

**RESOLUTION
ROCK COUNTY BOARD OF SUPERVISORS**

LAND CONSERVATION
COMMITTEE
INITIATED BY

LAND CONSERVATION
COMMITTEE
SUBMITTED BY



THOMAS SWEENEY
DRAFTED BY

April 21, 2014
DATE DRAFTED

**AUTHORIZING OPTION TO PURCHASE AGREEMENT FOR THE PLANKEY PROPERTY FOR
THE PURCHASE OF AGRICULTURAL CONSERVATION EASEMENTS (PACE) PROGRAM**

1 **WHEREAS**, the Rock County Purchase of Agricultural Conservation Easements (PACE) Program acquires
2 agricultural conservation easements ("Easements") on eligible lands throughout unincorporated Rock County;
3 and,
4

5 **WHEREAS**, the Rock County Board of Supervisors, through Resolution 13-12A-471 (December 12, 2013),
6 authorized the Rock County PACE Program to begin the Easement acquisition process on the following property:
7

- 8 1. Plankey Property - Rock County tax parcel numbers 6-19-264A, 6-19-264B, 6-19-264C and 6-19-
9 264D, Section 23, Township 1N, Range 13E, Turtle Township (approximately 181.5 total acres).

10
11 **WHEREAS**, to move towards completion of the Easement acquisition process, the Land Conservation
12 Department ("LCD") will submit Easement acquisition funding applications for the aforementioned property to the
13 USDA-Natural Resources Conservation Service ("NRCS"); and,
14

15 **WHEREAS**, the NRCS requires, as a component of its application process, a signed agreement ("Option")
16 between Rock County and the owners of the aforementioned properties; and,
17

18 **WHEREAS**, the Option will identify the estimated purchase price of the Easement, and Rock County and the
19 property owner's interest in completing the Easement acquisition process; and,
20

21 **WHEREAS**, the Option is subject to all terms and conditions of the Rock County – Conveyance Agreement and
22 Escrow Instructions and contingent upon Easement acquisition funding from the NRCS; and,
23

24 **WHEREAS**, after execution of the Option, the LCD will submit Easement acquisition funding applications to the
25 NRCS for each property, and if funding is awarded, Rock County will acquire Easements on the properties with
26 future action by the County Board.
27

28 **NOW, THEREFORE, BE IT RESOLVED** that the Rock County Board of Supervisors duly assembled this
29 8th day of May, 2014, does by enactment of this Resolution, authorize a Rock County –
30 Option to Purchase Agreement – Agricultural Conservation Easement for the Plankey Property, subject to all
31 terms and conditions stated therein.

14-5A-020

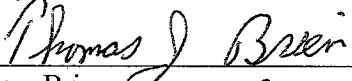
AUTHORIZING OPTION TO PURCHASE AGREEMENT

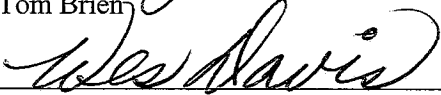
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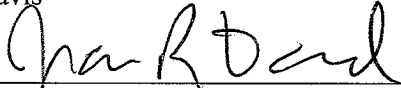
Respectfully submitted:

LAND CONSERVATION COMMITTEE


Richard Bostwick, Chair

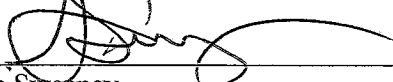

Tom Brien


Wes Davis


Jason Dowd


David Rebout, USDA-FSA Representative



Rick Richard


Alan Sweeney


Larry Wiedenfeld

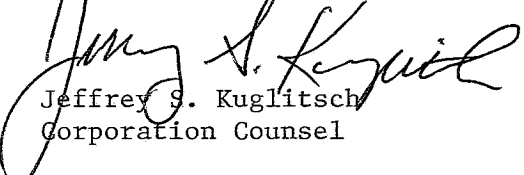
FISCAL NOTE:

This resolution authorizes an Option to Purchase Agreement for an agricultural conservation easement. Purchase of this easement is subject to approval of funding from the NCRS. Purchase price and County funding will require future action by the County Board.


Sherry Oja
Finance Director

LEGAL NOTE:

The County Board is authorized to take this action pursuant to Secs. 59.01, 59.51 and 93.73, Wis. Stats.


Jeffrey S. Kuglitsch
Corporation Counsel

ADMINISTRATIVE NOTE:

Recommended.


Craig Knutson
County Administrator

EXECUTIVE SUMMARY:

The Rock County Purchase of Agricultural Conservation Easements (PACE) Program acquires agricultural conservation easements (“Easements”) on eligible lands throughout unincorporated Rock County. This resolution authorizes Rock County to execute an agreement (“Option”) with the property owner. The option identifies the interests of Rock County and the property owner in completing the Easement acquisition process and also includes the estimated purchase price of the Easement. Completion of the Easement acquisition process is subject to funding from the Natural Resources Conservation Service (NRCS).

Applications, which include the Option to Purchase documents, will be submitted to the NRCS for their funding consideration. A real estate appraiser determined the parcel easement value, as shown in the summary below. The Parcel Purchase Price is the Parcel Easement Value minus the Landowner Donation of 25%.

Plankey Property – 181.5 Acres

Parcel Easement Value: \$598,000.00

Landowner Donation: (25% of Parcel Easement Value) \$ 149,500.00

Federal Contribution: (50% of Parcel Easement Value) \$ 299,000.00

County Contribution: (25% of Parcel Easement Value) \$ 149,500.00

Total Purchase Price: \$ 448,500.00

If the application from Rock County is selected for funding, a third party appraiser will be contracted by NRCS to review the real estate appraisals submitted as part of the application. The third party appraiser may request the appraiser to amend any part of the original appraisal, if he/she determines that the NRCS appraisal guidelines for Conservation Easements have not been followed or met. The third party appraiser is the sole authority for making that determination. Once the appraisals have been authorized as complete the final easement value will be set, which may or may not alter the purchase price.

EXECUTIVE SUMMARY
AMENDED FOLLOWING MAY 7, 2014 LAND CONSERVATION COMMITTEE MEETING
CONTRIBUTION PERCENTAGES HAVE BEEN REVISED

The Rock County Purchase of Agricultural Conservation Easements (PACE) Program acquires agricultural conservation easements ("Easements") on eligible lands throughout unincorporated Rock County. This resolution authorizes Rock County to execute an agreement ("Option") with the property owner. The option identifies the interests of Rock County and the property owner in completing the Easement acquisition process and also includes the estimated purchase price of the Easement. Completion of the Easement acquisition process is subject to funding from the Natural Resources Conservation Service (NRCS).

Applications, which include the Option to Purchase documents, will be submitted to the NRCS for their funding consideration. A real estate appraiser determined the parcel easement value, as shown in the summary below. The Parcel Purchase Price is the Parcel Easement Value minus the Landowner Donation of ~~25%~~.

Plankey Property – 181.5 Acres

Parcel Easement Value: \$598,000.00

Landowner Donation: (~~25%~~ 49% of Parcel Easement Value) \$ ~~149,500.00~~ 293,020.00

Federal Contribution: (~~50%~~ 34% of Parcel Easement Value) \$ ~~299,000.00~~ 203,320.00

County Contribution: (~~25%~~ 17% of Parcel Easement Value) \$ ~~149,500.00~~ 101,660.00

Total Purchase Price: \$ ~~448,500.00~~ 304,980.00

If the application from Rock County is selected for funding, a third party appraiser will be contracted by NRCS to review the real estate appraisals submitted as part of the application. The third party appraiser may request the appraiser to amend any part of the original appraisal, if he/she determines that the NRCS appraisal guidelines for Conservation Easements have not been followed or met. The third party appraiser is the sole authority for making that determination. Once the appraisals have been authorized as complete the final easement value will be set, which may or may not alter the purchase price.

SUMMARY OF DISCUSSION AT LCC MEETING ON MAY 7, 2014

The new Farm Bill, approved in early 2014, included changes to the federal program administered by the NRCS, which provides a portion of the funds for PACE acquisitions. The maximum federal contribution of 50% of the appraised fair market value remains the same, but the required contribution from the County has increased. In the past, a County contribution of 17% of the fair market value was required to receive the 50% contribution from the NRCS. With the revisions in 2014, a County contribution of 25% is now required to receive the 50% maximum contribution from the NRCS. Specifically, the federal program rule states that the local entity (County) must contribute at least 50% of the federal contribution.

Considering that the levels of contribution are flexible up to the federal maximum, the LCC discussed this matter with the landowner at the regular meeting on May 7, 2014. It was verbally agreed that the above outlined revision to the option to purchase would be acceptable to both parties in an effort to save County funds for future acquisitions. As noted, the County contribution was reduced to 17% of the easement value, which is consistent with the level of County contribution to previously approved easement acquisitions. Therefore, based on the federal program rules, this decision results in a change to the proposed federal contribution to 34% of the fair market value. The approximate landowner donation will be 49% of the fair market value.