

Isle of Wight
County
PACE
Program
Annual Report
2006

Economic Development
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Program Overview

Agriculture and forestry are the leading industries in the County, and a critical mass of farm and forest land is necessary for the continued vitality of the farm and forest businesses here. The Board of Supervisors adopted the Purchase of Agricultural Conservation Easements (PACE) Program in May of 2005. The PACE Program is a voluntary program that pays landowners to protect their farm and forest land. It allows landowners to enter into agreements to sell the development potential of qualifying property, in particular, farm and forestry parcels that are economically viable operations, to the County, while maintaining the right to protect farm and forest land and retain these two industries' critical masses. In exchange for the sale of the development potential, the County places a conservation easement on the land in perpetuity.

Also, in 2005, the PACE Committee was established and the members were appointed by the Board of Supervisors. The Committee has many duties, as established by the PACE Ordinance, including but not limited to: establishing ranking criteria, evaluating applications to the Program, recommending funding mechanisms and determining payment to landowners accepted into the Program, determining a method for valuing development rights, determining targeted areas for preservation, and evaluating applications for acceptance into the Program.

A Learning Experience...

The concept of buying development rights was quite new to many, if not all, of the members of the Committee and the community as a whole. Members of the Committee heard from several speakers about these types of programs from other localities, the state, the Program Administrator, a financial advisor, an appraiser, the County GIS Technician, County Planning and Zoning officials, and a soil scientist with the USDA NRCS, over several months since the Committee's inception. Committee members and the Program Administrator are constantly speaking to interested landowners about the Program and trying to educate the public, farming and non-farming, about the potential benefits of participation and support.

PACE Program Goals Established

In order to measure the success of the Program and determine future needs, especially funding, it was imperative that the Program have some benchmarks. Some goals include:

- Utilizing an Installment Purchase Agreement (IPA) as the financing tool in an effort to maximize purchases.
- Partner with other agencies, businesses, and agribusinesses, to advertise the application period of March 1, 2007—May 15, 2007.
- Hold community meeting(s) to educate the citizens and landowners about the Program.
- Have 25 applications in the 2007 application period.
- Close on all 2007 applications within six (6) to nine (9) months after the Board of Supervisors' individual offers to landowners are accepted.
- In year one (1) preserve 500 acres.
- By 2010, have 2,000 acres enrolled in the Program.

Targeting the Program

In order for the Program to be effective, it was decided that there must be a targeted area for the Program. With targets, the County can maximize its purchasing power most in defined areas. Additionally, agriculture and forestry are most viable when preserved in mass contiguous areas. Lastly, in compliance with the County's Comprehensive Plan, the Committee has determined where the PACE Program should target its purchases. According to Chapter 3, Rural Character Protection and Agricultural Preservation, a goal is "To preserve the rural character of the County and preserve forest land and agriculture in areas outside of established Development Service Districts (DSDs)." It is; however, important to note that any landowner wishing to apply to the Program may do so even if they are not located inside the targeted areas; however, the Program will focus its efforts on marketing to those inside the targeted areas for preservation because of the above mentioned reasons. Targeted Areas for preservation in the PACE Program (map can be accessed online at www.co.isle-of-wight.va.us/agriculture/programs.html):

- Any property currently in an Agricultural and Forestal District.
- Northernmost Boundary Line – properties South of the Boundary Line
 - ½ mile west of Route 10 North from Route 258 in Smithfield to the Surry County line.
 - 1 mile west of Route 10 South from Route 258 in Smithfield to the Suffolk City line.
- Southernmost Boundary Line – properties North of the Boundary Line
 - Properties located outside the existing and Proposed Camptown/Carrsville Development Service District Boundary.
- Properties located outside the Development Service Districts (Newport, Windsor, and Camptown).

Ranking Criteria Adopted

Another duty set forth by the PACE Ordinance for the PACE Committee was to develop fair ranking criteria to prioritize purchases. The ranking criteria was created to award points for a number of different values for properties with numerous attributes including, but not limited to: 1) size of parcel 2) whether it joins a permanently protected area; 3) percentage of acreage in cropland/farmland/pastureland/working forestland; 4) implementation of Soil & Water/Forestry Conservation Strategies; 5) Class I and some Class II soils or prime farmland as designated by NRCS; 6) historical or cultural resources; 7) working family farm; 8) road frontage; and 9) located within an agricultural and forestal district.

Any property submitted will be considered for ranking; however, properties in the applicant pool with the highest point total have the highest priority.

Market Study of Agricultural Use Value Completed

An appraiser was hired to complete a Market Study in order to determine the estimated agricultural use value for a typical parcel of farmland located in the County of Isle of Wight. According to the published Study, "The Study is intended to aid the County in determining the value of development rights for farmland. The value of \$1,500/acre applies generally to all agricultural land in the County. This is effectively the most likely price that would be paid for property excluding the value attributable to any present or anticipated development potential. The estimate also assumes that the land would be restricted to farming or agricultural use for perpetuity. The value specifically excludes any improvements, fencing, outbuildings, and the value of any standing perennial crops, trees, etc. Also, specifically excluded in the calculation of this value are all wetlands. The value is what a typical parcel of farmland in Isle of Wight County would sell for based solely on its agricultural value rather than upon its value due to its location or development potential."

Determining the agricultural value is necessary in order to have a standard base figure to use in determining the purchase price for the development rights on a piece of property. The development right value will be the difference between the agricultural value of \$1,500/acre and the market value/acre.