidance for identifying the appropriate and preferred approaches for supporting the preservation of agricultural and open space lands.

³⁶ http://www.conservationeasement.us/reports/easements?report_state=Idaho&report_type=All

³⁷ <https://adacounty.id.gov/Assessor/Land-Records/Land-Records-FAQs>