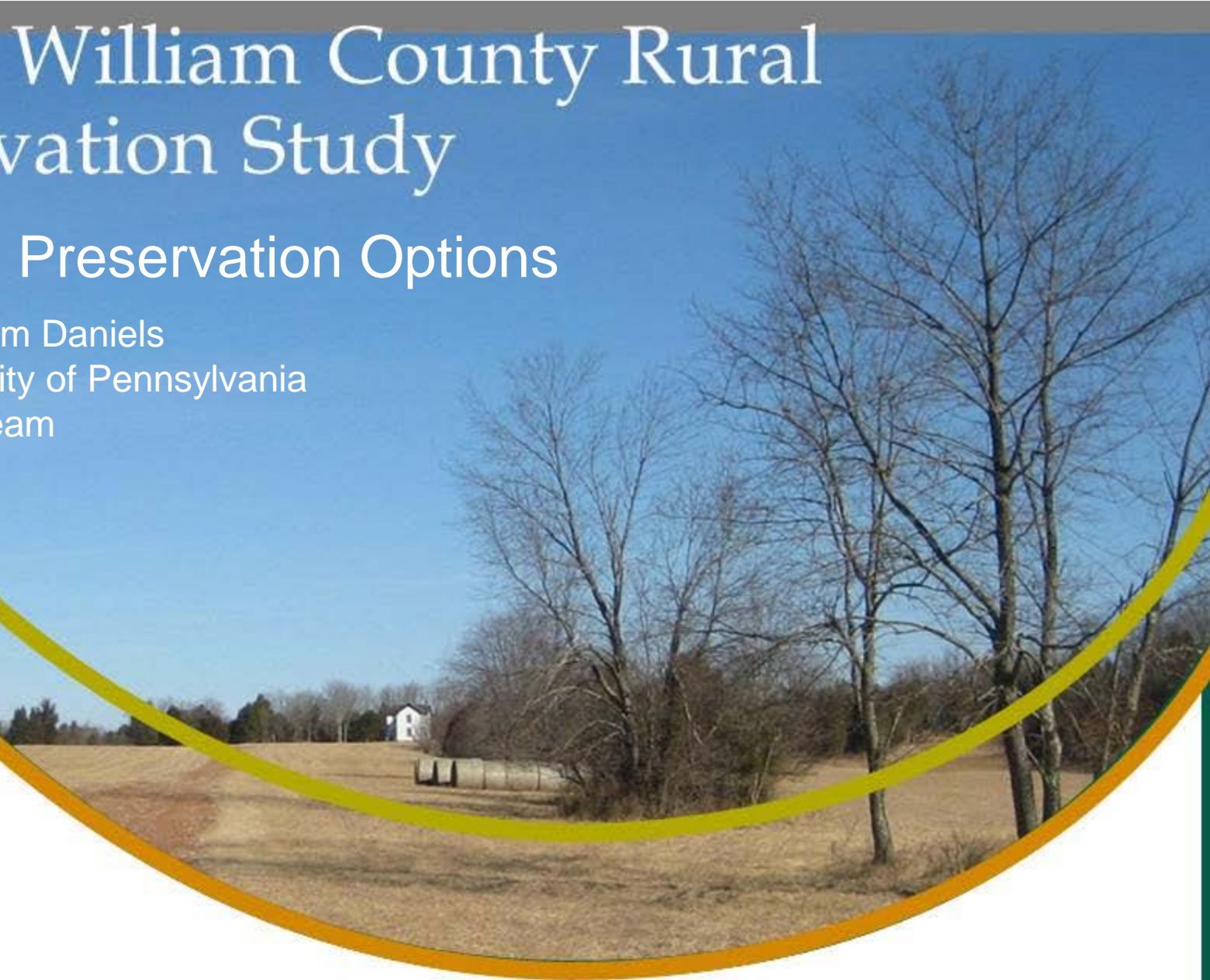


# Prince William County Rural Preservation Study

## Land Preservation Options

Prof. Tom Daniels  
University of Pennsylvania  
ERM Team

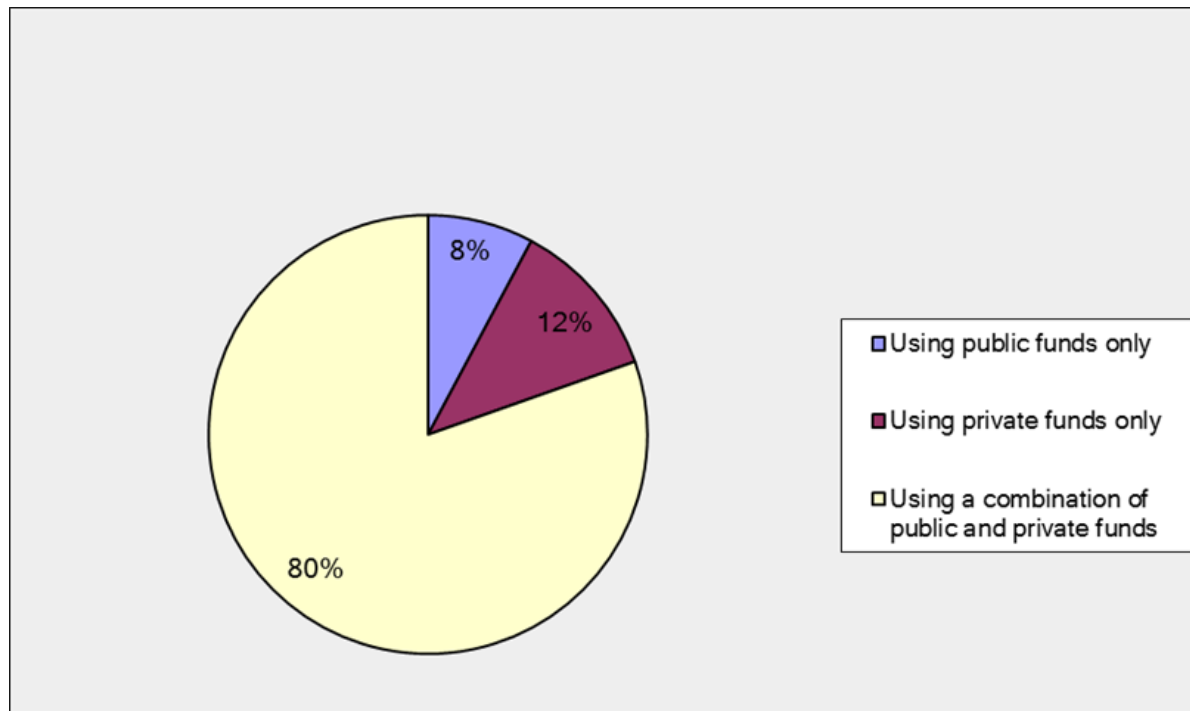


# Land Preservation Options and Opportunities

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- What options exist?
- Where in Prince William County would they work best?
- The Bundle of Property Rights
  - Fee Simple
  - Less than Fee Simple

# Survey Response



8. Willingness to Pay for Land Preservation: Preserving land often costs money to acquire land or compensate property owners who agree to sell conservation easements.

Land preservation can be accomplished with public or private funds or some combination of the two. This question and the following two questions address aspects of this issue. How do you think land preservation is best paid for?

# Land Preservation Options

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- Purchase of development rights
- Donation of a conservation easement
- Bargain Sale of Development Rights
- Transfer of development rights
- Cluster development with mandatory preservation of open space

Look at these from the perspectives of:

a) landowners b) county government; and c) the public

# Purchase of Development Rights

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1. A landowner can sever the right to develop the land from the rest of the bundle of rights.
2. Can sell that development right to a private non-profit land trust or a government agency
3. Restrictions are placed on the land through a Conservation Easement (legally recorded)
4. Most conservation easements are permanent
5. A conservation easement runs with the land
6. Holder of the easement must monitor the property
7. Eminent domain issue

# Purchase of Development Rights

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- State of Virginia has a farmland preservation program that provides money to counties to purchase development rights
- The value of the development rights is determined by a professional appraiser
- Virginia Beach has a PDR program as does James City County
- Federal funding is available through the NRCS, Farm and Ranchland Protection Program and US Forest Service Forest Legacy Program

# Federal Funding for Farmland, Forestland, and Natural Areas PDRs

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- Farm and Ranchland Protection Program – NRCS/USDA
- Forest Legacy Program - US Forest Service
- Wetlands Reserve Program – NRCS/USDA
- Readiness and Environmental Protection Integration (REPI) Program – Dept. of Defense

# Financial Benefits of PDR

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Landowner gets cash

Taxed as a capital gain

- County government gets preserved land for growth management, environmental quality, local economy
- Public gets preserved land for views and local economy, though usually no right of access



# Sample PDR Sale

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<b>50 acre farm</b>	
Fair Market Value:	\$750,000
Restricted Value	\$450,000
PDR Easement Value	\$300,000
Basis	\$100,000
Taxable capital gain	\$200,000
Federal Gains Tax @15%	\$30,000

# Conservation Easement Donation

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1. Tax benefits
2. Federal income tax deduction, up to 50% of AGI and up to 16 years
3. Possible estate tax benefit
4. Virginia state income tax credit: 40% of the value of the donated easement. Landowner can claim up to \$100,000 a year, credits can be claimed for up to 10 years
5. A landowner may sell some or all of the tax credits.
6. From 2000-2012, 591,612 acres in Virginia were preserved through 2,774 easement donations

# Easement Donation Example

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<b>50 acre farm</b>	
Fair Market Value:	\$750,000
Restricted Value	\$450,000
PDR Easement Value	\$300,000
Adjusted Gross Income (AGI)	\$80,000
Can deduct \$40,000 a year for 7 years and \$20,000 in year 8.	
Federal tax savings about \$75,000	

# Virginia State Income Tax Credit

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<b>50 acre farm</b>	
Fair Market Value:	\$750,000
Restricted Value	\$450,000
PDR Easement Value	\$300,000
Adjusted Gross Income (AGI)	\$80,000
Virginia Income Tax on \$80,000 is about \$4,000.	
So landowners can claim credits of \$40,000 over 10 years and sell \$80,000 in credits	

# Transfer of Development Rights





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1. A county program is authorized in Virginia
2. Sending areas, receiving areas
3. Landowners receive development credits, developers must buy credits to build at a higher density than normally allowed
4. Conservation easement placed on land in sending area when all development credits are sold.
5. Montgomery County, Maryland example
6. Frederick County, VA





# PROTECTED AGRICULTURAL LANDS

## MONTGOMERY COUNTY





### Land Zoned For Agriculture

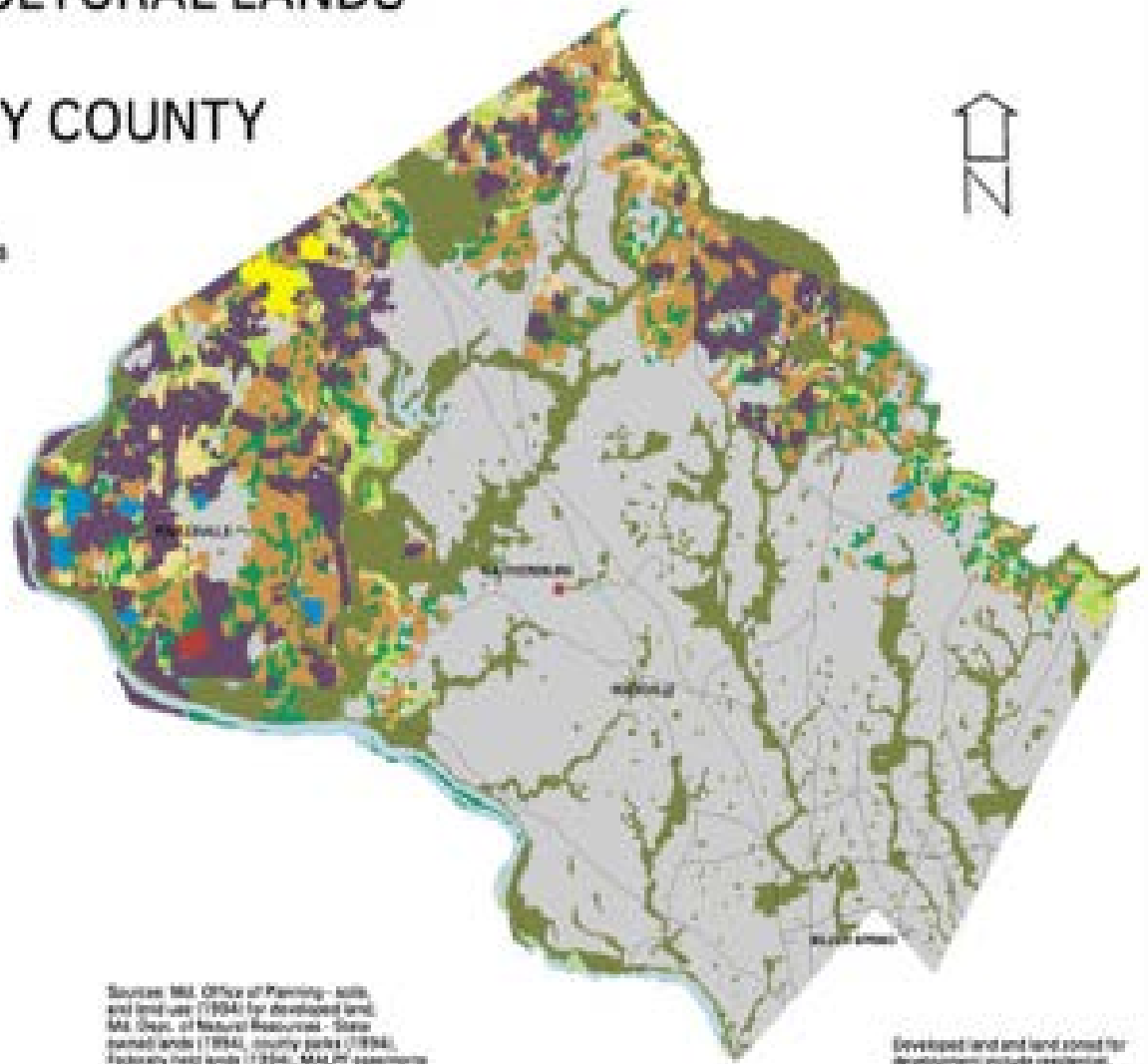
-  Agricultural land on prime / productive soils
-  Agricultural land on other soils
-  Forest land on prime / productive soils
-  Forest land on other soils

### Protected Lands

-  Maryland Agricultural Land Preservation Foundation (MALPF) easements
-  County easements and preserved TDR sending areas
-  Maryland Environmental Trust (MET) agricultural easements
-  Private conservation easements

### Other Areas

-  Publicly owned land
-  Wetlands and conservation zoning allowing development
-  Developed or zoned for development
-  Water



Sources: Md. Office of Planning - soils and land use (1994) for developed land; Md. Dept. of Natural Resources - State owned lands (1994), county parks (1994), Federal land (1994); MALPF easements (1994); MET easements (1994); and private conservation easements (1994); and Montgomery County for zoning (1997) and local easements (1996).

scale 1:225,000

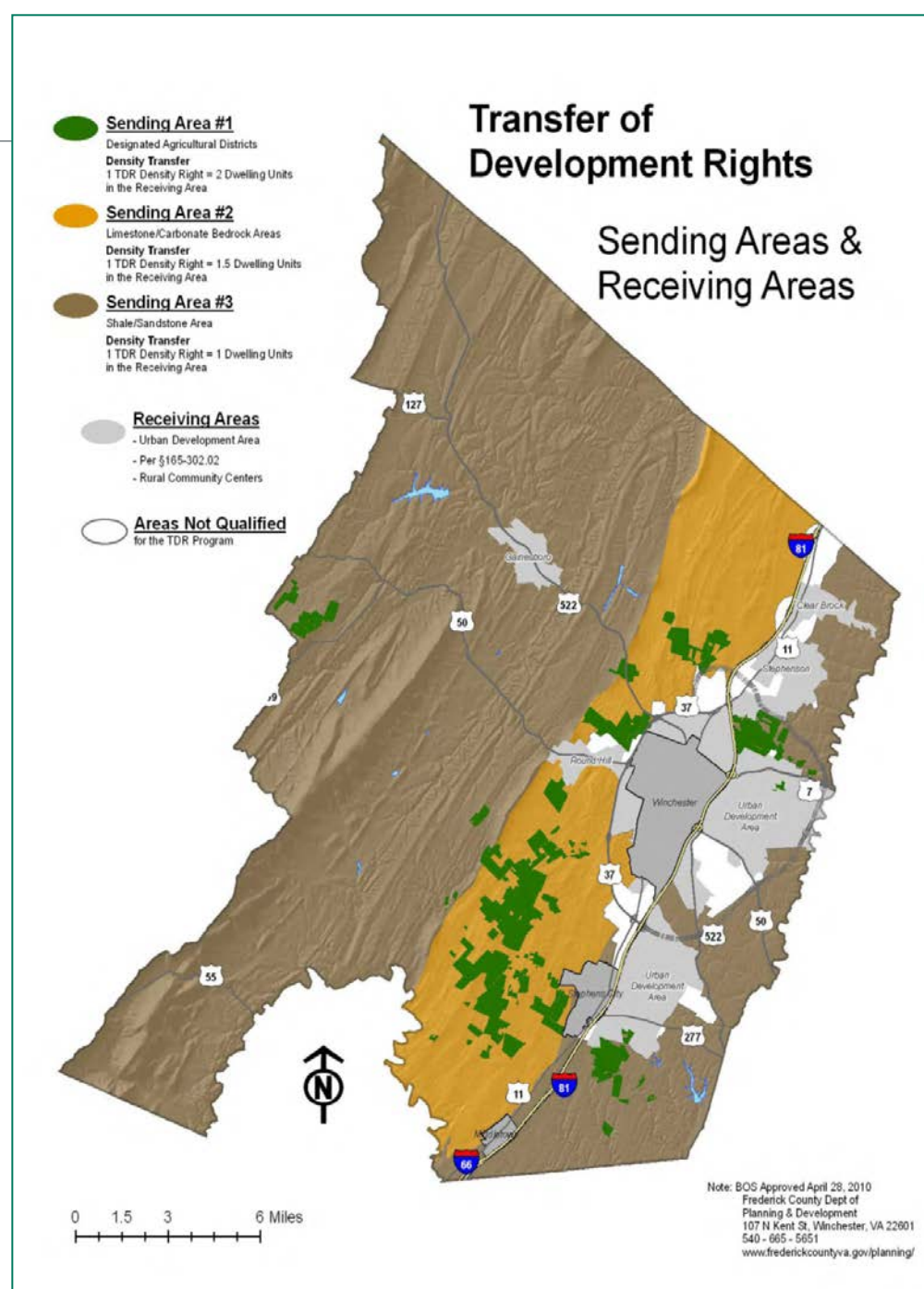
Developed land and land zoned for development include residential, commercial, industrial, institutional, extractive, open urban, large lot residential, and other non-agricultural uses.



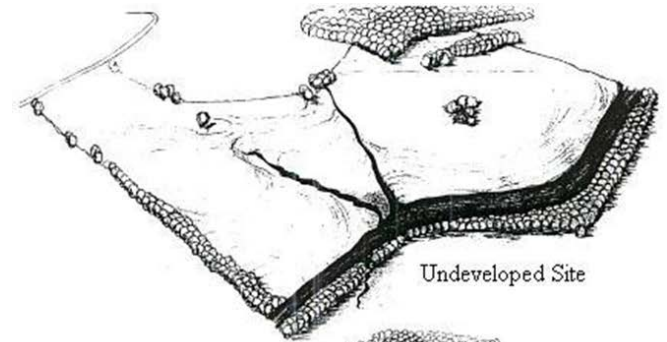
MARYLAND Office of Planning  
Planning Coordination and  
Resource Management Unit 12/97

# Frederick County, VA

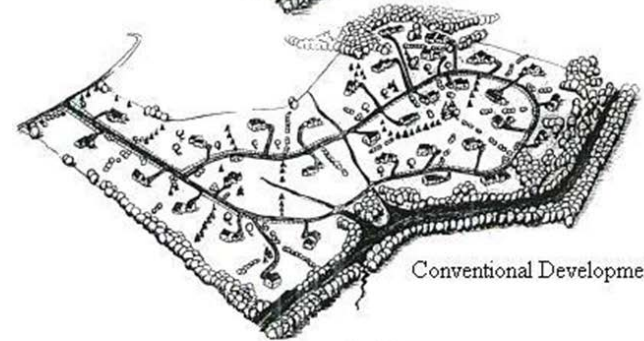
## TDR Program



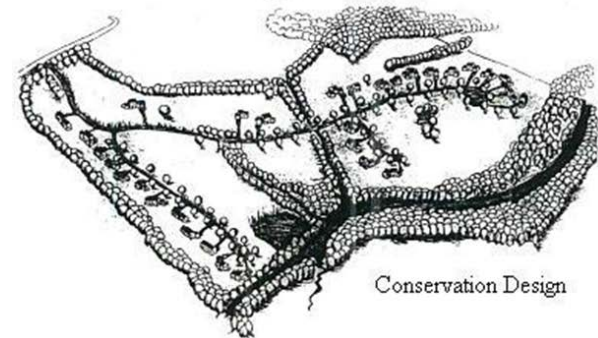
# Cluster Development with Preserved Open Space



Undeveloped Site



Conventional Development



Conservation Design



# Where to Preserve? The Rural Crescent

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- The Rural Crescent was established in 1998
- Covers about 116,000 acres or 52% of the County
- About 28% of the Rural Crescent is already permanently preserved, not including the Quantico Marine Base
- About 7,570 houses in the Rural Crescent
- Capacity for about 3,700 more
- Base zoning one house per 10 acres
- Public water is permitted, public sewer generally is not permitted

PRINCE WILLIAM COUNTY  
Rural Preservation Study:  
Rural Area Parcels by Size (Acres)

Published December 4, 2013

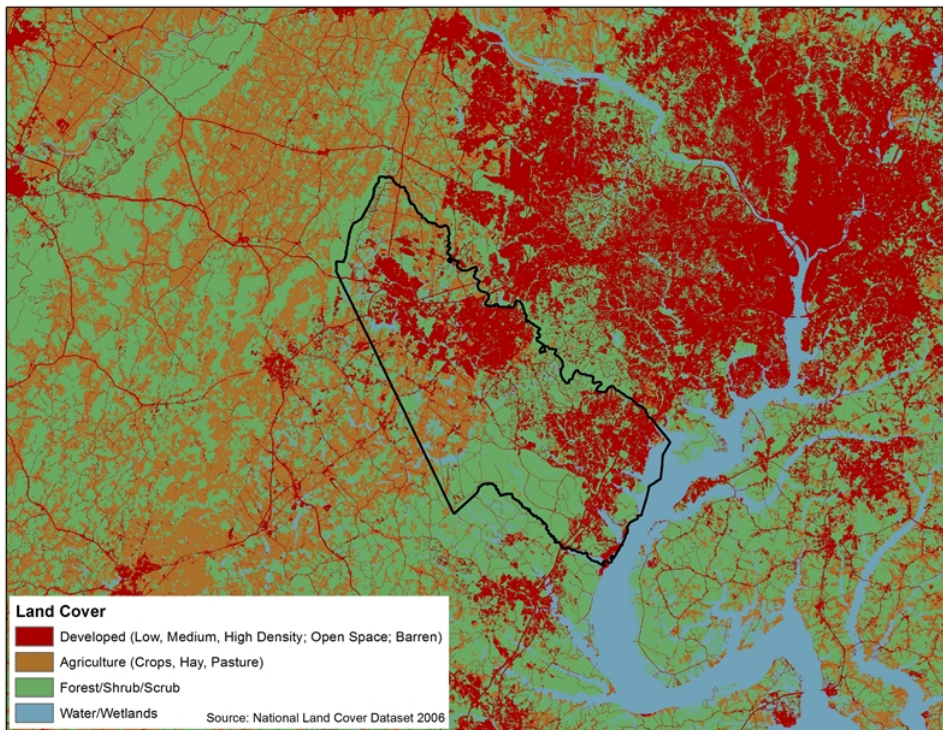


**DRAFT**

- Rural Area**
- Parcel Size**
- Rural Area
  - 20 to 49.99 acre
  - Larger than 50 a

**Land Cover**

- Developed (Low, Medium, High Density; Open Space; Barren)
  - Agriculture (Crops, Hay, Pasture)
  - Forest/Shrub/Scrub
  - Water/Wetlands
- Source: National Land Cover Dataset 2006



- State Line
- County Line
- City or Town
- Interstate
- US Highway Route
- State Highway
- County Road (Major)
- Street
- Railroad
- Water Feature
- Manassas National Battlefield Park
- Marine Corps Base Quantico
- Prince William Forest Park
- Quantico National Cemetery



1 in = 5,280 ft

Scale in Feet



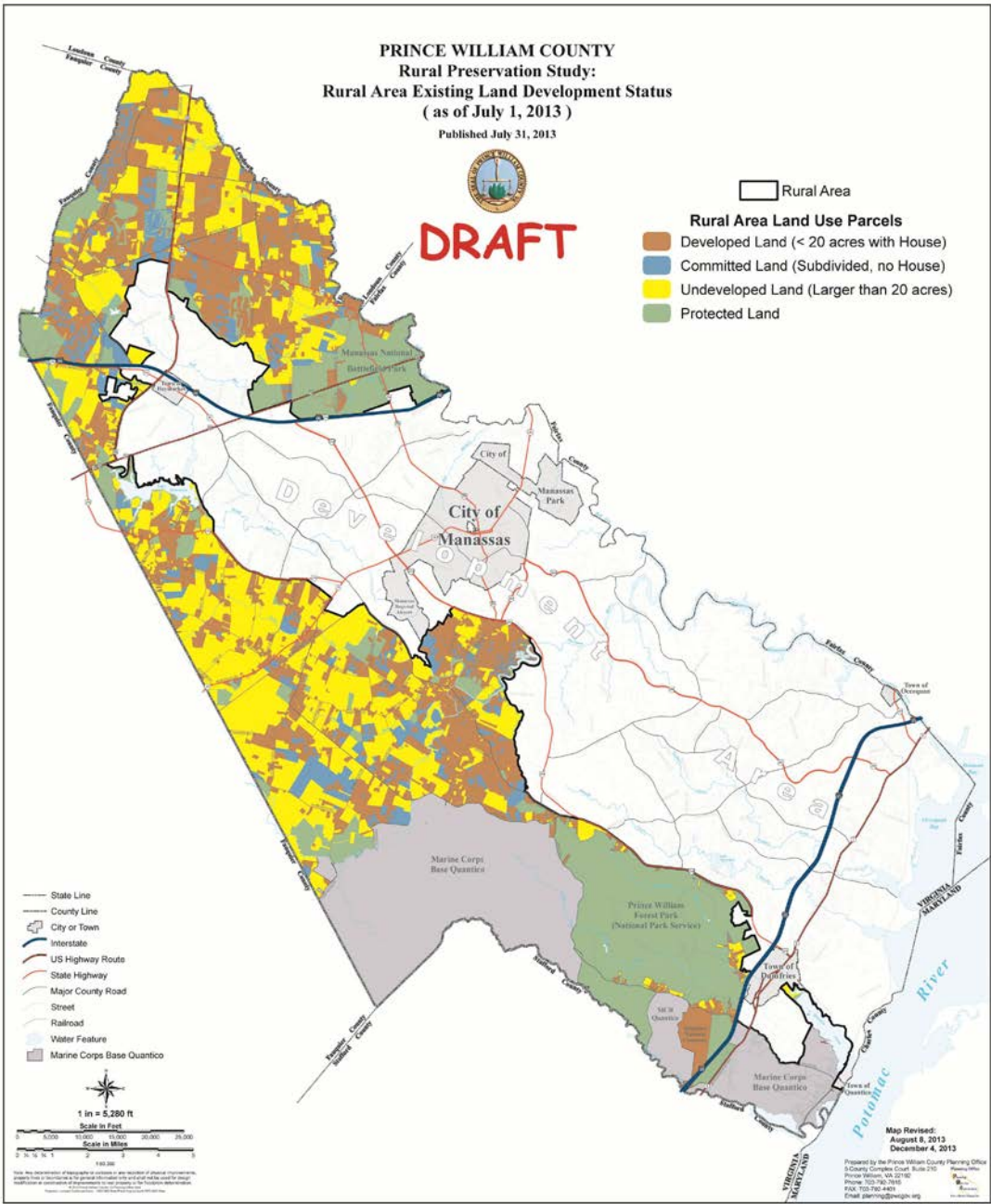
Prepared by the Prince William County Planning Office  
© County Geomatics Dept. Suite 110  
Prince William, VA 22192  
Phone: 703-730-3011  
Fax: 703-730-4001  
Email: planning@pwc.org

# Land Status in the Rural Crescent

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	Acres
Developed (including Quantico)	55,082
Committed	8,218
Permanently Protected	25,750
Undeveloped and unprotected	27,944
Total	115,994

# Land Status in the Rural Crescent





# Preserved Land in Prince William County

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	<b>Acres</b>
Federal	16,707
State	744
Prince William County (Including Schools)	2,212
County Registered Historic Sites	1,278
Land Conservators	2,598
Other (HOA, City of Manassas, Golf Courses)	2,211
<b>Total</b>	<b>25,750</b>



# Where Would Programs Be Appropriate?

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- Purchase of Development Rights?
- Donation of Conservation Easements?
- Transfer of Development Rights?
- Limited development with preserved open space?
- REPI

# Questions and Comments

