

**Financing Land Preservation in
Talbot County, Maryland**

**Final Program Report
Prepared by the Environmental Finance Center
University of Maryland**

November 9, 2005

Executive Summary

On June 22, 2005, the Environmental Finance Center, on behalf of Talbot County, Maryland, convened a financing workshop to assist County officials in their efforts to finance and implement a new Countryside Preservation Area program. The goal of the event was to develop the framework for financing and implementing a plan for protecting more than 11,000 acres around each of the four incorporated municipalities within the County. This report, developed by the staff at the Environmental Finance Center and the expert panelists who participated in the charrette, outlines the core components of a sustainable, effective financing strategy, and provides detailed next steps and recommendations for implementing this core feature of the County's new Comprehensive Plan.

The report contains three key sections:

- A summary of the June 22 financing charrette and an overview of the key issues discussed by the participating panelists.
- An overview of a financing template and a suggested process for developing and implementing a financing strategy.
- A list of the participating Charrette Panelists.

This program was managed and implemented by the Environmental Finance Center at the University of Maryland. The Environmental Finance Center (EFC) is an independent non-academic center located at the Institute for Governmental Service at the University of Maryland. EFC has worked with communities in EPA Region 3 for more than 11 years. One of EFC's core strengths is its ability to bring together the organizations and individuals necessary to help communities develop solutions for a wide variety of problems. Through workshops, charrettes and trainings, EFC has assisted communities with source water protection, stormwater management, green space and green infrastructure planning, low impact development, rate setting for drinking water and wastewater, septic system management, aquatic restoration, and community outreach and education. EFC's work on this program was made possible by a grant from the U.S. Environmental Protection Agency Sustainable Finance Team.

Summary of the June 22 Financing Workshop

On June 22, 2005, the Environmental Finance Center, in partnership with the Eastern Shore Land Conservancy, conducted a financing workshop on behalf of the Talbot County Government. The purpose of the workshop was to develop a strategy for financing and implementing the County's proposed Countryside Preservation Area program. The workshop, conducted in a roundtable format, engaged local stakeholders with a panel of experts from a variety of disciplines. The workshop provided a unique forum for leaders and resource experts to identify innovative tools and best management practices necessary for protecting the estimated 11,000 acres targeted for protection as part of this program. The panel's work focused on two core areas: (1) clearly defining the barriers facing the County in its effort to implement the Countryside Preservation Area program; and (2) developing the framework for a sustainable financing and implementation strategy for the program. As part of its discussions, the panel identified the following key issues for the County to address in order to achieve its land protection goals:

- Since implementation of the Countryside Preservation Areas program will require the protection of an additional 11,000 acres of land surrounding the four incorporated towns in Talbot County, the County will need a long-term financing strategy in place to guide the process of land acquisition.
- The charrette panel felt strongly that a sustainable financing strategy must begin with the community itself. The costs associated with permanently protecting 11,000 acres of land near the Chesapeake Bay are estimated to be in the tens of millions of dollars. Ultimately, a sustainable plan to finance a land protection program of this magnitude must include a local tax or fee-based program.
- One of the unique features of Talbot County's governance structure is its low tax rate, held in place by a tax cap. Though the panel recognized that the County's low taxes are desirable feature within the community, the tax cap severely limits the community's ability to implement an effective financing strategy. The charrette panel recommended implementing an effort to increase necessary revenue, either by providing an exception to the cap or by devising an alternative fee structure.
- The County's Comprehensive Plan specifically targets agricultural protection as a primary goal. Though the Countryside Protection Area will help guide population growth and protect the County's rural culture and heritage, it will not in and of itself protect the County's agricultural economy. Therefore, protecting land — including working landscapes — will mean supporting the agricultural economy, a concern that will require programs with a broader reach than the Countryside Preservation program.
- In the initial charrette discussions, the panel identified a number of areas of concern that would need to be addressed if the Countryside Preservation Area program is to achieve its goal of effectively managing growth while preserving the rural character of the County. These concerns focus primarily on the rapport the County needs to establish with the various stakeholder groups most likely to be affected by changes likely brought about by the Countryside Preservation Area program. Their buy-in will be critical to the success of the program. If County leaders carefully consider how to best engage the various stakeholders in

this process, they can avoid many potential problems and minimize conflicts. Critical stakeholder groups include:

- The Four Municipalities: The County's growth management efforts will affect and be affected by the towns of Trappe, Easton, St. Michaels, and Oxford. It is essential that County officials build on existing relationships with these communities and improve communication and cooperation with municipal officials.
- Landowners: In many ways, the decisions of landowners within the Countryside Preservation Areas will determine the program's success. These landowners must have their equity fairly recognized. This is especially true for farmers located in the Countryside Preservation Areas, as their continued presence is critical to maintaining the agricultural character of the area (see below).
- Talbot County Residents: Talbot County's residents enjoy the lowest tax rate in the State of Maryland and a 2% cap on property taxes. The tax as it stands limits the County's ability to acquire the land in the Countryside Preservation Areas with funds it already has, though asking voters to lift the cap has proven an unpopular and typically unsuccessful option.
- The Farming Community: According to Talbot County Agriculture, 107,000 acres of Talbot's more than 172,000 acres of land are classified as farmlands. With agriculture accounting for more than 60% of Talbot County's land, the successful implementation of the Countryside Preservation Areas will require the County to find ways to partner with the wider farming community.

Each of these core issues was addressed at the June 22 charrette. They provided the basis for the panel's discussion, and serve as the foundation for the following financing strategy.

Recommended Financing Strategy

Effective financing provides leaders at all levels with a unique tool for identifying and overcoming fiscal, institutional, and administrative barriers to restoring and protecting natural resources. Effective financing in the public sector is predicated on two core components: identifying and leveraging sustainable, dedicated revenue streams, and expending fiscal resources in a manner that improves program efficiency and the return on investment. By understanding the relationship between these financing components, as well as the tools, programs, and best management practices that impact them, community leaders will develop more effective programs that will greatly improve implementation success while reducing overall implementation costs.

This report focuses on providing Talbot County officials with recommendations for impacting each of these areas, specifically:

- The opportunities for increasing the community's capacity by identifying and leveraging sustainable revenue sources.
- Effective tools for reducing and managing program costs.
- Improving the efficiency of program expenditures, with a focus on increasing return on investment.

Our hope is that by addressing each of these issues and by highlighting the connection between them and their corresponding roles within a financing strategy, Talbot County officials will have a workable template for moving the Countryside Preservation Area program forward.

Recommendation 1: Develop a dedicated, local funding source exclusively targeting open space protection in the county.

Effective financing essentially requires two things: sustainable, dedicated revenue streams and cost effective programs that increase return on investment. Recommendations for cost-reducing programs such as transfer of development rights and installment purchase plans will follow. However, successful implementation of the Countryside Preservation Area program must begin with identifying and leveraging sustainable, dedicated revenue.

Talbot County has approximately 25,000 acres of land preserved through a variety of State, federal, and easement programs. Full implementation of the Countryside Preservation Area program would result in the permanent protection of an additional 11,000 acres located around the County's four incorporated towns. This amounts to a nearly 45% increase in protected lands in the County. Based on current land and conservation easement values in the Delmarva region, cost estimates for permanently protecting land in the Countryside Preservation Area will range from \$4,000 - \$9,000 per acre. Even with the development of cost-reducing programs, implementing this program will ultimately cost in the millions of dollars. And while State and federal funding programs should certainly be part of a comprehensive financing strategy, local land protection goals will require local funding. Talbot County has an opportunity to significantly increase the amount of local revenue dedicated toward farmland and open space protection.

Analysis of the County's financial statements indicates that the County is in good fiscal shape and has in place very effective budgeting and expenditure programs. Despite this effective fiscal management, however, there are two issues that severely restrict the County's ability to fund open space and farmland protection through general funds: the County's debt capacity and its tax cap.

The County's current debt is about to double from \$24 million to \$48 million for needed capital infrastructure improvements and other vital County projects and needs. This debt increase will in turn double the County's annual debt service payments from \$2.4 million to \$4.8 million. Given the current tax base and capital budget, the increased debt load can be managed effectively. However, this increase in debt obligation will make it very difficult, if not impossible, to finance aggressive land protection programs with existing general funds. Additional spending will require new revenue sources, and development of these sources is restricted by the County's tax cap.

One of the unique features of Talbot County is its tax structure. With property tax increases limited to 2%, the County has the lowest property tax obligation in the state. However, due to the wealth of the County's residents and the value of real estate in the region, the County has one of the highest tax potentials in the state. Essentially, this means there is a significant gap between actual local revenue and potential local revenue. This gap provides an opportunity for leveraging dedicated funding sources for land preservation and conservation within the Countryside Preservation area.

Past efforts to remove or lift the tax cap have been unsuccessful, and it was the consensus of the panel that it would not be politically feasible to try again in the future. Clearly citizens value the low tax rate. However, it is also clear that citizens value the agricultural heritage of the region, and there are indications that efforts to target local resources for open space protection have an opportunity for success. The charrette panel recommended developing a dedicated revenue stream that would be outside of or an *exception* to the current tax cap, rather than a wholesale lifting or removal of the tax cap. This new funding stream could take any number of forms, including a transfer tax or a dedicated exception to the property tax. What is most important is that the revenue source be dedicated and secure, targeting land protection throughout the County, with a focus on the Countryside Preservation Area.

Next steps:

We recommend the following next steps in the process to increase local revenue:

Step One: County officials should continue to engage the charrette panelists to identify what type of revenue structure would be most effective for land protection efforts. In addition to devising a program structure, it is essential that County officials work with the panelists and other resource experts to estimate annual costs and corresponding revenue necessary to implement the Countryside Preservation Area. The results of this analysis will become the basis for Step Two – implementation of a comprehensive public education campaign to gain support for increasing local revenue for land protection.

Step Two: After developing a clear understanding of the resource needs, County officials, in partnership with conservation organizations, agricultural interests, concerned landowners, farmers, and other stakeholder groups, should develop and implement a comprehensive public campaign to pass a law allowing a new fee or an exception to the County's tax cap. Specifically, County officials should work directly with the Eastern Shore Land Conservancy and the Trust for Public Land to develop a coordinated strategy for gauging and influencing public support for a tax cap exemption for land preservation. Both organizations have a tremendous amount of experience educating citizens on the need for land protection and they would be invaluable partners in the County's efforts to implement a public referendum for increasing local resources.

This comprehensive strategy should be based on the Trust for Public Land's proven system for educating and influencing citizens on land protection issues. The program should include the following core components:

- **Feasibility research** to assess open space, park, and conservation priorities; explore fiscal capacity and finance options; evaluate legal issues and election history; and define best practices.
- **Public opinion surveys** to determine the potential level of public support for financing of parks and open space.
- **Program recommendations** covering the choice of funding mechanism, the amount and duration of financing, expenditure priorities, and public accountability.
- **Ballot measure design** to meet legal requirements, reflect popular priorities, and attract public and political support
- **Legislative support**, from bill drafting to expert testimony to designing legislative strategies.

Again, based on the input provided by the charrette panelists and other resource experts, it is our recommendation that Talbot County officials work with local, regional, and national partners to develop and implement a public campaign to provide an exemption to the county property tax that would fund implementation of the Countryside Preservation Area program.

Recommendation 2: Develop and implement an installment purchase agreement program as the basis for a purchase of development rights program.

Permanently protecting open space requires removing land development rights through conservation easements. Transfer of development rights (TDR) programs provide an opportunity to do this by creating a market for development rights. The buyer of these development rights is some private entity, usually a developer.¹ A purchase of development rights program (PDR) is a more direct approach where some entity, such as a state or local government or land trust, purchases the development rights to the land directly from the landowner. The primary advantage of a PDR program is that local officials can prioritize conservation and act immediately, as opposed to waiting for a TDR market to develop. The primary disadvantage is that the program costs money. One way of reducing the costs of a PDR program and increasing the community's return on investment is to develop and implement an installment purchase agreement program.

A third option for the County is an installment purchase agreement (IPA). An IPA is an innovative payment plan offered by a handful of jurisdictions with PDR or easement programs. By using IPAs, local governments can leverage preservation funding while lands are still available and offer landowners financial advantages that developers cannot duplicate. At settlement, the landowner grants the jurisdiction a permanent agricultural conservation easement in exchange for an IPA. IPAs spread out payments so that landowners receive semi-annual, tax-exempt interest over a term of years (typically 20 to 30). The principal is due at the end of the contract term. Jurisdictions can purchase zero-coupon U. S. Treasury bonds to cover the final balloon payments. "Zeroes" do not generate regular interest income. Instead, they yield a lump sum when the bond matures. Because zero coupon bonds cost a fraction of their face value, the public entity leverages available funds. Landowners also can sell or securitize IPA contracts at any point to realize the outstanding principal.

The advantages of an IPA program to the landowner are:

- Tax-exempt interest semiannually for up to 30 years on the full value of their sale. They pay no federal or state income taxes on such interest;
- Deferral of taxes on capital gains—landowners entering into IPAs may defer recognition of capital gains until they actually receive the principal amounts of such purchases;
- Better estate planning—by deferring recognition of capital gains indefinitely, selling landowners create the opportunity for IPAs to pass to their estates, where federal estate taxes paid may reduce or eliminate any capital gains taxes that would ultimately be due by the heirs;
- Charitable deduction—landowners can realize deductions that are equal to the difference between the appraised value of the lands or easements sold and the prices the county

¹When environmental markets are created through a tool like a TDR program, there is the option for conservation buyers to purchase and subsequently retire development rights.

pays.

The advantages of an IPA program to the county are:

- Leverage-- by making interest payments over 30 years, the County could pay for preservation over the period during which their citizens enjoy the open space, thus pushing conservation costs well into the future. For most communities experiencing growth and land use pressures – such as Talbot County – land protection is an acute need. Once land is developed it is lost to conservation forever. Therefore, acting immediately is essential, and an IPA program would allow Talbot County to protect significant amounts of land, spreading the costs over a number of years;
- Discount Purchases--though land conservation and environmental protection is a community issue, with unique differences within each community, there are some things that are common to all land protection efforts. Most importantly, it is almost always cheaper to act now than it will be to act later. And, because of the value of benefits offered over a 30-year period, selling landowners should be willing to sell their lands or easements at discounted prices from appraised value. By implementing IPA programs now and thereby locking in to a financial agreement with landowners, the community will be saving money. Land values will only increase over time, thereby increasing the costs for protection;
- Return on Investment--IPAs are an excellent way for communities to increase return on investment. By pushing implementation costs into the future, and at the same time realizing costs savings by acting immediately, the return on investment is increased, thereby improving the financial position of the County.

Next Steps:

We recommend that County officials work with Evergreen Capital Advisors (ECA) and the Environmental Finance Center to develop and implement an IPA program for Talbot County. ECA was one of the participants in the Talbot County charrette. ECA specializes in innovative financing programs for public environmental projects and is the pre-eminent financial advisory firm with experience in developing and implementing IPA programs in Maryland, New Jersey, Virginia and Pennsylvania. EFC and ECA should work to develop an IPA program for Talbot County.

Recommendation 3: Talbot County officials should continue to develop and implement a Transfer of Development Rights (TDR) Program to shift development from the Countryside Preservation Areas to designated growth areas.

Talbot County's current TDR program has had modest success in protecting open space. TDR programs provide local officials with an opportunity to reduce land protection costs by leveraging market resources. The success of many TDR programs around the country provides Talbot County with useful models for improving the effectiveness of its program. Well-functioning TDR programs permanently protect farmland and open space by creating a market for the rights to develop land. By leveraging market forces, TDR programs provide the potential for reducing land protection costs, thereby increasing return on investment. The success of Talbot County's TDR program has been hindered by the inability to generate and leverage these market forces. The following barriers must be overcome in order for this program to be effective.

- *Inadequate services.* County officials must include policies, zoning ordinances, and capital improvement programs that will assure communities in the designated growth areas that a public facility overload will not result from the TDR program. This is clearly a problem with the County's current designated growth areas. Due to the lack of public services available, there is little incentive for developers to request increased density in the growth areas. And, due to the fact that the services are primarily owned by the municipalities, coordination with municipal officials for extending services to these areas is essential.
- *Inadequate incentives.* Farmers and landowners need adequate incentives to sell their development rights just as developers need adequate incentives to purchase the development rights. Also, the density bonus in the receiving areas must be attractive enough for developers to want to purchase the development rights. The value of the development rights should be predictable and should adequately reflect the true value of the development rights in order to encourage farmers to participate.

Clearly, the incentive to use TDR programs is greatest in those areas with significant growth pressure. Though Talbot County is experiencing population growth pressures, it is still a relatively rural community. While TDRs appear to be an effective method of preserving farmland, open space, and natural resources, the reality of the situation is that these types of programs have been primarily effective within urban settings. There are a few successful TDR programs in rural areas. Most notably, Montgomery County, Maryland, and the Pinelands in New Jersey stand out as programs that have preserved thousands of acres. However, even within these success stories, the use of TDRs is not without problems or controversy.

Though growth pressure provides the necessary incentives for making a TDR program work, it can also create financial burdens on the County that will be difficult to overcome. There is evidence across the mid-Atlantic region that land developers are offering farmers and other landowners retail prices for their properties. One of the core themes that resonated in the financing charrette was that farmers need viable economic options, and when full retail prices are being offered for their land, it makes other options such as TDR and even PDR programs much less attractive. The only way to combat this problem is to make zoning very restrictive, thereby forcing development into designated areas. Voluntary programs will not be effective.

- *Multi-jurisdictional complexities.* The multi-jurisdictional nature of this program will certainly add to the complexity of a TDR program. Currently, the most logical place to increase density is within the existing municipalities. These communities have the infrastructure necessary for effective growth management. One of the most common hurdles facing local TDR programs, however, is the lack of receiving areas. Many communities do not want increased density, and are reluctant to serve as receiving areas for unwanted growth in other areas. This problem is especially acute when dealing with multiple jurisdictions. There is evidence that this attitude exists within the four municipalities in Talbot County.

One solution to this problem is to designate growth areas within the County's jurisdiction, which, is in fact what the County has done. As was mentioned before, this creates a problem with adequate infrastructure. However, it also fails to alleviate the multi-jurisdictional problem in the long-term. Because municipalities in Maryland have the right to annex County lands, it is highly probable that designated receiving areas will ultimately end up

within municipal boundaries. Therefore, for the TDR program to continue to function, the County and the municipalities must develop a multi-jurisdictional program immediately to avoid confusion in the future. Though there is precedence for developing multi-jurisdictional programs, it will take significant coordination with municipal and state officials.

- *Long time horizon.* It is important to note that TDR programs are very difficult to implement and have been successful in relatively few communities across the country. In fact, many planning experts have characterized TDRs as one of the most difficult farmland protection programs to establish. Even in those communities that have successfully developed and implemented TDR programs, it often takes years for the programs to become fully functional. Therefore, it is essential that the Talbot County TDR program be developed as part of a suite of land protection tools, such as PDR programs.

Next Steps:

There are several current projects that are analyzing the effectiveness of TDR programs across the state. The Eastern Shore Land Conservancy is currently working on a program that will analyze the real estate economics, planning, zoning, and other factors such as political and community support, in the six counties of Maryland's Upper Eastern Shore, and to diagnose whether these counties have the necessary ingredients for a workable or improved TDR program.

Recommendation 4: Develop rural development guidelines.

It is clear that costs associated with implementing the Countryside Preservation Area program, as well as broader land protection goals throughout Talbot County will be significant. However, one of the best ways to reduce development pressure and its associated costs is to influence not only where development happens and at what density, but also how that development is carried out. It is to the County's advantage to reduce the fiscal burden associated with new development by designing and implementing rural design guidelines. Such guidelines are necessary, especially as they relate to commercial development. Growth problems are not solely created by residential development. Other types of construction and development projects that accompany residential growth, including stores, churches, and various support services to local residents, also influence growth patterns. By incorporating comprehensive development guidelines, County officials can more effectively guide population growth, thereby reducing overall implementation costs.

TDR programs can play a role in helping to guide these types of rural development guidelines. Recent research has shown that incorporating commercial development into TDR programs can be a very effective way of developing necessary program incentives, while at the same time reducing the overall impact of commercial development on the landscape.

Recommendation 5: Develop an inter-governmental cooperative agreement between Talbot County and the four municipalities.

Talbot County's new comprehensive plan is an indication that local leaders and citizens of the County have identified a common vision for their community and are taking the necessary measures for realizing that vision. An important part of this process has been the interaction and outreach with municipal officials. Issues such as annexation and increased public services will, however, require that both County and municipal officials significantly increase the level of inter-jurisdictional cooperation and coordination.

Annexation is in many ways at the core of the County's land protection efforts. The right of

Maryland municipalities to annex county land creates a situation where two options are available for protecting open space and agricultural lands. The first is to permanently protect land through conservation easements or even fee simple purchases. This option has essentially been the foundation for the above recommendations. Even the most restrictive County zoning will not protect land from development once it is annexed, so permanent protection measures are often deemed necessary.² The second option is for County and municipal officials to coordinate planning efforts and to work cooperatively in guiding growth, funding infrastructure improvements, and developing effective local controls for protecting essential community resources. Through inter-governmental agreements, communities can significantly reduce the costs associated with land use protection and growth management by developing programmatic and institutional efficiencies.

The need for increased infrastructure and public services also makes increased cooperation and coordination with the municipalities essential. One of the core components of the Countryside Preservation Area program is the development of growth areas just outside each of the four municipalities. These growth areas will help guide growth as well as future annexation, but significant growth will not occur in these areas without increased levels of infrastructure and public services. Given that many of these services, such as water and wastewater services, are provided by municipal systems, implementation will require direct participation by the municipalities themselves.

The County can help ensure this participation by creating an intergovernmental cooperative agreement with each of the municipalities. Cooperative agreements between the County and the municipalities would provide the basis for reducing public costs of the CPA program, sharing revenues, protecting open space and farmland, managing economic opportunities, maintaining better control of growth and development, and avoiding the impact of costly litigation. Intergovernmental agreements can also help ensure that the maintenance of roads, the delivery of utility services, and efficient investment in schools and other public buildings. In short, effective intergovernmental agreements would allow the County to reduce the cost of managing population growth, thereby improving its return on investment, the primary financing objective.

Next Steps: County and municipal officials should convene a facilitated task force to identify opportunities for intergovernmental cooperation related to issues such as planning and zoning and infrastructure expansion and improvements. The goal of the task force should be to identify opportunities for coordinating existing efforts in these areas, as well as opportunities for combining resources and programmatic functions. The task force should include elected officials from the County and each of the jurisdictions and should be facilitated by an outside organization.

Recommendation 6: Develop a vision for agriculture in Talbot County and the tools and resources necessary for protecting and developing the County's agricultural economy and culture.

During the June 22 charrette, there was much discussion about the future of agriculture in the

² It should be noted that even without the threat of annexation, restrictive zoning may not be a permanent land protection solution for all areas. Changes in county political leadership can result in changes to local zoning, making local ordinances less restrictive.

County and the need to go beyond farmland protection and focus on farming protection. Though the panel decided that recommendations related to issues beyond the Countryside Preservation Area program were not within the scope of their work, it was agreed that the County must ultimately develop a broad strategy for protecting the agricultural industry County-wide. Many participants pointed out that what farmers really need are viable economic options for the future. The County's land use protection goals will ultimately require the protection of the agriculture industry, and a vision for what agriculture will mean to the community in the future.

Over the next 12 months, local officials will be participating in a program to develop a vision for agriculture in the County and to identify opportunities for protecting and preserving the region's agricultural economy and culture. This effort offers a unique opportunity to work directly with the farming community to develop reasonable options for preserving farmland and limiting unplanned rural development of agricultural lands and open space. It is our recommendation that County officials use this opportunity to develop a comprehensive strategy for developing and maintaining the agricultural economy in the region.

Conclusion

These recommendations should help provide the framework for a sustainable financing and implementation strategy for Talbot County and its leadership as they work to implement the Countryside Preservation Area program. County leaders have some very difficult decisions to make regarding land protection in their community. The strategy articulated above will require the community to commit to investing financial resources into the program. Coming to agreement as a community on these decisions will certainly be contentious. However, by developing an effective financing strategy, the community can increase the return on its investment and therefore improve program success.

Acknowledgements

This report was developed in response to the June 22, 2005 Talbot County Financing Charrette held at the Chesapeake Community College. The Environmental Finance Center would like to thank each of the panelists who participated in that event and provided feedback, technical assistance, and advice for the development of this report. Names and contact information for each panelist is included in the appendix to this report.

EFC would also like to thank the many Talbot County leaders and officials who supported our work on this project, including:

- Hope Harrington, President, Talbot County Council
- Hilary Spence, Talbot County Council
- Andy Hollis, Talbot County Manager
- George Kinney, Talbot County Planning and Zoning

References:

Transfer of Development Rights, Timothy J. Lawrence; Ohio State University Fact Sheet, CDFS-1264-98.

Fact Sheet: Installment Purchase Agreements, American Farmland Trust, September 1999.

Appendix: Financing Land Conservation in Talbot County Participating Panelists

Charrette Facilitator: Dan Nees

Director, Environmental Finance Center, University of Maryland

Mr. Nees has been with EFC for five years and assumed the role of Director in January 2005. Over the past seven years, he has worked with communities in the Chesapeake Bay watershed on environmental finance and sustainable development initiatives. His work focuses on building coalitions of diverse interest groups and directing them towards common finance and implementation goals. Additional experience includes serving as Project Manager of Corporate Programs at The Nature Conservancy and Manager of Alternative Marketing at U.S. News and World Report. Mr. Nees holds a B.A. in Economics, a Master of Environmental Policy, and an MBA, all from the University of Maryland, College Park.

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Andy Andrews

Community Economic Specialist, American Farmland Trust

Andy Andrews is an economic specialist for American Farmland Trust (AFT). In this role, he manages a wide range of projects from AFT's Technical Assistance Services. Much of his work involves assessing a community's agricultural industry by gathering community input and drawing upon AFT's extensive experience in farmland preservation to help develop solutions. His work also includes build-out analyses, Cost of Community Services studies and agricultural industry profiles. He recently completed a regional economic development strategy for agriculture, forestry and fisheries operations in the upper Eastern Shore of Maryland.

Prior to coming to AFT, Andrews helped the Dutchess County, N.Y. Environmental Management Council inventory and map scenic resources for the Town of Stanford, N.Y. He also assisted the county's Department of Planning and Development in creating a database of historical sites and conducting a rental housing survey. Andrews also worked for New Hampshire 20/20, an organization that provides training to elected town officials, focusing on how to involve the public in governmental processes. Andrews has a Bachelor of Science degree from Virginia Military Institute and a Master of Science degree from Antioch New England Graduate School. He is the manager of the Colchester Farm's Community Supported Agriculture program in Kent County, Md.

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Dr. Thomas Daniels

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Tom Daniels is a Full Professor who assists in directing the City and Regional Planning program's concentration in Environmental Planning and Growth Management. Tom's main areas of interest are farmland preservation, growth management, and connection between land use and water quality. Tom has taught at SUNY-Albany, Kansas State University, and Iowa State University. He has served on the Editorial Advisory Board of the *Journal of the American Planning Association*, and in 2002 he was a Senior Fulbright Scholar at the University of New South Wales in Sydney, Australia.

Tom often serves as a consultant to state and local governments and land trusts. He lives in Lancaster, Pennsylvania where for nine years he managed the county's nationally recognized farmland preservation program. Tom is the author of *When City and Country Collide: Managing Growth in the Metropolitan Fringe* (1999), and co-author of *Holding Our Ground: Protecting America's Farmland* (1997) and *The Environmental Planning Handbook* (2003), published by the American Planning Association. He received his B.A. from Harvard University, his M.S. from University of Newcastle-upon-Tyne, and his Ph.D. from Oregon State University.

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Grant Dehart is a consultant in planning, public policy, land and historic preservation. He is currently serving as Principal Investigator for the Eastern Shore Land Conservancy's study of the feasibility of workable TDR programs for the Upper Eastern Shore. He retired from the Maryland Department of Natural Resources where he served as policy director of the Capital Grants and Loans Administration, and director of Program Open Space, with lead responsibility for designing and implementing the Rural Legacy Program. He led the State's Civil War site preservation efforts for ten years, protecting more than 5,000 acres of land around Antietam, Monocacy and South Mountain Battlefields. During his tenure as director, Program Open Space and Rural Legacy protected 138,000 acres of open space with \$535 million. He also has served as director of the Maryland Environmental Trust and the Foundation for San Francisco's Architectural Heritage. A certified planner and registered architect, he has two Masters Degrees from the University of Pennsylvania.

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Rob Etgen has been the Executive Director of ESLC since October 1990. Prior to joining ESLC, Rob was the Land Trust Program Manager for the Maryland Environmental Trust where he assisted in the formation of 18 private land trusts. Prior to the Maryland Environmental Trust, he worked for the Soil Conservation Administration of the Maryland Department of Agriculture, the Attorney's General's Office in the Maryland Department of Natural Resources, and two private law firms in Baltimore.

Rob has authored several manuals, booklets, and papers on various land conservation issues. Rob was the founding director of the Maryland Heritage Tree Conservancy and serves on the Board of the Maryland Association of Nonprofit Organizations, Scenic Maryland, and was appointed to the Citizens Advisory Committee for the Chesapeake Bay Program. In 1996 he received the Aileen Hughes Award for leadership presented by the Maryland Land Trust Alliance. Rob is a member of the Maryland Bar having received his *Juris Doctorate* from the University of Maryland and a B. S. in Forestry from West Virginia University.

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Jack Greer is Assistant Director for Public Affairs at the Maryland Sea Grant College, University System of Maryland, and former director of the University of Maryland Environmental Finance Center. He has degrees from the University of Virginia (BA), the University of Richmond (MA), and the University of Maryland (Ph.D.). His primary interest lies in communicating and facilitating complex environmental policy issues.

Jack has taught on the college and university level, and is the author of more than 200 articles about marine science and affairs, primarily focused on the Chesapeake Bay. A favorite topic is sense of place and the Chesapeake Bay, about which he has given numerous lectures. Recent articles have focused on farmers and watermen as stewards of land and water with their own core values, and how these groups relate to the current need to restore the Chesapeake Bay. Jack has received several commendations for his environmental work, and two awards from the Maryland Humanities Council for his writing.

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Dr. Virginia McConnell

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Virginia McConnell is a professor of economics at the University of Maryland-Baltimore County. She also has an affiliation with Resources for the Future, an environmental research organization in Washington, D.C., as a Senior Fellow. She has worked on environmental issues related to urban growth and the environment, air pollution, and urban transportation. Her research on urban issues includes assessing the value of open space, and analysis of policies to improve the allocation of urban land between development and open space. She has done extensive study of the uses and effectiveness of Transferable Development Rights (TDRs) for achieving local land use goals. She has written a number of papers evaluating the use of TDRs, for both Resources for the Future and the Lincoln Institute of Land Policy. She currently has a grant for the Maryland Center for Agro-Ecology, Inc. to evaluate the use of TDRs in Maryland.

Another area of her research has been on the effects of motor vehicles on the environment. Her work has been published in journals including *Water Resources Research*, *Journal of Environmental Economics and Management*, *Environment*, and *Journal of Urban Economics*. McConnell has also served on several National Academy of Science Panels related to transportation and the environment, on the U.S. EPA Science Advisory Board, and has been a member of several other EPA and State advisory committees.

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Daniel Patrick O'Connell

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Daniel Patrick (Pat) O'Connell is the founder and president of Evergreen Capital Advisors, and has spent the last 14 years open space preservation. The installment-purchase farmland preservation financing program that he designed providing financial advisory services to local governments. A specialty has been financing for farmland and for Howard County, Maryland was given the GFOA's Award for Excellence in Financial Management, and has been implemented in Harford and Anne Arundel counties, Maryland; Virginia Beach, Virginia; Burlington and Mercer counties, New Jersey; and six Pennsylvania counties.

Prior to his work as financial advisor, Mr. O'Connell served on the board of directors and managed the public finance activities of Butcher & Singer Inc., a Philadelphia-based investment-banking firm that was a member of the New York Stock Exchange and which is now a part of Wachovia Securities. He was also associated for three years with the Wall Street investment banking firm of Goldman, Sachs and Co., where he sold fixed-income and equity securities to regional institutions.

Pat O'Connell graduated from Princeton University with an A.B. in Economics, and received his M.B.A. from the University of Virginia's Colgate Darden Graduate School of Business Administration. He is an associate member of the Maryland Public Finance Officers Association. Mr. O'Connell serves on the Board of Trustees of Delaware & Raritan Greenway, central New Jersey's regional land trust, and on the National Advisory Council of the Trust for Public Land, a San Francisco-based land conservation organization. He has spoken frequently at national conferences of the Land Trust Alliance and American Farmland Trust on financing land preservation.

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Debi L. Osborne

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Debi Osborne is Senior Project Manager for the Chesapeake and Central Appalachians Office of the Trust for Public Land (TPL). During the seventeen years that she has worked for TPL, Debi has helped conserve over 16,000 acres throughout the region. In addition to specific land conservation transactions, Debi has assisted communities and public agencies with land conservation visioning, finance and stewardship issues. Debi served as the Field Office Director of the Chesapeake Field Office for five years and currently manages conversation projects in Virginia, Maryland and West Virginia.

Debi is also the Secretary of VaULT, the association of Virginia land trusts, and serves on the Board of the Alliance for the Chesapeake Bay. Debi has a Master's degree in City and Regional Planning from Harvard University and undergraduate degrees in Social Ecology and Urban Geography from the University of California, Irvine. Prior to joining the Trust for Public Land, Debi worked for The Rouse Company performing market and financial feasibility studies for downtown redevelopment projects.

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Victor Kevin Tervalo is a lawyer focusing on local legislation, policy-making, intergovernmental relations, and training. Much of his work centers on the options for structuring local governments. Among other things, this focus includes the forms of municipal government and county home rule. He is the author of the recent book *Home Rule Options in Maryland*. Besides counseling clients in these areas, Vic works with personnel law, local fiscal affairs, water and sewer management infrastructure, procurement law, and organizational analysis. He is active in strategic planning for communities and organizations. Vic holds a J.D. and an M.A. in government and politics from the University of Maryland and a B.A. degree from Tulane University. He formerly worked as a tax attorney, a legislative analyst with the Maryland General Assembly, and an analyst of nationwide opinion surveys. He is a member of the Maryland Bar Association.

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Nick Williams

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Nick Williams is Director of the Maryland Environmental Trust, Maryland's quasi-public statewide land trust. Previously he worked for several years as coordinator for MET's Local Land Trust Assistance Program. In this capacity he provided start-up, organizational, conservation strategy, technical and financial assistance to local land trusts in Maryland, with a focus on the coastal counties. His academic background includes an MS degree in agricultural economics from Cornell University.

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