PURCHASE OF DEVELOPMENT RIGHTS FUNDING SUSTAINABILITY

SUBCOMMITTEE REPORT

December 2010

The mission of Kent County government is to be an effective and efficient steward in delivering quality services for our diverse community. Our priority is to provide mandated services, which may be enhanced and supplemented by additional services to improve the quality of life for all our citizens within the constraints of sound fiscal policy.

Purchase of Development Rights Funding Sustainability Subcommittee
Final Report

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Executive Summary

In 2010, a subcommittee of the Kent County Board of Commissioners was established to identify sustainable funding sources for the Purchase of Development Rights (PDR) Program. As a part of their work, the subcommittee estimated the total cost to achieve the 25,000 acre goal to be $54,877,500 which could be achieved through annual expenditures of approximately $3.7 million over 15 years, $2.7 million over 20 years, or $2.2 million over 25 years.

The subcommittee's review of existing funding sources concluded that the primary sources have been contributions from private foundations and donors as well as a matching grant program from the federal government. Realizing that the private foundations and donor contributions are not likely to sustain the program in the long-term, the subcommittee concluded that it is imperative that the County continue to demonstrate leadership and support for farmland preservation by continuing to annually appropriate funds to support PDR.

The subcommittee is recommending that the Board designate the amount of funds equal to the County's General Property Tax revenue received from the agricultural class to support the PDR program. Currently at $782,333, agricultural class revenue provides a sustainable mechanism to fund PDR at a sufficient level to achieve the 25,000 acre goal within 25 years. In addition, the subcommittee encourages state, local, and private landowners to continue to support farmland preservation through annual appropriations and to partner with the County to leverage additional funding through the federal match program. The subcommittee also recommends the expansion of the endowment fund by establishing a challenge-grant to grow the principle and enable this to be a long-term funding source. Further, the subcommittee recommends continuing to explore the partnership between the Grand Valley Regional Biosolids Authority and other similar entities that have an interest in preserving farmland.

In addition to identifying funding sources, the subcommittee also engaged the polling firm of EPIC-MRA to conduct a survey of Kent County registered voters to gauge the community's attitudes and perceptions about open space and agricultural preservation. The survey results made it evident that the community supports the concept of agricultural and open space preservation but that there is not a good understanding of the Kent County PDR program. Therefore, the subcommittee is recommending that an information and education campaign to inform the public about the PDR Program be implemented. Given the results of this survey and the clear need for a better understanding and awareness of the Kent County PDR program, the subcommittee recommends that a dedicated millage for PDR should not be pursued at this time.

In short, this report concludes that no single source will fund the preservation of 25,000 acres. But through partnerships with federal, state, and local governments as well as landowners, private foundations and donors, we can build together the funding necessary to preserve agriculture, and its benefits, in Kent County.

Purchase of Development Rights Funding Sustainability Subcommittee
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I. Introduction

The Purchase of Development Rights (PDR) Funding Sustainability Subcommittee was established by Board Chair Sandi Frost Parrish in 2010 to *review all options for future funding of the PDR program and make a recommendation to the Board of Commissioners for the sustainable funding of PDR.*

The Commissioners appointed to this subcommittee include Commissioner Jim Talen as Chair and Commissioners Tom Antor, Bill Hirsch, and Bob Synk.

Staff from the Kent County Administrator's Office and Kent/MSU Extension provided support and information to assist the Subcommittee throughout their discussions.

II. Background/Process

In 2009, the Board Subcommittee on Open Space and Agricultural Preservation issued a report outlining several short- and long-term recommendations for open space and agricultural preservation. The recommendations included: 1) appropriating $275,000 in 2010 as part of a three-year $1 million commitment to the County's PDR program; 2) implementing a baseline survey of the community's attitudes and understanding of PDR and open space preservation; and, 3) reviewing and identifying sustainable funding sources for the County's PDR program.

To implement the recommendations of the Open Space and Agricultural Preservation Subcommittee, the PDR Sustainability Subcommittee was established in 2010. The work of the PDR Sustainability Subcommittee relies upon the recommendations of the Open Space and Agricultural Preservation Subcommittee and therefore focused on identifying sustainable funding source(s) beginning in 2013.

The PDR Sustainability Subcommittee began its work in February 2010 and has completed the following:

1) Established a financial estimate for achieving the County's goal to preserve 25,000 acres of agricultural land pursuant to the Kent County Farmland Development Rights Ordinance adopted by the Board of Commissioners on November 26, 2002 (Resolution #11-26-02-174); and
2) Identified and evaluated a variety of funding mechanisms to provide sustainable funding sources for the PDR program beginning in 2013; and
3) Implemented a baseline survey of the community's attitude and perception about open space and agricultural preservation, as recommended by the prior subcommittee and funded through grants; and
4) Provided an opportunity for township supervisors to offer their input regarding the PDR program and how it should be funded; and
5) Made recommendations to sustainably fund PDR.

III. Estimated Costs and Timeline to Achieve 25,000 Acre Goal

In 2002 the Board of Commissioners adopted the Kent County Farmland Development Rights Ordinance with a goal to purchase development rights on 25,000 acres of farmland. Since that time, the County PDR program has secured $4,278,153 to preserve 1,484 acres (including appraisals, closing costs, etc). An additional $137,000 has been awarded but not expended to purchase development rights on an additional 60 acres in 2011 and an additional 556 acres are pending funding from the federal matching program. The State has preserved 262 acres, 577 acres have been donated, and Grattan Township has preserved 170 acres, leaving a total of 21,951 acres to be preserved to meet the County's goal of 25,000.

	Acres
Initial Goal	25,000
Preserved through County PDR	1,484
County PDR Pending 2011/2012	556
Preserved by State PDR	262
Easement Donation	577
Township PDR	170
Remainder required to meet Goal	**21,951**

In developing an average cost per acre to use in estimating the total cost to achieve the goal, the subcommittee focused on the fact that, while agricultural land prices have remained relatively stable over time, the value of the development rights is subject to market conditions and is likely to change over time. Thus, the estimated cost per acre is based on the appraisals that have been completed and reflects the declining value of development rights, which is a function of the current market conditions for development. For example, since 2003, the PDR program has completed appraisals on 31 farms in Kent County, which established an average cost for development rights of $3,042 per acre. Broken down further, the average cost per acre between 2003 and 2007 was $3,995 while the average per acre cost in 2009 and 2010 has dropped to $1,660 per acre. Of the 31 total appraisals completed, offers were accepted on 18 farms at an overall average cost per acre of $2,550. This serves as the basis for the estimate of $2,500 per acre to secure development rights on the remaining 21,951 acres of development rights to be acquired in Kent County. Realizing that the fluctuation in the market value of development rights is likely to continue, the $2,500 estimated cost will change and the funding target can be updated throughout the PDR program.

At the estimated cost of $2,500 per acre, the total estimated cost to secure development rights on the remaining 21,951 acres is $54,877,500. It is anticipated that multiple funding sources will be needed to meet this goal. The following chart shows the average annual funding amounts required to achieve the goal within the specified number of years:

Annual average cost per year to meet 25,000 acre goal at estimated cost of $2,500 per acre		
15 Years	**20 Years**	**25 Years**
$ 3,658,500	**$ 2,743,875**	**$ 2,195,100**
Note: Annual funding is expected to be comprised of multiple funding sources.		

The amount of funding that can be secured will determine the speed at which the 25,000 acre goal can be achieved. It was the consensus of the subcommittee that accelerating purchases in the near future would provide the greatest return due to the current economic climate and the minimal pressure for development that is resulting in a lower cost per acre. Waiting until development pressure is greater and land prices increase will increase the cost of the PDR program. It was also the consensus of the subcommittee that, as the PDR program achieves momentum, competition among landowners to participate will encourage greater landowner and local unit participation and potentially reduce the cost per acre.

IV. Estimated Program Costs

In addition to the costs of development rights (for the permanent conservation easement) the PDR program requires additional resources to manage, screen, qualify, and overall support the operations of the PDR program and the Agricultural Preservation Board. Currently, the County funds .6 of a full-time equivalent employee (FTE) to manage and operate the PDR program. In addition to these costs, the PDR program requires funding for appraisals, environmental inspections, ongoing site visits as well as potential longer-term legal costs should the permanency of the conservation easement be challenged.

It is important to note that the actual costs to operate the PDR program will depend on the amount of funding that is secured each year as this will be the determining factor regarding the workload and resources necessary to manage and administer the program.

For the purposes of this projection the 15-, 20-, and 25-year average annual funding amounts (noted in the prior section) were utilized to determine the potential administrative costs. The next step was to determine the number of farms and therefore the number of federal grant applications that could be submitted in a given year. Based upon the previously preserved 1,484 acres, the average farm size was 124 acres, which became the basis for determining how many acres/farms at a cost of $2,500 per acre could be preserved each year based upon the annual funding projections. Further, it is roughly estimated that one FTE can submit five federal applications per year in addition to performing other work necessary to administer the program. One FTE is estimated to cost $60,000 per year. There is also a cost associated with overhead and support costs, including supervision, building space, equipment, software, etc., to operate the program. These overhead and support costs are estimated be 20% of the total cost of the employee(s).

In addition to costs directly related to staffing, there are other costs, including appraisals (estimated $5,000 per farm); closing costs (estimated $7,000 per farm) and legal expenses (current and future defense estimated to be $3,000 per farm), for a total cost of $15,000 per preserved farm. It should be noted that not all appraised farms are preserved.

Based on the costs described above, it is estimated that 10% of the annual funds expended for PDR should be designated for administrative costs:

	15-Years	20-Years	25-Years
Average Annual Funding to Achieve 25,000 goal	$3,658,500	$2,743,875	$2,195,100
Estimated FTE cost	$144,000	$ 108,000	$ 84,000
Estimated Admin Costs	$ 28,800	$ 21,600	$16,800
Estimated Appraisal/Closing Costs/Legal Trust Cost	$180,000	$ 135,000	$105,000
Estimated Total Operational Costs	$ 352,800	$ 264,600	$ 205,800

V. Community Perceptions

As a part of the recommendation from the 2009 Board Subcommittee on Open Space and Agricultural Preservation, the PDR Sustainability Subcommittee implemented a public perception survey on open space and agricultural preservation which was funded by the Grand Rapids Community, Frey and Wege foundations. This telephone survey was implemented by EPIC-MRA to a randomly selected, statistically significant population of 400 registered voters in Kent County.

Overall, 89 percent of the respondents indicated that preserving open space is important to the future quality of life in Kent County and 76 percent agreed that the loss of farmland has a negative impact on the local economy. Despite this level of agreement, when respondents were initially asked if they favor or oppose the PDR program, only 36 percent were aware that Kent County operated such a program and only 51 percent indicated that they favored the program. However, after respondents were provided with additional information about the PDR program, the amount of support grew to 66 percent. However, respondents indicated a high degree of uncertainty or lack of knowledge about how the program operates, its funding sources, and its impact on the community. Upon receiving further information and in the context of discussing PDR and the preservation of open space and farmland, respondents showed an increasing level of support (77 percent favor PDR for open space; while 70 percent support PDR for farmland preservation).

In a final set of questions, respondents were again asked about the importance of PDR for farmland and open space preservation and if there should be a dedicated funding source for PDR. Seventy one (71) percent of the respondents indicated that it was important to have PDR for farmland and 61 percent indicated it was important to have a dedicated funding source. As it relates to open space preservation, 63 percent indicated that it was important to have a PDR program for open space and 57 percent of respondents thought it was important to have a dedicated funding source.

In short, the survey concluded that respondents are generally supportive of the PDR program and their level of support grows upon hearing more about the program. At the same time, the survey also found that respondents have a limited understanding of the program and that additional information and education is necessary.

The results of this survey were presented to the Board of Commissioners on December 9, 2010, and the full report is attached to this report.

VI. Current & Past Sources of Funding

As previously noted, the PDR program has secured funding for 1,484 acres at total cost of $4.3 million. In addition, the PDR program has an additional 60 acres that are pending closure in 2011 at a cost of $137,000 and if a federal grant award is received in 2011 or 2012 an additional 556 acres will be preserved and the funding dedicated for PDR will amount to $5.3 million. The following provides a brief summary of each of the current and past funding sources for PDR.

	Funding Spent 2003-2010(1)	% of Total	Total Funding Pledged/Pending(2)	% of Total
Private Donations/Grants	$ 1,589,821	37%	$ 1,823,348	35%
Federal	$ 1,607,685	38%	$ 1,934,500	37%
Kent County	$ 271,215	6%	$ 550,000	10%
State/Fed pass-through	$ 259,000	6%	$ 259,000	5%
State Allocation	$ 252,097	6%	$ 252,097	5%
Landowner	$ 249,500	6%	$ 320,333	6%
Local Unit Contributions	$ 46,500	1%	$ 115,700	2%
Endowment	$ 2,334	<1%	$ 2,334	<1%
Total Funding Spent	$ 4,278,152	100%	$ 5,257,312	100%

(1) Purchase completed or scheduled for completion on 12/28/2010; (2) Purchase completed 2003-2010, and pending in 2011, or 2012.

Private Donations/Grants

Grants from foundations and private donors have been the backbone of the PDR program as funders have donated nearly $1.6 million or 37% of the total cost to preserve 1,484 acres in Kent County. In addition, the Foundations and private donors have pledged an additional $230,000 towards purchasing development rights in 2011 and 2012.

	Funding Spent 2003-2010	% of Total	Total Funding Pledged/Pending(2)	% of Total
Private Donations/Grants	$ 1,589,821	37%	$ 1,823,348	35%

Potential Financial Impact: Private donations and grants have been the backbone of the PDR program. However, the general consensus of the subcommittee is that grants from local foundations should not be considered a long-term funding source since these organizations generally prefer to provide "seed" money to support start-up of programs as opposed to supporting ongoing endeavors. It is expected that funding will be reduced in future years when a long-term, sustainable funding source is secured.

Federal Grants

The federal government, through the Natural Resources Conservation Service, provides matching grants for up to 50% of the cost of PDR. These grants are highly competitive and grant awards have proven to be more likely when matching funds reduce the federal match to be less than 50%. Of the $4.3 million that has been spent to purchase development rights, the federal grant amounts to $1.6 million or 38% of the total cost. An additional $327,000 has been requested from the federal program for PDR applications that are pending.

	Funding Spent 2003-2010	% of Total	Total Funding Pledged/Pending(2)	% of Total
Federal	$ 1,607,685	38%	$ 1,934,500	37%

Potential Financial Impact: This is a long-term and sustainable funding source. The federal grant provides matching funds up to 50% of cost of the development rights.

State Grants

The State of Michigan currently has a program established which enables the State to fund PDR. However, for the past several years the State has not appropriated funding to support this program. Of the $4.3 million that has been spent, the State has contributed $252,000 or approximately 6% of the costs for PDR.

	Funding Spent 2003-2010	% of Total	Total Funding Pledged/Pending(2)	% of Total
State Grant	$ 252,097	6%	$ 252,097	5%

Potential Financial Impact: The State has not appropriated funds for the PDR program in the past several years, and given the current economic climate, it is unlikely that the State will allocate funds in the near-term; however, should the State begin allocating funds, this would have a significant financial impact as it would enable the County to leverage additional funds to purchase development rights.

Local Unit Contributions

Several local units of government including the townships of Ada, Alpine, Bowne, Caledonia, Cascade, Grattan, Nelson, Sparta, and Vergennes have pledged or contributed to the PDR program in the amount of $115,700.

	Funding Spent 2003-2010	% of Total	Total Funding Pledged/Pending(2)	% of Total
Local Unit Contributions	$ 46,500	1%	$ 115,700	2%

*Potential Financial Impact***:** Consistent with the input received from township supervisors, the current economic climate limits the potential for significant contributions from local units of government; however, the economic climate in the future may permit townships to financially support the PDR program at a greater level.

Landowner Contributions

Landowner contributions to the PDR program assist in reducing the cost per acre by donating a portion of the cost of the development rights. Of the 1,484 acres preserved, landowners have contributed 6% of the total cost and an additional $70,000 has been pledged by landowners to preserve additional acreage.

	Funding Spent 2003-2010	% of Total	Total Funding Pledged/Pending(2)	% of Total
Landowner	$ 249,500	6%	$ 320,333	6%

Potential Financial Impact: Landowners are strong partners in this program as they continue to demonstrate their commitment to agricultural preservation by donating a portion of the cost of the development rights.

County General Fund Appropriation

The Kent County Board of Commissioners has allocated $550,000 to support PDR. These funds are being utilized by the Agricultural Preservation Board to match the federal grant. To date, this amounts to 10.5% of the total amount of funds that have been spent and/or are pending award.

	Funding Spent 2003-2010	% of Total	Total Funding Pledged/Pending(2)	% of Total
Kent County	$ 271,215	6%	$ 550,000	10.5%

Potential Financial Impact: County appropriations will need to be the new backbone of the PDR program, particularly in the near-term while the cost per acre of development rights are lower and federal grant dollars are available for match. It is essential that this funding support be continued.

Endowment:
Currently, the Agricultural Preservation Board has a small endowment that is managed by the Grand Rapids Community Foundation. This fund has approximately $50,000 and has generated approximately $2,300 in the past year.

	Funding Spent 2003-2010	% of Total	Total Funding Pledged/Pending(2)	% of Total
Endowment	$ 2,334	<1%	$ 2,334	<1%

Potential Financial Impact: The development of a substantial endowment has the potential to become a long-term funding source for the PDR program.

VII. Additional Funding Sources/Mechanisms

As stated earlier, and as demonstrated by the above, achieving the goal of preserving 25,000 acres will require multiple funding sources and partners. The subcommittee has predicated its work on the belief that any single funding source can only be counted on to provide a portion of the required funding. Consistent with that philosophy, projections and financial estimates being considered include current and past contributions from the county, state and federal governments, as well as local units, landowners, and endowment earnings.

In addition to the past and current funding sources reviewed in the prior section, the Subcommittee reviewed potentially new funding sources including a partnership with the Grand Valley Regional Biosolids Authority, growing the endowment, promoting a coordinated planning and zoning process which enables the use of impact and conversion fees, establishing an Agricultural Tax Increment Finance Authority, utilizing installment purchase agreements, buying municipal zero-coupon bonds or issuing general obligation bonds, dedicating a portion of the County Real Estate Transfer Tax for PDR, and presenting voters with a ballot proposal for a dedicated millage for PDR. At this point, the amount of funding available from each of these sources can only be estimated based upon several assumptions. A brief synopsis of each of the potential additional funding mechanisms is included below with additional details and information available in the appendices.

Biosolids Authority Partnerships:
The Grand Valley Regional Biosolids Authority (GVRBA) has indicated an interest in partnering with the County to preserve farmland and open space which can then be utilized for biosolids application. The GVRBA seeks to preserve as much land as possible within a 25-35 mile radius of the Wyoming Clean Water Plant which will allow biosolids to be applied. There are approximately 11,000 acres of farmland within the radius of the

Plant of which approximately 5,100 acres are located in Kent County. If 50% of the 5,100 acres were to be preserved through the PDR program for biosolids application, the estimated cost would be $6.2 million.

The charts below indicate the potential amount of funding which could be generated if the 2,500 were to be preserved and the GVRBA were to fund a portion of the PDR cost. For example, if the 2,500 acres are preserved over 10 years at a cost of $625,000 per year and GVRBA provides 50% of the funding, then there is approximately $312,500 in funding to support the PDR program.

Revenue to PDR Program for Biosolids

Total Cost	10 Years	15	25
$ 6,250,000	$ 625,000	$ 416,667	$ 250,000

% of Cost/Year Contributed by GVRBA

20%	$ 125,000	$ 83,333	$ 50,000
25%	$ 156,250	$ 104,167	$ 62,500
50%	$ 312,500	$ 208,333	$ 125,000
75%	$ 468,750	$ 312,500	$ 187,500

Potential Financial Impact: This partnership and collaboration have the potential to be a strong long-term funding source which could be expanded to include other authorities in Kent County which land-apply biosolids. Initially, the GVRBA has committed $40,000 to pilot the program in Kent County. Additional funding for PDR is available, should farms be willing to participate in the biosolids program.

Grow the Endowment Fund

Currently, the Agricultural Preservation Board has a small endowment fund that is managed by the Grand Rapids Community Foundation. The endowment currently has a small principle balance of $50,000 and generates a small amount of interest. By growing this principle balance the annual amount of interest generated could substantially increase and become a long-term funding source for the PDR program.

For the purposes of providing an example, if the endowment were to grow to $10 million and generate 5% in interest which could amount to $500,000 per year, a portion could be reinvested or the total amount of funds could be utilized to support the PDR program. The following example illustrates how the endowment could grow and annual funding be provided for PDR.

Principal Balance	$ 10,000,000
Interest (1)	5%
Annual Interest Earnings	$ 500,000
% of interest earnings reinvested	15%
$ amount of interest earnings reinvested (2)	$ 75,000
Annual Interest Earnings for PDR	$ 425,000
Endowment Principle Balance (Year End)	$ 10,425,000

(1) Interest earnings estimated for best-case scenario at 5%; market conditions will impact growth

(2) The amount reinvested is estimated and subject to endowment agreement and/or governing body decision

Potential Financial Impact: The endowment fund has the potential to become a long-term funding source for PDR.

<u>County Real Estate Transfer Tax</u>

Public Act 134 of 1966 (MCL 207.501 et. seq.) established the County Real Estate Transfer Tax which is a tax assessed to the seller/grantor of property when a real estate transaction is recorded by the County's Register of Deeds. The tax authorized by this statute is currently assessed and collected by the County and used to support the General Fund. A portion of this tax revenue could be designated for PDR which, while linking the revenue to the PDR, would not necessarily constitute a "new" funding as it would basically be the same as appropriating General Fund.

Depending upon the amount of the revenue dedicated to PDR, the funding source could provide funding to preserve anywhere between 50-200 acres per year at the estimated per acre cost of $2,500.

Annual Revenue Real Estate Transfer Tax

	2009	2010 YTD	2011 Est.
	$1,567,786	**$1,235,451**	**$ 1,500,000**
10%	$ 156,779	$ 123,545	$ 150,000
25%	$ 391,947	$ 308,863	$ 375,000
35%	$ 548,725	$ 432,408	$ 525,000

Potential Financial Impact: The designation of existing revenue to support the General Fund could be advantageous in that there would be a dedicated source of revenue. The amount, however, would fluctuate based on market conditions, and therefore be unreliable.

<u>Coordinated Planning and Zoning with Conversion and Impact Fees</u>

Strategic and coordinated planning and zoning are a means for local units to promote farmland preservation and support PDR. Once a sound planning and zoning framework is in place, the implementation of conversion and impact fees by statutorily enabled local units of government could provide a mechanism to financially support the PDR program without utilizing existing resources.

Potential Financial Impact: Current planning and zoning ordinances may need to be revised to permit application of conversion and impact fees.

<u>Tax Increment Finance Authority – Agricultural Preservation</u>

This financing method has been utilized by Downtown Development Authorities and various other Tax Increment Finance Authorities (TIFA) to capture revenue from within the boundaries of the Authority and reinvest it in within those same boundaries.

For the purpose of providing an example, if 2005 were the base year that the taxable value was frozen by the Authority and 35% of all agricultural properties in Kent County were included within this district, over the past five years the Agricultural TIFA would have "captured" approximately $95,000 (which does not include any tax capture of any dedicated millages). Based upon this example, the AG TIFA would take considerable amount of time to generate substantial funding (given the stable market value of agricultural property), however, it could be a longer-term and sustainable funding source.

> *Potential Financial Impact:* This potential funding source for the PDR program would require a legislative change that would enable the creation of the district. Initial estimates indicate that the amount of funds collected would be limited until such time as the taxable value within the district grows.

Installment Purchase Agreements

Installment Purchase Agreements (IPA) are mechanisms to spread the payments and therefore the cost of PDR over time. In general, these agreements are used in coordination with a series of sustainable funding sources that can finance the terms of the Agreement.

> *Potential Financial Impact:* The IPA is not a funding source for PDR but is a mechanism to allow the County to secure development rights today and to pay off the cost of development rights over time.

Municipal Zero-Coupon Bonds

This funding mechanism, used in other areas of the country, would involve the County purchasing a Zero-Coupon Bond, which would mature to a higher value over time. The County would be required to pay the interest on the bond during that time, so the process does require a stable, underlying funding source. This funding mechanism would best be utilized in coordination with an IPA which will spread payments out over time.

> *Potential Financial Impact:* The Subcommittee considers this to be a potentially significant tool to increase the ability of the County to achieve the goal of preserving 25,000 acres sooner as opposed to later, but the value of the tool is dependent on the bond market, which is currently not favorable.

Dedicated Countywide Millage for PDR

The County is permitted by state statute to ask voters to approve tax levies for specific purposes.

The amount of funding generated through a millage is dependent upon property values and the amount of the millage levy. The following is an example of the potential millage rates and the amount of annual revenue which could be levied. The purchasing capacity ranges from 420 acres per year to 4,200 acres per year and has the potential to leverage additional funding which could significantly increase the purchasing capacity by enabling the Agricultural Preservation Board to seek matching grants through federal, state, and local programs as well as from private foundations.

Millage Rate	Revenue	Annual Cost to Property Owner based upon Market Value of the Home – Per $100,000	Number of Acres of Development Rights which could be purchased per year
0.05	$1,050,396	$ 2.50	420
0.1	$2,100,792	$ 5.00	840
0.2	$4,201,585	$ 10.00	1,681
0.3	$6,302,377	$ 15.00	2,521
0.5	$10,503,962	$ 25.00	4,202

Potential Financial Impact: Approval of a dedicated millage would provide a long-term and sustainable funding source for PDR. However, in light of EPIC-MRA's findings that voters are unfamiliar with the program, asking voters to approve a dedicated millage at this time would be inappropriate due to the relative newness of the PDR program and resulting unfamiliarity of voters with it.

VIII. Recommendations

In order to achieve the goal to preserve 25,000 acres of agricultural land, it is necessary that a coordinated funding plan be developed that identifies current, near-term, and long-term funding sources for the PDR program.

The subcommittee has evaluated a number of funding scenarios and identified a number of recommendations that, if implemented, will enable the County to successfully reach its PDR program goals.

As a result, the subcommittee is making the following recommendations:

Private Donations/Grants: The County should continue to leverage financial support from foundations for as long as it is available. In particular, we recommend that the County pursue funding to implement an information and education campaign to educate the public regarding the importance of agriculture in Kent County and the PDR program. It is understood that funding from foundations cannot sustain the program since they are generally in the business of providing "seed" money to establish programs/services. As a result, the amount of funding available from this source is expected to decline in the future.

Federal Grants: The Agricultural Preservation Board should continue to leverage funds from the federal government by increasing other financial contributions for PDR. The federal program is highly competitive but has the potential to fund up to 50% or $28 million of the estimated total cost ($56 million) to achieve the goal of preserving 25,000 acres of agricultural land in Kent County through the PDR program.

State Grants: The County and local units of government, as well as all other interested parties, should continue to lobby the State to invest in agricultural preservation as a means to reduce the cost of providing government services. While this is not a likely funding source in the near-term, as the economy turns around and government resources stabilize, it is expected that the State's support of the PDR program will be restored.

Local Unit Partnerships: The County and the Agricultural Preservation Board should continue to encourage local units of government to partner in funding the PDR program and utilize scoring criteria that encourages these partnerships.

Since the program inception, many local units have been supportive of the PDR program. However, as the township supervisors have indicated, townships have been challenged to identify a sustainable funding source, given the current difficult economic conditions. Similar to the situation with State funding, the subcommittee expects that support from local units of government will increase as the economy stabilizes and as local units recognize that supporting PDR will help to control the cost of government. In addition, it is recommended that local units look to methods that they could implement not only to coordinate the preservation process but also provide a dedicated funding source.

Landowners: The County and Agricultural Preservation Board should continue to recognize landowners who donate a portion of the value of the development rights and utilize scoring criteria that encourage landowners to make such donations.

County General Fund Appropriation: The Kent County Board of Commissioners should continue to demonstrate leadership in the PDR Program by allocating funding to support and sustain the program by designating an amount equal to the General Fund property tax revenues generated by the Agriculture Class to support the PDR Program. The basis for this recommendation is that when land is utilized for agricultural purposes it requires a much lower level of service than residential, commercial, or industrial areas.

In 2010, the taxable value of all agricultural property in Kent County was $182,775,287 and when assessed at the County's Operating Millage of 4.2803 mills, the Agricultural Class was billed $782,333. By designating this funding to the PDR Program, the County will be reinvesting revenue back into the agriculture class which will benefit not only the agriculture class property owners who pay the taxes, but also the tax payers throughout the County by limiting the loss of prime agricultural land and therefore reducing the amount of taxpayer-funded services in the future.

In order to achieve the County's goal of preserving 25,000 acres of farmland within 20-25 years, the subcommittee has estimated that the County will need to contribute between $500,000 and $1,000,000 per year. Since the Ag Class revenue falls within that range, it provides a sustainable mechanism to achieve that goal.

Endowment: In order to substantially grow the endowment, the Board of Commissioners in partnership with the Agricultural Preservation Board should establish a challenge campaign to grow the endowment. When this is established, it will provide an on-going and long-term funding source to preserve farmland in Kent County. By developing a challenge-campaign, donors will be able to continue to make smaller donations to support the PDR program but also to make larger donations that will support the PDR program and agricultural preservation in the long-term. By pledging to match private donations, the Board of Commissioners will demonstrate leadership and set the stage for additional/future gifts to support the endowment.

As a first step, the Agricultural Preservation Board in coordination with the Board of Commissioners should conduct a feasibility study to determine an appropriate goal for the campaign. By soliciting feedback from donors, the campaign will be able to determine the financial goal that can be achieved. In addition, a campaign committee of dedicated proponents of PDR and agricultural preservation should be established to conduct the campaign. Additional staff may be necessary to support the campaign, which may be funded in part or in full by the contributions. This is a multi-year process that will provide a long-term funding source for PDR and enable/encourage donors to provide funding for the program.

Biosolids Authority Partnerships: The Agricultural Preservation Board should concentrate its efforts on recruiting farms that fit within the geographic radius required for Grand Valley Regional Biosolids Authority funding and reach out to other entities with needs for land application to establish similar partnerships. This partnership is an essential way to leverage available funding to support the PDR program and advance the efforts to preserve agricultural land in Kent County.

Dedicated Millage: Based on the results of the EPIC-MRA survey which showed that only one-third of County residents are aware of the County's PDR program and that there is considerable uncertainty about various components and benefits of the program, an information and education plan should be developed and implemented to inform the public regarding the PDR program and the importance of agricultural preservation to the local economy and reducing the cost of government services. The subcommittee recommends that a dedicated millage for PDR should not be pursued at this time.

Municipal Zero-Coupon Bonds: The County should monitor municipal bond market and the ability of the County or the endowment fund to dedicate future funding to the purchase of a zero coupon bond which can than be utilized in coordination with the Installment Purchase Agreement to purchase development rights.

Installment Purchase Agreements (IPA): Once sustainable funding sources are secured, the Agricultural Preservation Board should work with landowners to determine if IPAs are acceptable methods for securing development rights.

Tax Increment Financing Authority – Agricultural Preservation (AG TIFA): The Subcommittee recommends that the Kent County Board of Commissioners pursue legislation that will enable creation of an AG TIFA.

The subcommittee has explored and evaluated a variety of existing and potential funding sources for PDR that, if utilized, will provide the funding needed to achieve our goal of preserving 25,000 acres of prime farmland within the next 20 to 25 years. Heartfelt and consistent leadership by the Board of Commissioners is essential to increasing public understanding and knowledge of the PDR program. As our community's knowledge of the program increases, so will its support of it. We encourage the members of the Board to engage in activities that will increase awareness of the PDR program and its many benefits to our community, and to partner with federal, state and local government, philanthropists, landowners and others to sustain the PDR program so that we can all benefit from its significant positive influence on our economic well-being and quality of life.

POTENTIAL PDR FUNDING MECHANISM: <u>Biosolids Authority Partnerships</u>

FUNDING CONCEPT:
Entities such as the Grand Valley Regional Biosolids Authority (GVRBA) have an interest in partnering with the County to preserve farmland and open space which can then be utilized for biosolids application. This partnership provides the Authority with access to farmland for biosolids application and provides the County with matching funding for the PDR program.

HOW IT WORKS:
The GVRBA and other biosolids authorities may partner with the County to purchase development rights on agricultural property where landowners will also agree to a biosolids land application easement in addition to the agricultural conservation easement.

The GVBRA has indicated an interest in utilizing the PDR program to help secure farmland for biosolids application near the Wyoming Clean Water Plant. To support the land application program, the GVRBA estimates that it needs to secure 12,000 - 14,000 acres of farmland that is within a reasonable driving distance of 25-35 miles of the plant. Currently, the GVBRA applies biosolids on 3,000 – 4,000 acres of area farmland annually.

The U.S. EPA defines biosolids as "the nutrient-rich organic materials resulting from the treatment of sewage sludge (the name for the solid, semisolid or liquid untreated residue generated during the treatment of domestic sewage in a treatment facility). When treated and processed, sewage sludge becomes biosolids which can be safely recycled and applied as fertilizer to sustainably improve and maintain productive soils and stimulate plant growth." This provides a farmer with fertilizer that can be utilized for crops that are not for human consumption and therefore saves the farmer money.

In July 2009, the GVRBA Board approved $40,000 for a pilot farm to test the partnership with the PDR Program. This amount was based on the hypothetical scenario of:

Total costs of development rights:	$200,000 (100 acres at $2,000 per acre for PDR)
Federal matching funds (50%):	$100,000
Kent County (15%):	$30,000
Foundations, property owner/township (15%):	$30,000
GVR Biosolids Authority (20%):	$40,000

WHAT IT GENERATES:
Initial indications from the Wyoming Clean Water Plant and the GVRBA indicate that they may be able to contribute $500,000 - $1,000,000 annually to build the biosolids land application program's infrastructure for biosolids land application. These funds would come from sewer rates paid by GRVBA sewer customers.

BOARD REQUIRED ACTION:
None.

PROS/CONS:

PROS	CONS
COUNTY	**COUNTY**
• Establishes an additional funding partner for the PDR Program.	• There is a potential perception issue regarding the issue of biosolids application which will need to be addressed.
• In the case of GVRBA, there is a financial need to land-apply in Kent County and/or within a specific radius of the treatment plant. If land is too far away, it will not be financially viable for the Biosolids program.	• The program will not be available for all Kent County farms.
• This model may be expanded to other area sewer treatment facilities that land apply biosolids. This may include: Lowell, Grattan, Sand Lake and North Kent.	• May not be enough land or enough willing landowners within the 25-35 mile radius to support only the Wyoming Plant.
• This partnership works to create stable, low-cost sewer rates for all users (residential, commercial & industrial).	
LANDOWNER	**LANDOWNER**
• Landowners that are selected for GVRBA matching funding receive greater priority for PDR.	• Landowners may be reluctant to sign the PDR easement AND the biosolids land application easement.
• Landowners have access to a free source of fertilizer that is applied for them when their soil needs it.	• Once biosolids are applied, the landowner cannot easily switch to crops which can be consumed by humans.

POTENTIAL PDR FUNDING MECHANISM: Grow the Endowment Fund

FUNDING CONCEPT:

The Endowment Fund is designed to function as a long-term funding mechanism whereby a "base" amount is invested and a portion of the annual interest earnings are utilized to fund purchase of development rights and the operation of the program. An endowment will withstand the upswings and downward spirals of the investment market to provide sustainable funding.

HOW IT WORKS:

Generally, an endowment is created through a campaign or through several large gifts that are contributed to a non-profit organization. The vision in establishing an endowment is to create a base of funding that can generate interest earnings to fund a program – in this case, the PDR Program.

In 2008, the Kent County Board of Commissioners and the Agricultural Preservation Board established an endowment for agricultural preservation in Kent County. The endowment was established with an initial gift of $50,000 from the ME Davenport Foundation and is envisioned to provide funding for appraisals for the PDR program. Since being established, the endowment has received small financial contributions.

In order to grow the endowment fund, a strategy would be established to conduct an endowment fund campaign (much like a capital campaign). In order to determine the feasibility of creating an endowment and the amount of the endowment to be pursued, a feasibility study could be completed at an estimated cost of $15,000-$20,000. This study would provide necessary information regarding interest and support for the endowment.

Once the feasibility study is completed and an endowment goal is determined, the endowment campaign could be led by a campaign chairperson. An endowment campaign operating budget is estimated to be $60,000 to $100,000.

WHAT IT GENERATES:

The amount of funding generated from an endowment is dependent on the amount invested and the rate of return on the investment. The example on the following page shows potential scenarios for fund development depending upon the level of effort to grow the endowment.

The first scenario assumes that $10 million can be raised within 3 years. For this example, the estimated interest earnings is 5% of which 15% are reinvested in the endowment to provide $425,000 in annual funding. This amount has the purchasing capacity of 170 acres per year.

The second scenario assumes that $3 million is raised within two years. For this example, the estimated interest earnings is 5% of which 15% are reinvested in the endowment to provide $127,500 in annual funding. This amount has the purchasing capacity of 51 acres per year.

	$10 million - 3 Years	$3 million – 2 Years
Principal Balance	$ 10,000,000	$ 3,000,000
Annual Contribution (In years 2-10 to contribution estimated to be $1 million annually)	$ -	-
Interest (1)	5%	5%
Annual Interest Earnings	$ 500,000	$ 150,000
% of interest earnings reinvested	15%	15%
$ amount of interest earnings reinvested (2)	$ 75,000	$ 22,500
Annual Interest Earnings for PDR	$ 425,000	$ 127,500
Annual Acres Preserved (3)	170	51
Endowment Principle Balance (Year End)	$ 10,075,000	$ 3,022,500

(1) Interest earnings estimated for best-case scenario at 5%; market conditions will impact growth

(2) The amount reinvested is estimated and subject to endowment agreement and/or governing body decision

(3) The cost per acre is based upon the Subcommittee estimate of $2,500

PURCHASING CAPACITY:

The purchasing capacity of the endowment is dependent upon the funding scenario. Should endowment continue to grow through significant donations, the purchasing capacity of the endowment will also grow.

LEGISLATIVE REQUIREMENTS:

None.

BOARD REQUIRED ACTION:

None.

PROS/CONS:

PROS	CONS
COUNTY	**COUNTY**
• Endowment currently exists.	• Market conditions lead to an uncertainty about the value of the endowment and the spending power of the endowment.
• Establishes a sustainable funding source for ongoing agricultural preservation.	• Under the current endowment agreement, there are administrative fees paid to the foundation.
• Growing the endowment can come at a nominal cost of hiring a development director, establishing a campaign committee to assist in identifying/cultivating donor base.	
• Under the current endowment agreement, funds are pooled to achieve a greater return on investment.	

POTENTIAL PDR FUNDING MECHANISM: <u>County Real Estate Transfer Tax</u>

FUNDING CONCEPT:
Public Act 134 of 1966 (MCL 207.501 et. seq.) established the County[1] Real Estate Transfer Tax which is a tax assessed to the seller/grantor of property when a described real estate transfer transaction is recorded by the County's Registrar of Deeds. The tax authorized by this statute is currently assessed and collected by the County and used to support the General Fund. A portion of this tax could be designated for PDR.

HOW IT WORKS:
Pursuant to State statute, a transfer tax is assessed on property transfers when they are recorded with the County Register of Deeds.

The County assesses $0.55 for each $500 of the total value of the property that is being conveyed. The revenue generated by the tax is considered a General Fund revenue and used to support general fund County functions and services.

A portion of the revenue collected could be designated for the funding of the Purchase of Development Rights Program. Should the County wish to increase the fee to allow a portion of the fee to be designated for PDR without reducing its current revenues, a change in State legislation would be required.

WHAT IT GENERATES:
If a portion of the revenue received from the Real Estate Transfer Tax were designated for PDR, the amount of funding generated would depend on the percentage of the tax designated. The following options and estimates based on actual and projected activity:

Annual Revenue Real Estate Transfer Tax

	2009	2010 YTD	2011 Est.
	$1,567,786	$1,235,451	$ 1,500,000
10%	$ 156,779	$ 123,545	$ 150,000
15%	$ 235,168	$ 185,318	$ 225,000
20%	$ 313,557	$ 247,090	$ 300,000
25%	$ 391,947	$ 308,863	$ 375,000
30%	$ 470,336	$ 370,635	$ 450,000
35%	$ 548,725	$ 432,408	$ 525,000

BOARD REQUIRED ACTION:
Designation of a portion of the revenue generated by this Real Estate Transfer Tax to the PDR Program would require a resolution of the Board of Commissioners.

[1] Pursuant to Public Act 330 of 1993, (MCL 207.521 et seq.) the State also assesses a fee on the transfer of property. This fee is collected by the County and transmitted to the State. The fee is $3.75 per $500 of the market value of the property being transferred.

PROS/CONS:

PROS	CONS
COUNTY	**COUNTY**
• The amount of revenue is based upon the value of the transactions, such that, if the market/deed recordings increase so does the funding for PDR.	• The County would see a reduction in the amount of revenue that is utilized to support the General Fund
	• The amount of funding would fluctuate on an annual basis.

POTENTIAL PDR FUNDING MECHANISM: Coordinated Planning and Zoning with Conversion and Impact Fees

FUNDING CONCEPT:
In Kent County, planning and zoning is statutorily the function of cities, villages and townships. Additionally, these local governmental units have certain home rule police powers which may be utilized to advance local health safety and welfare. This funding concept would encourage local units of government to establish areas that are designated for land preservation. With appropriate local land use plans in place, fees for increased density developments or development outside of an approved district could be implemented and designated for local farmland preservation. With appropriate local ordinances it might also be possible for local units of government to impose fees for property zoning changes or ordinance variances impacting farmland preservation.

Basically, impact and conversion fees can provide a funding mechanism for Purchase of Development Rights by assessing a fee on property owners as part of a property transfer or in-exchange for actions which are permitted or considered an "exception" by planning and zoning regulations.

HOW IT WORKS:
Coordination of planning and zoning is best achieved by developing consensus on the objectives for farmland preservation with local units of government. Coordinated impact and conversion fees can provide a valuable planning and zoning mechanism supporting PDR and other initiatives which are generally geared towards farmland preservation.

For example, recently, the City of Grand Rapids amended its zoning ordinance to provide density bonuses to real estate developers willing to make a cash contribution to the Grand Valley Regional Biosolids/PDR program. Grand Rapids was able to support the biosolids and the PDR program and achieve the density requirements that make projects more desirable and financially feasible for developers. In other instances, communities have required contributions from developers for land preservation when land is transferred from an agricultural designation to zoning which permits Industrial, Commercial or Residential development

CONVERSION FEES
County: This funding source is not available to Kent County as it does not conduct planning and zoning.

Cities/Villages and Townships: As described above, local municipalities through their planning and zoning process could assess a conversion fee when a requested zoning classification change permits the development of Agricultural property for Industrial, Commercial or Residential uses.

IMPACT FEES

County: Kent County does not have the specific statutory authority needed to implement impact fees to fund a PDR program.

Cities/Villages and Townships: As described above, local municipalities could assess impact fees and use the proceeds to fund PDR.

WHAT IT GENERATES:

In order to estimate the funding capacity of the impact or conversion fees, local units of government would need to be involved in a discussion regarding desirability and feasibility. Without some level of consistency, differing rates could adversely impact land use on a countywide or regional basis.

BOARD REQUIRED ACTION:

If the Board desired to pursue conversion fees, it would require the County to work with the local units of government to perform planning and zoning. Similarly, the Board would need to pursue changes in state law permitting impact fees at the County level if it elected to pursue this funding option.

PROS/CONS:

PROS	CONS
COUNTY	**COUNTY**
• Establishes additional funding partners for the PDR Program.	• Not statutorily enabled for use by the County
• Provides a funding mechanism for cities/villages and townships to participate in the PDR program without utilizing General Fund tax dollars	• The amount of funding will fluctuate and likely not be substantial without adoption by all communities.
• The fee provides a mechanism for developers to obtain density and development requirements that will meet their project needs.	• Implementation of any taxes/fees has the potential to influence growth and development.
	• Impact fees could be challenged as a tax rather than a fee if it exceeds the cost of the services.

POTENTIAL PDR FUNDING MECHANISM: Tax Increment Finance Authority – Agricultural Preservation

FUNDING CONCEPT:
Enables the capture of revenue generated from tax levies that have increased over a base year. These "captured" funds are then reinvested in a specific area from which the revenue was generated.

HOW IT WORKS:
State statutes enable various Tax Increment Finance Authorities (TIFA) to capture revenue that increases over a base rate/base year and to re-invest that captured revenue into that specific area.

This financing method has been utilized by Downtown Development Authorities and various other Tax Increment Financing Authorities to capture revenue from the boundaries of the Authority and reinvest it in the same boundaries.

WHAT IT GENERATES:
The amount of funding generated through the TIFA is a function of an increase in the taxable value of the property once the base-year is established and the TV or SEV is "frozen".

For the purpose of providing an example, the following assumes that an Agricultural Preservation TIFA was established in 2005 and 2005 will serve as the base year and the boundaries of the Agricultural Preservation TIFA include 35 percent of the County's agricultural class taxable value[2]. This example does not take into account the potential revenue captured from any other dedicated millage or funding unit, nor does it include the revenue capture available from other land classifications.

	2005 TV	2006 TV	2007 TV	2008 TV	2009 TV	2010 TV	Five Year Total
Agriculture TV	$ 161,946,962	$ 163,192,091	$ 170,506,933	$ 174,579,454	$ 182,992,513	$ 182,775,287	-
35% TV Capture	$ 56,681,437	$ 57,117,232	$ 59,677,427	$ 61,102,809	$ 64,047,380	$ 63,971,350	-
35% TIFA Revenue	-	$ 1,865	$ 12,824	$ 18,925	$ 31,528	$ 31,203	$ 96,345

PURCHASING CAPACITY:
Based upon the above assumptions and the cost of $2,500 per acre for development rights, the County would be able to purchase 38.54 acres over 5 five years under such a program.

[2] The USDA 2007 Census of Agriculture reports that there are 170,117 acres in Kent County that are used for farm land. To meet the 25,000 acre goal the County is working to preserve an additional 23,233 acres which amounts to approximately 13.6 percent of the available land.

LEGISLATIVE REQUIREMENTS:

The Tax Increment Finance Authority for the preservation of agricultural land is not enabled by current state legislation. This could be added to the Board's legislative priorities to pursue.

BOARD REQUIRED ACTION:

None at this time.

PROS/CONS:

PROS	CONS
COUNTY	**COUNTY**
• Enables the county to annually set-aside revenue to support PDR without annual board approval.	• Not currently enabled by legislation
• Provides that the increase in value of Agriculture is used to support agricultural preservation.	• Limits the growth of General Fund revenues available for other services.
• Quantifies the impact on Taxable Value of permanently preserving agricultural land.	• An Ag TIFA does not provide a significant amount of purchasing capacity.
	• The impact on Taxable Value of permanently preserving agricultural is difficult to project.

POTENTIAL PDR FUNDING MECHANISM: Installment Purchase Agreements

FUNDING CONCEPT:
Enables the County to defer payment of the full-cost of the development rights through an installment purchase agreement.

HOW IT WORKS:
The County can enter into an Installment Purchase Agreement (IPA) with a landowner to pay-off the costs of the development rights over time.

WHAT IT GENERATES:
The IPA does not generate any funding, but can provide a method for the County to purchase development rights and defer payments.

PURCHASING CAPACITY:
The IPA does not generate any revenue but can enable the county to purchase development rights today and annually make a payment to a landowner. For example, the County could purchase development rights on 250 acres at a purchase price of $625,000 or $2,500 per acre. By utilizing an IPA, the County could pay the $625,000 over the course of up to fifteen years plus an estimated interest rate of 5%.

The amortization table for the purchase of 250 acres at a cost of $625,000 at a rate of 5% is below.

Year	Payment	Interest	Principal	Balance
2010	$39,539.68	$20,558.25	$18,981.43	$606,018.57
2011	$59,309.52	$29,626.83	$29,682.69	$576,335.87
2012	$59,309.52	$28,108.20	$31,201.32	$545,134.55
2013	$59,309.53	$26,511.89	$32,797.64	$512,336.92
2014	$59,309.53	$24,833.90	$34,475.63	$477,861.29
2015	$59,309.52	$23,070.06	$36,239.46	$441,621.83
2016	$59,309.52	$21,215.98	$38,093.54	$403,528.29
2017	$59,309.52	$19,267.04	$40,042.48	$363,485.81
2018	$59,309.52	$17,218.39	$42,091.13	$321,394.68
2019	$59,309.52	$15,064.93	$44,244.59	$277,150.08
2020	$59,309.52	$12,801.29	$46,508.23	$230,641.85
2021	$59,309.52	$10,421.84	$48,887.68	$181,754.17
2022	$59,309.53	$7,920.66	$51,388.87	$130,365.31
2023	$59,309.52	$5,291.50	$54,018.02	$76,347.29
2024	$59,309.52	$2,527.84	$56,781.68	$19,565.61
2025	$19,769.84	$204.23	$19,565.61	$0.00
Total	**$889,643**	**$264,643**	**$625,000**	

LEGISLATIVE REQUIREMENTS:
None, unless the County desired to extend the term of the Installment Purchase Agreement to more than 15-years.

BOARD REQUIRED ACTION:
1. Appropriate funds for the purchase of PDR and pledge the full-faith and credit of the County.
2. Approve entering into an agreement with the landowner to purchase the development rights over the course of multiple years/payments.
3. Approve the allocation of funds for the annual payment to the land owner as negotiated through the installment purchase agreement.

PROS/CONS:

PROS	CONS
COUNTY	**COUNTY**
• Enables the County to purchase land today without having the necessary cash to pay the full purchase price.	• Obligates future boards to pay-off obligation.
• County is able to buy more acres today when development right prices may be lower than they will be in the future.	• Landowners may be less likely to agree to payment agreement negotiations due to lower value of development rights.
• In the end, the County pays the price of the land as it is valued in the current year rather than 15-years later.	• In the end, the County pays more than the value of the property when it was purchased.
LANDOWNER	**LANDOWNER**
• Due to the payment of the property over time, there may be potential tax advantages (which may include deferment of capital gains taxes, tax-exempt interest on purchase price).	• The value of the land may increase at a rate greater than that of the interest payments.
• Upon final payment, the amount received per acre is greater than the amount that it was appraised at 15-years prior.	

POTENTIAL PDR FUNDING MECHANISM: **Municipal Zero-Coupon Bonds**

FUNDING CONCEPT:
The Municipal Zero Coupon Bond enables the County to purchase a bond at a set cost that will mature to a higher value over several years.

HOW IT WORKS:
Through the Municipal Bond Market, the County can purchase a bond that will mature to a higher value over the course of several years.

WHAT IT GENERATES:
The amount that a Zero-Coupon Bond will generate is dependent on the bond market. The purchasing power of the funds (the amount of acres that can be purchased) is dependent on an Agreement that is negotiated between the County and the landowner. The following is an example based upon bond rates in February 2010:

- If the County appropriates $275,000 to buy a 15-year Zero Coupon Bond, the estimated value of this bond in 15-years is $620,000.
- The County could then enter into an Agreement to purchase development rights over the time that the Bond matures.

PURCHASING CAPACITY:
Based upon the appraised value of development rights today, the cost per acre ranges from $2,100-$2,500. Again, the exact arrangement is negotiable, but counties have been able to negotiate a lower cost per acre if using a municipal zero coupon bond and if the landowner is able to leverage tax advantages.

Preserving 250 acres over 15 years at an average $2,500 per acre could be estimated as follows:

Funding Scenario 1

County pays 100% of the agreed value
250 acres * $2,500 per acre = $625,000
County pays $35,625 in interest per year
$35,625 *15 = $534,375 interest

Total County Appropriation = $809,375
$275,000 Bond Cost
+ $534,625 interest
$809,625
(Total County cost per acre = $3,237.50)
Total Paid to Landowner = $1,159,375
(Total cost per acre paid = $4637.50)

Funding Scenario 2

County pays 80% of the agreed value
250 acres * $2,000 per acre = $500,000
County pays $28,500 in interest per year
$28,500* 15 = $427,500 interest

Total County Appropriation = $647,500
$220,000 Bond Cost
+ $427,500 Interest
$647,500
(Total County cost per acre = $2,590)
Total Paid to Landowner = $927,500
(Total cost per acre paid = $3,710)

(In Scenario 2, although the landowner may receive less funds from the County, the landowner has the option to benefit from tax advantages that may increase the actual value of the agreement by enabling the landowner to potentially benefit from a reduction in capital gains tax, using the remaining 20% as a charitable deduction and/or adjusting their adjusted gross income to reduce their annual tax, and other tax incentives.

LEGISLATIVE REQUIREMENTS:
None, unless the County desired to extend the term of the Agreement with the landowner for more than 15-years.

BOARD REQUIRED ACTION:

1. Appropriate funds for the purchase of Municipal Zero-Coupon bonds and pledge the full-faith and credit of the County.
2. Approve entering into an agreement with the landowner to purchase the development rights over the course of multiple years/payments.
3. Approve the allocation of funds for the annual payment to the land-owner as negotiated through the installment purchase agreement.
4. In 2025 (the year the bond matures), the County board would have to distribute the final bond value to the landowner.

PROS/CONS:

PROS	CONS
COUNTY	**COUNTY**
• Enables the County to purchase land today without having the necessary cash to pay the full purchase price.	• Obligates future boards to pay-off obligation.
• County is able to buy more acres today when development right prices may be lower than they will be in the future.	• Landowners may be less likely to agree to payment agreement negotiations due to lower value of development rights.
• In the end, the County pays the price of the land as it is valued in the current year rather than 15-years later.	• In the end, the County pays more than the value of the property when it was purchased.
• County may be able to reduce the price paid per acre by leveraging landowner's potential tax advantages.	
LANDOWNER	**LANDOWNER**
• Due to the payment of the property over time, there may be potential tax advantages (which may include deferment of capital gains taxes, tax-exempt interest on purchase price).	• The value of the land may increase at a rate greater than that of the interest payments.
• Upon final payment, the amount received per acre is greater than the amount that it was appraised at 15-years prior.	

POTENTIAL PDR FUNDING MECHANISM: Dedicated Countywide Millage for PDR

FUNDING CONCEPT:
The County is permitted by state statute to ask voters to approve tax levies for specific purposes.

HOW IT WORKS:
The County Board of Commissioners would be asked to approve placing a question on a ballot. Voters would then be able to approve or not approve the millage.

WHAT IT GENERATES:
The amount of funding generated through a millage is dependent upon property values and the amount of the millage levy. The following is an example of the estimated revenues received from the levy of the Corrections and Detention and Senior Millage. Also listed are potential millage rates and the amount of annual revenue which could be levied.

	Millage Rate	2009	2010
Corrections & Detention	0.7893	$ 17,230,092	$ 16,581,554
Senior Millage	0.33	$ 7,203,763	$ 6,932,615
potential millage rate and annual revenue from dedicated millage	0.05	$ 1,091,479	$ 1,050,396
	0.1	$ 2,182,959	$ 2,100,792
	0.15	$ 3,274,438	$ 3,151,188
	0.2	$ 4,365,917	$ 4,201,585
	0.25	$ 5,457,396	$ 5,251,981
	0.3	$ 6,548,876	$ 6,302,377
	0.35	$ 7,640,355	$ 7,352,773
	0.5	$ 10,914,793	$ 10,503,962

The following table provides information regarding the cost of the millage for property owners. For example, a property owner with a market value of $100,000 is estimated to pay $25.00 per year for a millage rate of .5 mills.

Annual Cost to Property Owner based upon Market Value of the Home				
Millage Rate	**$ 100,000**	**$ 150,000**	**$ 250,000**	**$ 500,000**
0.05	$ 2.50	$ 3.75	$ 6.25	$ 12.50
0.1	$ 5.00	$ 7.50	$ 12.50	$ 25.00
0.15	$ 7.50	$ 11.25	$ 18.75	$ 37.50
0.2	$ 10.00	$ 15.00	$ 25.00	$ 50.00
0.25	$ 12.50	$ 18.75	$ 31.25	$ 62.50
0.3	$ 15.00	$ 22.50	$ 37.50	$ 75.00
0.35	$ 17.50	$ 26.25	$ 43.75	$ 87.50
0.5	$ 25.00	$ 37.50	$ 62.50	$ 125.00

BOARD REQUIRED ACTION:
The Board would be required to approve a Resolution to place the question on the ballot.

PROS/CONS:

PROS	CONS
COUNTY	**COUNTY**
• Provides a multi-year sustainable funding source for PDR.	• Depending upon the date of the ballot proposal, the County could incur additional costs to conduct the vote.

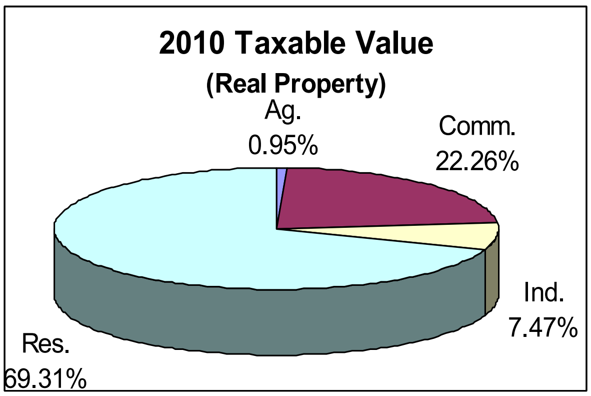
Attachment 1

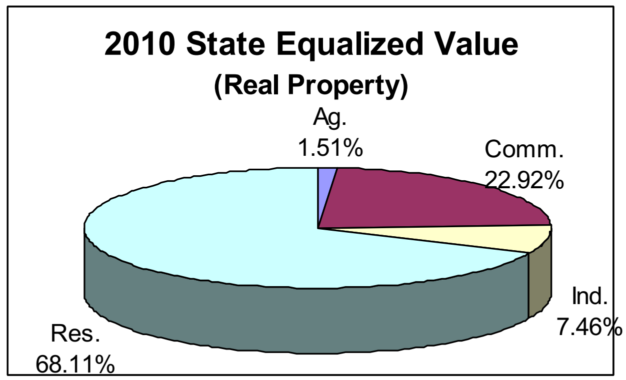
A PRIMER ON TAXABLE VALUE AND STATE EQUALIZED VALUE OF AGRICULTURAL LAND IN KENT COUNTY

2010 KENT COUNTY TAXABLE VALUE & STATE EQUALIZED VALUE

Land that is classified as Agricultural property in Kent County comprises less than 1% of the Taxable Value (TV) and less than 2% of the State Equalized Value (SEV). The TV is the value that is used to calculate the taxes that are assessed for the property and the SEV is ½ of the true cash value of the property.

From the charts below it is evident that the range between the TV and the SEV for residential, commercial, and industrial properties is smaller than the range between the TV and the SEV of agricultural property. What this reflects is properties in the Agricultural class do not uncap as often which is why the spread between SEV and TV is greater than the other property classes.





When looking at the difference between the TV and the SEV, it is also important to note that for Agricultural properties, the TV (the value of the land that is used to assess taxes) is 58.23% of the SEV for agricultural properties. At the same time, comparison between commercial, industrial, and residential properties ranges between 89-94% of the SEV. Since the taxable value is the basis for any taxes levied, the percentage overall paid by Agricultural properties is less than that which is paid by other properties.

	2010 TV	2010 SEV	2010 TV as a % of 2010 SEV
Ag.	$ 182,775,287	$ 313,882,100	58.23%
Comm.	$ 4,264,130,068	$ 4,749,084,700	89.79%
Ind.	$ 1,431,545,824	$ 1,545,245,000	92.64%
Res.	$ 13,277,232,099	$ 14,114,465,475	94.07%
Total Real	**$ 19,155,683,278**	**$ 20,722,677,275**	92.44%

COUNTY PROPERTY TAXES:

The table below reflects the total amount of estimated taxes that are assessed by Kent County to agriculture, commercial, industrial, and residential properties.

	County Operating Millage (4.2803)	Corrections & Detention Millage (.7893 mills)	Senior Millage (.3244) mills)	Total
Agriculture	$ 782,333	$ 144,265	$ 59,292	$ 985,890
Commercial	$ 18,251,756	$ 3,365,678	$ 1,383,284	$ 23,000,718
Industrial	$ 6,127,446	$ 1,129,919	$ 464,393	$ 7,721,758
Residential	$ 56,830,537	$ 10,479,719	$ 4,307,134	$ 71,617,390
Total	**$ 81,992,071**	**$ 15,119,581**	**$ 6,214,104**	**$ 103,325,756**

Kent County Citizen Survey
December 2010

Presented by:

EPIC ▪ MRA

EXECUTIVE SUMMARY and DEMOGRAPHIC ANALYSIS

Table of Contents

METHODOLOGY

EPIC ▪ MRA administered interviews with 400 registered voters residing in Kent County, Michigan, from September 7 - 10, 2010. Respondents were selected utilizing an interval method of randomly selecting records of published residential telephone numbers. The sample was stratified so that every area of the county is represented in the sample according to its contribution to the overall county population.

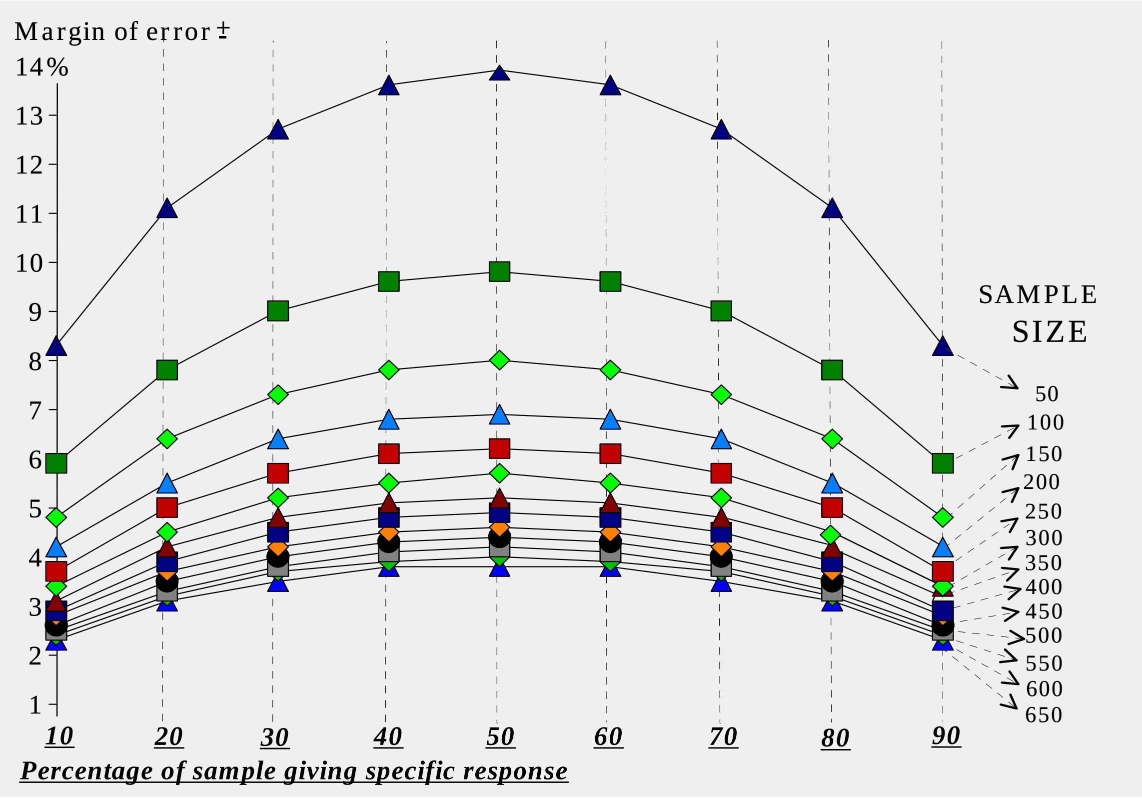
In interpreting survey results, all surveys are subject to error; that is, the results of the survey may differ from those that would have been obtained if the entire populations were interviewed. This "margin of error" quantifies the degree to which random sampling will differ from a survey of the entire population, taking into account, among other things, the disposition of individuals who do not complete the interview. Put another way, the opinions of those who are not randomly selected or who decline to be interviewed, are no more or less likely to be different – within the margin of error – than the opinions of those who complete an interview and are included in the sample. The size of sampling error depends on the total number of respondents to the particular question.

For example, 50% of all 400 respondents indicated they, " . . . *were within walking distance [of] a city, township or county park*" (Question # 11). As indicated in the chart below, this percentage would have a sampling error of plus or minus 4.9 percent. This means that with repeated sampling, it is very likely (95 times out of every 100), the percentage for the entire population would fall between 45.1 percent and 54.9 percent, hence 50 percent ±4.9 percent. The table on the next page represents the estimated sampling error for different percentage distributions of responses based on sample size.

EPIC ▪ MRA   SAMPLING ERROR BY PERCENTAGE (AT 95 IN 100 CONFIDENCE LEVEL)

Percentage of sample giving specific response

SAMPLE SIZE	10	20	30	40	50	60	70	80	90
				% margin of error ±					
650	2.3	3.1	3.5	3.8	3.8	3.8	3.5	3.1	2.3
600	2.4	3.2	3.7	3.9	4.0	3.9	3.7	3.2	2.4
550	2.5	3.3	3.8	4.1	4.2	4.1	3.8	3.3	2.5
500	2.6	3.5	4.0	4.3	4.4	4.3	4.0	3.5	2.6
450	2.8	3.7	4.2	4.5	4.6	4.5	4.2	3.7	2.8
400	2.9	3.9	4.5	4.8	4.9	4.8	4.5	3.9	2.9
350	3.1	4.2	4.8	5.1	5.2	5.1	4.8	4.2	3.1
300	3.4	4.5	5.2	5.5	5.7	5.5	5.2	4.5	3.4
250	3.7	5.0	5.7	6.1	6.2	6.1	5.7	5.0	3.7
200	4.2	5.5	6.4	6.8	6.9	6.8	6.4	5.5	4.2
150	4.8	6.4	7.3	7.8	8.0	7.8	7.3	6.4	4.8
100	5.9	7.8	9.0	9.6	9.8	9.6	9.0	7.8	5.9
50	8.3	11.1	12.7	13.6	13.9	13.6	12.7	11.1	8.3



EXECUTIVE SUMMARY

EPIC ▪ MRA was commissioned in 2009 by the Kent County Board of Commissioners to develop and implement a survey to gauge, among other things, public opinion of registered voters regarding land use issues – including the Purchase of Development Rights (PDR) program. In addition, there was interest in measuring, albeit in a limited fashion, public perception about the availability and accessibility of park land, attitudes toward and participation in recycling activities, and top-of-mind knowledge about the level of agricultural activity within the county.

As was mentioned in the prior section, the interviews were stratified within the county in proportion to the constituent jurisdictions' contribution to the overall population. For analytical purposes, the county geography was broken down into eight regions, three of which subdivided Grand Rapids City into its component election wards:

- GR Ward 1, N=32 (8% of the total);
- GR Ward 2, N=40 (10% of the total); and,
- GR Ward 3, N=38 (10% of the total).

Also segregated were:

- Wyoming City, N=41 (10% of the total)
- The "Northwest", consisting of the townships of: Algoma, Alpine, Plainfield, Solon, Sparta and Tyrone, N=53 (13% of the total);
- The "Northeast", consisting of the townships of: Cannon, Courtland, Grattan, Nelson, Oakfield and Spencer, and the cities of Cedar Springs and Rockford N=36 (7% of the total);
- The "Southwest", consisting of the townships of: Byron, Gaines and Grand Rapids and `the cities of: East Grand Rapids, Grandville, Kentwood and Walker N=112 (28% of the total); and,
- The "Southeast", (consisting of the townships of: Ada, Bowne, Caledonia, Cascade, Lowell and Vergennes, and the city of Lowell, N=48 (12% of the total).

-- Questionnaire Frame

With the primary aim of measuring citizen attitude toward governance of land use in general, and specific types of land use tools in particular, an obvious starting point was to take an initial measurement without offering any background information or pro/con advocacy statements. This was done at the outset of the interview in a battery of questions briefly describing eight public policy goals in which governments might engage – ranging from law enforcement to economic development and including land use initiatives. Respondents were asked to assess the relative importance of each of the eight stated goals and the outcomes from this initial measurement forms the basis against which to compare related questions appearing later in the survey, after the respondents had been exposed to more information.

The line of questioning then went on to ask respondents to rate their local governments' efforts in the realm of planning for growth and to make a personal assessment of whether or not the level of experienced growth was appropriate. These questions were followed by a series of inquiries regarding the perceived availability of parkland, the importance of locally produced food, and an assessment of the relative importance agriculture has on the county economy along with perceptions about the amount of farmland in the county over time. The preceding questions were designed to have respondents start thinking about land and land use within their own experience, as well as on the wider county level.

With the immediately preceding questions as a backdrop, respondents were next asked to Agree/Disagree with a battery of six statements which asserted "truths" regarding the regulation or non-regulation of land. The statements specifically focused on controlling population growth, the preservation of farmland and the proper role of government in a free market economy.

What followed were questions which provided the respondent with objective information concerning farmland in the county. Specifically, the questions noted the reduction in the number of acres devoted to agriculture over time and Kent County's national ranking in the production of several agricultural commodities. Respondents were then asked to register their reactions about the reduction in agricultural acreage and their level of concern about it.

After having been "warmed up" to thinking about land use in the early sections of the interview, and receiving more specific information about agriculture in particular, respondents were asked separate questions about favoring or opposing voluntary government programs designed to preserve open space and farmland. Among those who voiced opposition, a follow-up question presented a closed-end list of reasons for opposition and asked respondents to select the one that best represented their view. These two questions were succeeded by a statement identifying an existing Kent County purchase of development rights program and another request to indicate whether or not the respondent favored or opposed the just-described Kent County land preservation program.

In an effort to gauge residents' specific knowledge of purchase of development rights programs, a series of seven statements were read, again purporting to state "truths" about such programs. Respondents were then asked to indicate if the statement was an accurate, or inaccurate, description of PDRs.

In a final set of questions, respondents were asked to assess the level of relative importance they placed on the existence of open-space and farmland preservation programs. For those who reported a relatively high level of importance on either of the types of PDRs, a follow-up question asked to make a similar assessment on the need for dedicated sources of funding for the respective programs.

The interview concluded with a battery of demographic questions.

-- General Observations

In the initial measurements at the outset of the survey, 81% of respondents indicated that preserving farmland and open space for local food production is a worthy aim of local governments, but not necessarily as important, as measured on the scale provided. For instance, public safety (95%), pollution control (91%), road maintenance (85%), and economic development programs (83%) ranked higher in respondents' perception of importance while recycling (72%), traffic congestion (64%), and controlling population growth (50%) ranked lower (Q1-8).

Respondents also issued an overall "Positive" rating of 53% for the manner in which their local officials planned for growth and development. As evidenced by the split responses of "very" positive and "very" negative responses, there was little intensity as to the opinions regarding how local officials planned for growth and development (Q9). Corroborating the lack of intense feeling about how well local governments have done in the area of planning is the notion among a strong majority of residents (69%) that the amount of growth that has taken place in the county over the past 20 years has been, "*About right*" (Q10).

Responses to questions regarding parks also support the observation that there is not an overriding need for greater land use regulation to create public spaces. Almost all say they have visited a park at least within the last year, with a very strong majority (66%) reporting having done so in the past month. In addition, 96% of respondents believe they are within a reasonable distance of a county, city or township park and three-quarters of the respondents indicate that there are currently about the right number of parks (Q11-13).

The overall picture begins to change somewhat when respondents are required to focus more closely on the local agricultural scene. Sixty percent of respondents report frequenting a local farmers' market at least once a month, 97% indicate that they place high value on domestically produced farm products, and 78% acknowledge agriculture as a key component in the local economy (Q14-17). Respondents also indicate – by overwhelming margins – that the amount of land dedicated to agriculture in Kent County has declined over the past two decades, but most of this group believe it has done so only *"Somewhat"* or *"A little"* (Q18).

The underlying interest and importance respondents place on open space and farmland preservation is again evidenced by responses to a series of agree/disagree statements. Among a series of six statements, 89% of respondents indicate that preserving open space is important to the future quality of life for Kent County, 76% agree that the loss of farmland has a negative impact on our local economy, 71% agree that commercial and residential development in areas without strong local planning results in higher costs for government services, and 69% agreed that if the population continues to grow without more planning and control it will have a negative impact on the economy in Kent County. (By contrast, responses to a similar question earlier in the survey indicated that only 50% thought planning for population growth was at least an important priority (Q3); the lowest ranking given to eight governmental activities presented.). A statement that market forces, not government regulation, should drive development patterns received the lowest level of agreement (54%) in this section (Q19-24).

When told about the specific amount of land in the county that is no longer available for agriculture, 61% report that the level of loss is *"Too much"*, with 32% of this group indicating it was "much too much" loss of farmland. When respondents were informed about the high-ranking of Kent County as an agricultural producer, 86% of respondents report that they were at least somewhat concerned about the loss of farmland. Of those indicating a concern, 32% indicated concern because it reduces the availability of locally grown food, 28% indicated concern because the farmland helps preserve environmental quality, 18% indicated concern because the loss of farmland will result in a loss of jobs, and 15% indicated concern regarding the loss of farmland because population growth results in a greater need for services and more taxes. (Q25-27).

Despite the significant indications from respondents about the importance of agriculture in Kent County (Q17), upon the initial question which only included a brief generic explanation of the concept of purchasing development rights, 51% of respondents indicated that they “favor” the program (Q28). However, upon hearing more specifics about the program 77% of respondents favor purchase of development rights for open space and 70% indicate support of the purchase of development rights program for farmland preservation (Q29, Q31).

For the 20% opposed to PDR for open space and the 27% opposed to PDR for farmland preservation they indicated that their primary rationale was that government should not be in the business of purchasing development rights for land preservation (Q30, 32).

Despite the strong support about PDR in the prior questions (Q29, Q31), 64% were not aware that Kent County has operated a program, and 66% of respondents indicated that they favor the PDR program in Kent County (Q33, Q34). This reduction in support from the earlier response levels is of enough significance from the generic survey questions regarding PDR to make it worthy of note. The reason for this is to be found in the following battery of questions

To gauge the level of understanding regarding PDR programs, a series of eight statements were presented to the respondents, who were then asked to report whether or not the statement was accurate or inaccurate. Respondents were also able to indicate that they “*Didn’t know*” or were “*Undecided*” about the accuracy of the statement. In this series of question, the significant responses were in the large number of *“Undecided”* responses as it relates to questions regarding funding or if other areas of the State had seen a benefit from PDR programs. These results clearly indicate a lack of specific knowledge concerning PDR programs. However, in subsequent questions regarding farmland and open space preservation programs, respondents indicated support returning to very strong levels (Q35-42).

In a quasi-repeat of a question posed earlier in the interview, respondents were again asked to assess the level of importance that they placed on programs designed to preserve farmland and 71% of respondents again expressed a sentiment that these programs are of great importance to them (Q43). In this instance, the total number of respondents indicating farmland preservation programs was either *“Essential”* or *“Very important”* spiked to levels (71%) even higher than the already very-strong levels (66%) seen in the prior generic question (Q34). As for programs designed to preserve open space, 63% of respondents indicated that it was at least very important or essential to have programs to preserve open space (Q45). It is interesting to note that in the prior questions regarding the differentiation between open space and farmland, respondents were more supportive of the concept of open space preservation, while respondents indicate more support for farmland preservation after survey questions regarding agricultural production had been presented.

In a follow-up question regarding the need for a dedicated funding source for farmland preservation, 61% of respondents indicated it is at least “Very Important” with an additional 29% indicating it is “Somewhat” important to have a dedicated funding source for farmland preservation (Q44). As it relates to a funding source for open space preservation, 57% indicated that it is at least “Very Important” with an additional 34% indicating that it is “Somewhat” important that there be a dedicated funding source for open space programs (Q46). However, the respondents’ support for a dedicated funding source must be relayed back to the prior survey questions wherein the highest number of “*Undecided*” respondents landed on the statements concerning whether or not the funding sources for the programs were from public or private sources. That is, respondents generally concur with the notion that PDR’s are a good thing and ought to have a dedicated source of funding, but they lack awareness concerning the existing program and how it is funded. Moreover, there is an identifiable uncertainty among a significant portion of the respondents regarding the role of government involvement with land use issues (Q3, Q20).

In sum, there is strong evidence that Kent County citizens – especially those in the “Northeast” region and Ward 3 of Grand Rapids City -- are, in the abstract, pre-disposed toward programs that are designed to preserve open space and, even more so for farmland. The citizens of the county highly value locally produced food items and they also value the quality of life afforded by their geographical spot in the state. However, there is uncertainty about the role of government as it relates to the disposition of property. As a result of these seemingly conflicting (or inconsistent) perceptions and opinions, it will be necessary for registered voters to be educated regarding the PDR program in order to obtain the levels of support indicated in this survey.

QUESTION-BY-QUESTION RESULTS

Questions 1-8

-- Relative importance of several county and local government policy goals

Survey respondents were first asked a battery of nine questions which recited major policy aims of some local governments. The order of presentation of the questions was rotated for succeeding respondents to minimize any bias in responses. After hearing a brief description of the policy goal and, in some cases, specific actions to advance the goal, respondents were asked to reveal whether they thought the specific aim was a, *"Top Priority"*, an *"Important, but Not a Top Priority"*, only *"Slightly Important"* or, *"Not Important at All"*. The following chart illustrates, from highest to lowest based on "Total Important", the relative positions of the several policy goals presented to respondents:

RELATIVE IMPORTANCE PLACED ON LOCAL GOVERNMENT POLICY AIMS

[READ AND ROTATE Q.1 TO Q.8]	Top Prior	Impt Not Top	TOT Impt	Slight Impt	Not Impt	DK/ Und
Protecting the public from crime and drugs	66%	29%	***95%***	3%	1%	1%
Protecting the air, land and waterways from pollution	58%	33%	***91%***	7%	2%	---
Providing economic development programs and incentives to attract business and industry	49%	34%	***83%***	11%	5%	1%
Maintaining and improving area roads	39%	46%	***85%***	13%	1%	1%
Preserving farmland and open space for local food production	49%	32%	***81%***	11%	7%	1%
Offering programs to recycle household items such as cans, plastics, cardboard and newspapers	27%	45%	***72%***	18%	9%	1%
Controlling traffic congestion	17%	47%	***64%***	26%	8%	2%
Controlling where population growth occurs by regulating commercial and residential development	20%	30%	***50%***	29%	17%	4%

As can be seen by the chart above, importance is placed by at least a strong majority of respondents for each of the policy aims recited, with the exception of, *"controlling population growth . . ."*, which is deemed to be of importance by an even 50%of respondents. Interestingly, however, the arguably related aims of, *"controlling traffic congestion"* and, *"preserving farmland and open space . . ."*, are viewed by significantly higher proportions of respondents as being at least, "Important" by wide margins, and in the case of farmland and open-space preservation, the proportions viewing this aim as a "*Top priority*" (i.e. 49%) is the same as for the goal of, *"Providing economic development . . . incentives"*.

Respondents reporting "Top Priority", for "Crime & Drugs" in proportions greater than the overall mean (66%) included:

"Too much" Co. Growth	*78%*
GR Ward 3	*74%*
$75 to 100K income	
Funding for farmland protection, "Essential	
Wyoming	*73%*
Funding for open-space protection, "Essential"	
Lived in area 16-25 years	*72%*
Gov't Planning Exc/Good	*71%*
About the "Right Amount" farmland loss	
"Extremely" concerned about farmland loss	
"Very" concerned about farmland loss	
Farmland protection programs "Very" important	
Open-space protection programs "Essential"	
Younger w/o college	
Women under 50	
GR Ward 2	*70%*

Respondents reporting "Top Priority", for "Protect against pollution" in proportions greater than the overall mean (58%) included:

Funding for open-space protection, "Essential"	*76%*
Open-space protection programs "Essential"	*74%*
"Extremely" concerned about farmland loss	*72%*
Farmland protection "Essential"	
"Too few" parks	*71%*
"Favor" local PDR programs (Q28)	*67%*
"Favor" farmland PDR purchase (Q31)	*66%*
Open-space protection programs "Very Important"	
"Too much" farmland loss	*65%*
Funding for farmland protection "Very important"	
Funding for open-space protection, "Very important"	
Under $25K	
Favor PDRs (Q34)	*64%*
"Suburban" residents	
Younger w/o college	
Older w/college	*63%*

Respondents reporting "Top Priority", for "Economic development" in proportions greater than the overall mean (49%) included:

Farmland loss "About right"	*60%*
County Growth "Too slow"	*59%*
Over $100K	
GR Ward 2	*58%*
Northeast Region	
"Extremely" concerned about farmland loss	
Lived in area 16-25 years	*56%*
No college women	*55%*
Under $25K	
Funding for farmland protection, "Essential"	*54%*
Open-space protection programs "Essential"	
"Rural" residents	

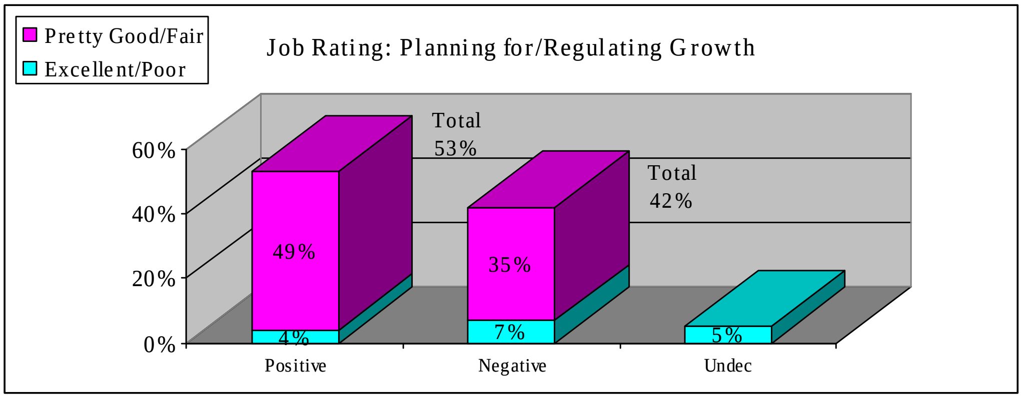
Respondents reporting "Top Priority", for "Preserving farmland and open-space" in proportions greater than the overall mean (49%) included:

"Extremely" concerned about farmland loss	*80%*
Funding for open-space protection, "Essential"	*77%*
Funding for farmland protection "Essential"	*73%*
Farmland protection programs "Essential"	*68%*
Open-space protection programs "Essential"	
Northeast region	*61%*
"Too much" county growth	*59%*
Northwest region	*58%*
"Favor" local PDR programs (Q28)	
"Too much" farmland loss	
Under $25K	
"Too few" parks	*57%*
"Favor" farmland PDR purchase (Q31)	
Post HS education	
Funding for farmland protection "Very important"	
$75-100K	
Farmland protection programs "Very" important	*56%*
Area resident 1-15 yrs	
Favor PDRs (Q34)	
"Rural" residents	
Area resident 16-25 yrs	
Younger w/o college	
Women w/o college	

Question 9

-- Majority issue a "Positive" rating for local government planning efforts

Respondents were next asked if they would give a *"Positive rating of Excellent or Pretty Good"* or a, *"Negative rating of Only Fair or Poor"*, for job being done by county and local governments in planning for and regulating growth and development. As the chart below illustrates, a slight majority of respondents issued an overall *"Positive"* rating, however, the proportion issuing the highest, *"Excellent"* rating is a very small proportion of the overall assessment. Similarly, a relatively small proportion of the *"Negative"* rating is represented by a rating of *"Poor"*.



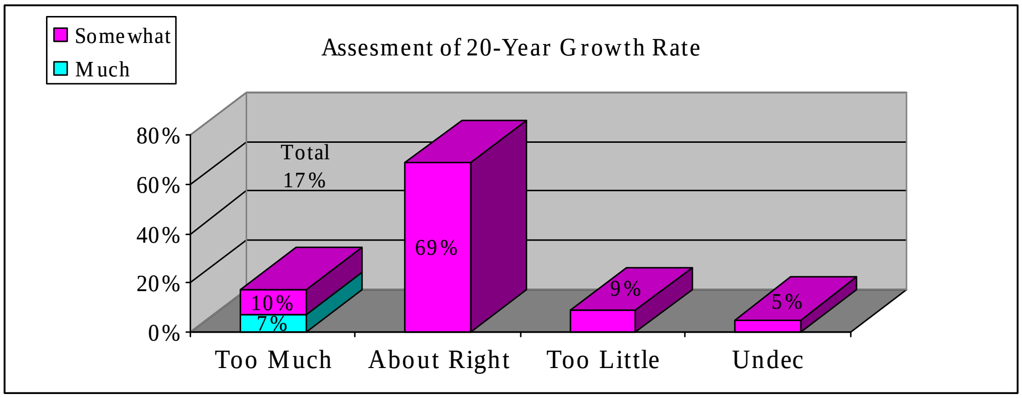
Respondents reporting "Positive" in proportions lower than the overall mean (53%) included:

Open-space protection programs, "Undecided"	*40%*
Post HS education	*42%*
"Too few" parks	*43%*
Men over 50	
No college Men	*44%*
"Oppose" PDRs for purchase of open-space (Q29)	*45%*
Open-space protection programs "Essential"	
"Little/Not" concerned about farmland loss	*46%*
"Undecided" on PDRs (Q34)	
"Too much" county growth	*48%*
"Extremely" concerned about farmland loss	
"Oppose" PDRs (Q28)	
"Oppose" PDRs (Q34)	
Funding for farmland protection "Essential"	
Funding for open-space programs "Essential"	
50-55 Age group	
Under $25K	
$25-50K	
Older w/o college	

Question 10

-- Strong majority see two-decade rate of growth as being, "About right"

Respondents were next informed that, over the past two decades, the population of Kent County has increased by 20%. They were then asked if they believed that such a rate of growth is, *"Too much"* – (with a follow-up of whether it is *"Much"* too much, or *"Somewhat"*), is it, *"About right"* or, is it *"Too little"*? Sixty-nine percent of respondents indicated their belief that the rate of growth in the county over the past 20 years has been, *"About right"*, 17%indicated a belief that it has been *"Too much"*, and 9%offered that the growth rate has been, *"Too little"*. The graph below illustrates the distribution:



Respondents reporting "Too much" in proportions higher than the overall mean (17%) included:

Under $25K	*33%*
GR Ward 2	*28%*
No college men	
H.S. or less	
Funding for farmland protection "Smwt" important	*24%*
Funding for open space protection "Smwt Important"	
Young, no college	
"Too much" farmland loss	*23%*
Older, no college	

Questions 11-13

-- Nearly all residents report being at least a "Reasonable distance" from a park

Initiating a series of three questions about parks in the county, respondents were asked to indicate how close they are to a city, township or county park. Fifty percent reported they were *"within walking distance"*, another 46%said they were within, *"a reasonable distance to travel if they chose to"*, with only 4%reporting they were, *"too far away to travel to consider doing it"*.

-- Three-of-four believe there are currently, "About the right amount" of parks

When asked about the number and location of city, township and county parks in their area, three-out-of –four respondents reported that there were, *"About the right amount"*. Nearly one-in-five (19%) reported their belief that there are, *"Too few"*, with 5%saying there are already, *"Too many"*.

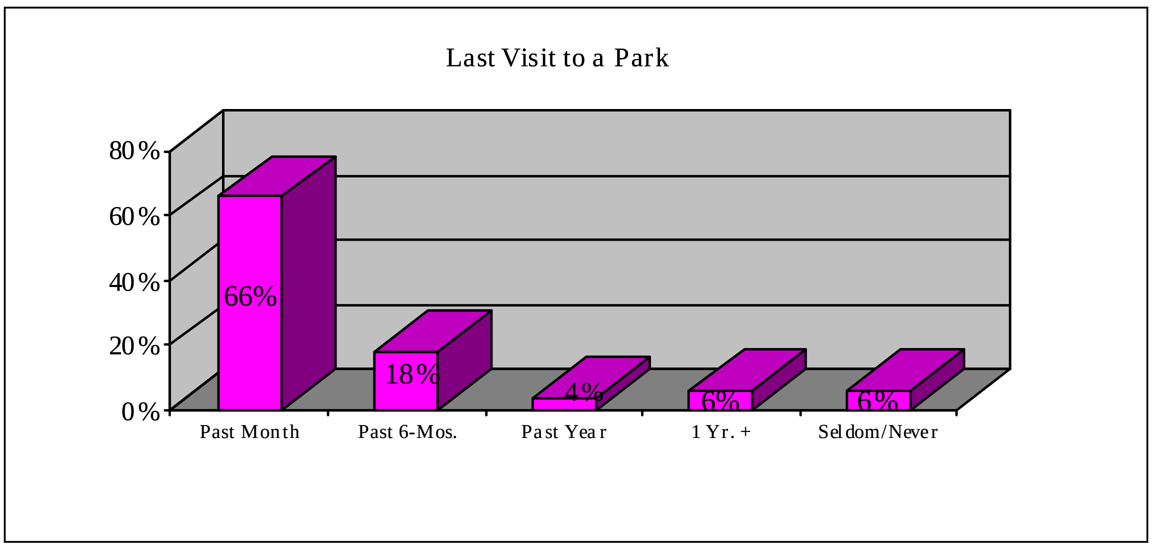
Respondents reporting "Too few" parks in proportions higher than the overall mean (19%) included:

Funding for open space protection "Very Impt"	*30%*
GR Ward 3	*26%*

Farmland protection programs "Very" important
Funding for farmland protection "Very" important
"Rural" residents *25%*
$50-75K
College women
Southwest region *24%*
Gov't Planning "Negative" (Q9)
"Extremely" concerned about farmland loss
Open space protection programs "Very" important
Area resident 16-25 yrs
Age 56-64

-- Two-thirds have visited a park, "In the past 6 months"

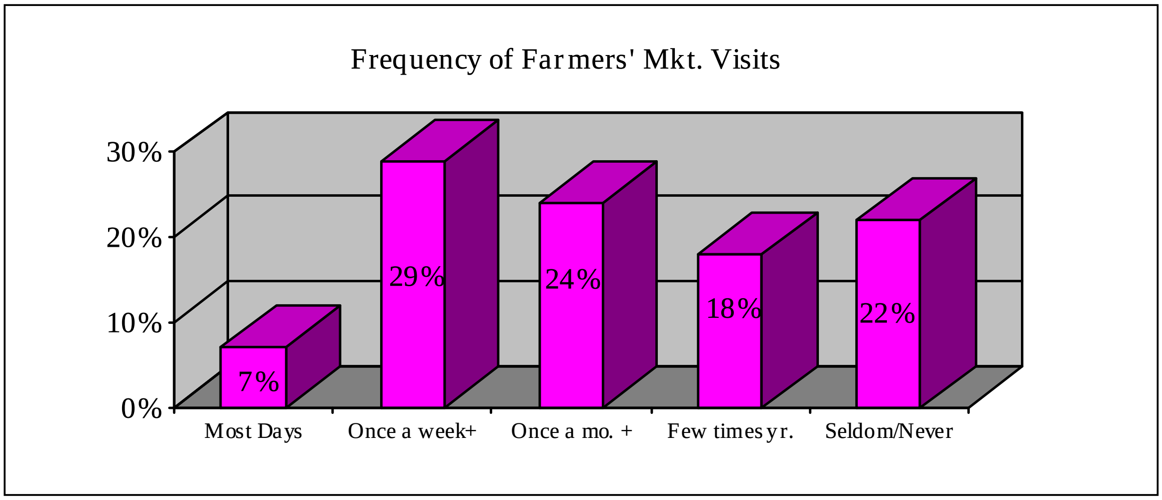
All respondents were asked how recently they or a member of their household had visited a park. A total of 88%reported that they or a household member had visited a local government park within the past year, with 66%saying the visit occurred within the past month. The graph below illustrates the frequency distribution:



Question 14-16

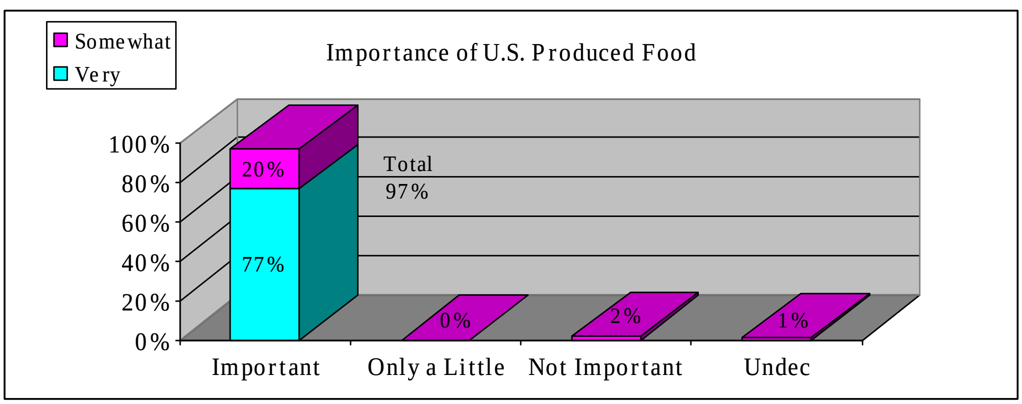
-- Over three-quarters visit a farmers' market at least "Several times a year"

In a question that mimicked the previous inquiry about frequency of park visitation, all respondents were asked how recently they or a member of their household had visited a local farmers' market to purchase locally produced goods. A total of 78%reported that they or a household member visit a farmers' market at least, "*several times a year*", with 60%reporting a visitation at least a, "*few times a month*". The graph below illustrates the frequency distribution:

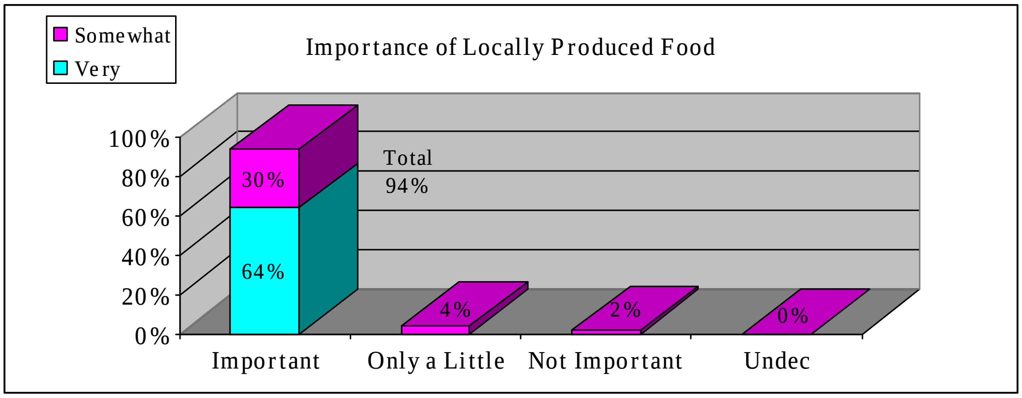


-- Great importance placed on domestically produced food items

In a two-question set, respondents were first asked to report how important they believed it is that the grocery items they purchase are produced in the United States. As demonstrated by the graph below, nearly all respondents (97%) reported that it is at least *"Somewhat important"* that their food be produced domestically, with 77% reporting that it is, *"Very important"*.



Among the 97% who placed at least some degree of importance on their food being produced in the United States, a follow-up question was asked to assess the level of importance respondents placed on their food being produced by area farmers. While the results are not quite as dramatic as illustrated in the previous question, the following chart nevertheless demonstrates the very high expressed level of importance Kent County residents place on locally produced grocery items:



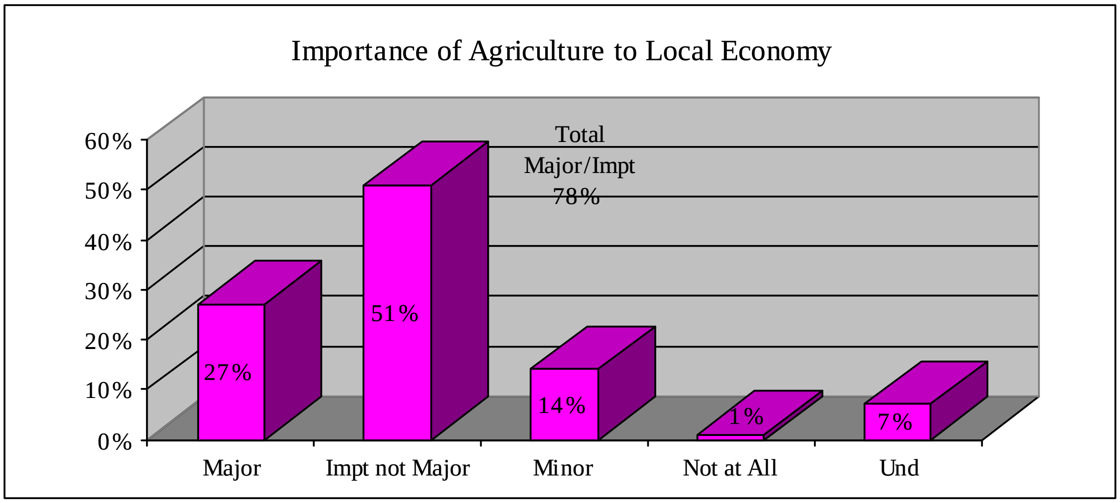
Respondents reporting "Very" important in proportions higher than the overall mean (64%) included:

"Extremely" concerned about loss of farmland	*81%*
Northeast region	*77%*
Under $25K	*75%*
Open space protection programs "Essential"	*74%*
"Too few" parks	*73%*
Farmland protection programs "Essential"	
No college women	
GR Ward 1	*72%*
"Too much" county growth	
$25-50K	
"Very" concerned about loss of farmland	*71%*
H.S. or less	
Women over 50	
Funding for Open space programs "Very impt"	*70%*
Females	
Older, no college	
Aware of Kent Co. PDR program	*69%*
Farmland protection programs "Very" important	
Age 41-49	
Age 65+	
"Rural" residents	
Women under 50	

Question 17

-- Agriculture seen as being an "Important" local economic factor

Respondents were next asked to opine on the extent to which agricultural activity contributes to the economy in Kent County. A slight majority of 51% offered their belief that agriculture is an *"Important but not major factor"* in the county economy, with 27% reporting their opinion that the sector is a *"Major factor"*. The three remaining possible answers, *"Only a minor factor"* (14%), *"Not really a factor at all"* (1%) and the unprompted, *"Undecided"* (7%), combined to form a 22% portion of the sample for this question.



Respondents reporting "Major" factor" in proportions higher than the overall mean (64%) included:

Northeast region	*42%*
"Extremely" concerned about farmland loss	
"Too few" parks	*37%*
Funding for farmland preservation "Essential"	*34%*
Open space preservation programs "Essential"	
Funding for Open space programs "Essential"	
Funding for Open space programs "Very impt"	
"Small town" residents	
Aware of Kent Co. PDR program	*33%*
"Rural" residents	
Under $25K	
Young w/college	
GR Ward 3	*32%*
"Too much" farmland loss	

Question 18

-- Uncertainty about extent of land dedicated to agriculture

Following the question about the impact of agriculture on the Kent County economy, respondents were asked whether or not over the past 20 years, the amount of farmland in the county had, *"Increased"*, *"Declined"* or, *"Remained about the same"*. For those expressing an opinion that it has declined, a follow-up query asked if it had declined, *"A lot"*, *"Somewhat"* or, *"Only a little"*. While nearly nine-in-ten respondents reported a belief that the amount of farmland in Kent County has declined in the past two decades (87%), a plurality (47%) reported it had done so, *"Somewhat"*, with 36% saying it had declined *"A lot"*, and the remaining portion of this group (4%) believing farmland in the county had declined *"Only a little"*. Eight percent of respondents expressed the belief that it had remained *"About the same"*, one percent offered that it had, *"Increased"*.

Respondents reporting a belief that farmland has declined "A lot" in proportions higher than the overall mean (36%) included:

Under $25K	*53%*
Funding for Open space programs "Essential"	*50%*
GR Ward 3	*47%*
Open space preservation programs, "Essential"	
Funding for farmland preservation "Essential"	*46%*
GR Ward 2	*45%*
Gov't planning "Negative"	*44%*
$50-75K	
"Extremely" concerned about farmland loss	*43%*
Women over 50	
"Too much" farmland loss	*42%*
Older no college	
No college women	
Farmland protection programs, "Essential"	*41%*
"Urban" residents	

Questions 19-24

-- Maintaining quality of life tops list of "Agreement" statements

The more indirect preceding questions regarding residents' attitudes toward land use in the county were followed with a battery of six – *"Agree/Disagree"* – questions which propounded statements regarding land use, and more specifically, the extent to which governmental entities should play a role in shaping it. As can be seen by the chart below, residents agree with statements going toward preservation of farmland and open space by larger margins – in some cases significantly so as evidenced by the *"Strongly Agree"* proportions – than with statements which suggest allowing market forces or maintaining the status quo, should drive decisions regarding development. NOTE: For those who indicated an opinion, a follow-up query probed for the respondent's intensity of sentiment, by asking whether the agreement or disagreement was felt *"Strongly"* or *"Somewhat"*.

RELATIVE LEVEL OF AGREEMENT WITH STATEMENTS ON LAND USE POLICY

Sorted by Highest to Lowest TOTAL Agree

[READ AND ROTATE Q.19 TO Q.24]	Strgly Agree	TOTAL Agree	TOT DisAgr	Strgly Disagr	DK/ Und
Preserving open space is important to the future quality of life in Kent County	61%	***89%***	***9%***	4%	2%
The loss of farmland has a negative impact on our local economy	50%	***76%***	***19%***	7%	5%
Commercial and residential development in areas without strong local planning results in higher costs for government services	38%	***71%***	***20%***	9%	9%
If the population continues to grow without more planning and control over growth and development, it will have an overall negative impact on the economy in Kent County	43%	***69%***	***21%***	11%	10%
My local unit of government currently makes adequate plans for growth and development	22%	***60%***	***28%***	13%	12%
Market factors – not government regulation -- are the most important things that should determine if land is developed or not.	30%	***54%***	***40%***	23%	6%

Respondents reporting "Strong agreement" with the statement that preservation of open space is important, in proportions higher than the overall mean (61%) included:

Funding for Open space programs "Essential"	*84%*
Open space preservation programs "Essential"	*79%*
Northeast region	*75%*
"Favor" PDRs (Q 2/8)	
Funding for farmland preservation "Essential"	
Farmland protection programs, "Essential"	*74%*
GR Ward 1	*72%*
GR Ward 3	*71%*
"Extremely" concerned over farmland loss	
Funding for farmland preservation "Very Impt"	
"Rural" residents	
"Too few" parks	*70%*
Southeast region	*69%*
"Favor" Kent Co. PDR program (Q 34)	
Age 50-55	
Younger college educated	
"Too much" farmland loss	*68%*
"Favor" PDRs for farmland (Q 31)	
College educated	
$25-50K	
Older college educated	

Women over 50	
"Favor" PDRs for open space preservation (Q 29)	*67%*
Funding for Open space programs "Very Impt"	
"Very" concerned over farmland loss	*66%*
Farmland preservation programs, "Very Impt"	

Respondents reporting "Strong agreement" with the statement that loss of farmland has a negative impact on the economy, in proportions higher than the overall mean (50%) included:

Funding of open space preservation "Essential"	*74%*
Open space preservation programs "Essential"	*73%*
"Extremely" concerned about farmland loss	*71%*
Funding for farmland preservation "Essential"	
Farmland preservation programs "Essential"	*68%*
Northeast region	*67%*
41-49 Age group	*63%*
"Too much" county growth	*62%*
"Too much" farmland loss	
"Favor" PDRs (Q 26)	*60%*
$25-50K	*59%*
"Favor" farmland purchase PDRs	*58%*
Funding of open space preservation "Very Impt"	
16-25 yr. residents	
"Rural" residents	
"Favor" Kent Co. PDR program (Q 34)	*56%*

Respondents reporting that they "Agree" (in total) that market forces should drive development, in proportions higher than the overall mean (54%) included:

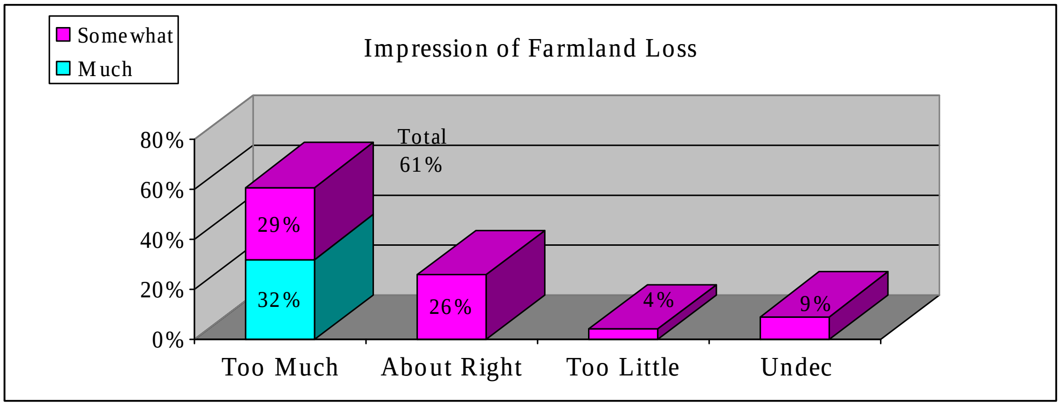
"Oppose" Kent Co. PDR program	*78%*
"Little/No" concern about farmland loss	*76%*
Farmland preservation programs "Not Imp/Und"	
"Oppose" farmland PDRs (Q 31)	*75%*
"Oppose" Open space PDRs (Q 29)	*71%*
Farmland preservation programs "Somewhat Impt"	
Open space preservation programs "Not Imp/Und"	*68%*
Farmland loss is "About right"	*67%*
Farmland loss, "Undecided"	*65%*
Open space programs "Somewhat impt"	
Northeast region	*64%*
"Oppose" PDR programs (Q 28)	
$75-100K	
Wyoming	*61%*
Area resident 16-25 years	
Southeast region	*60%*
Age 65+	*59%*

Question 25

-- Most report "Too much" farmland has been lost

Following the battery of statements about land use policy, respondents were informed that approximately 18 %of the land dedicated to agriculture in Kent County had decreased in the period between 1978 and 1992. They were then asked (being mindful of all the benefits associated with commercial growth) if the cited decrease in farmland during that period has been

"The Right Amount", *"Too Little"*, or, *"Too Much"*. For those who indicated *"Too much"*, a follow-up query asked if it was *"Much"* or *"Somewhat"*. Overall, just over six-in-ten (61%) reported the opinion that *"Too much"* had been lost. The chart below, illustrates the distribution:



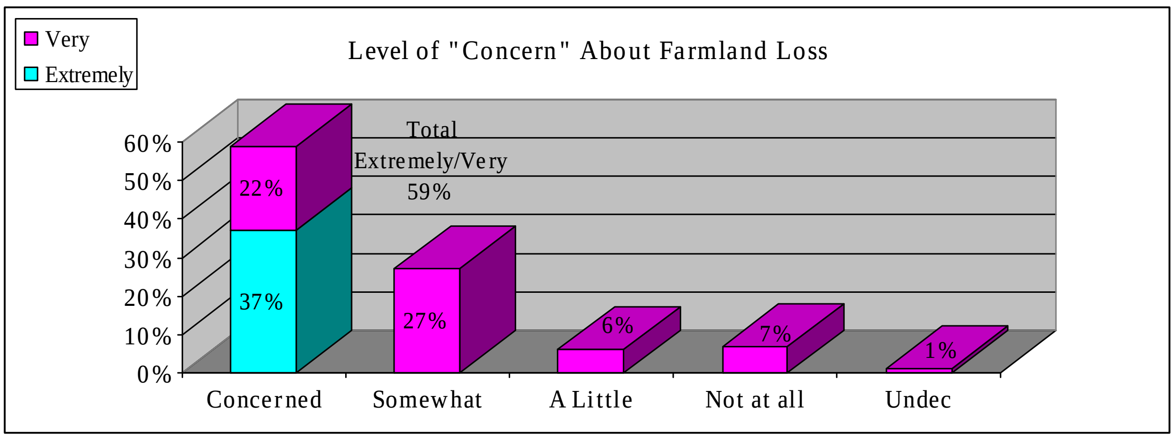
Respondents reporting that they believe "Too Much" (in total) farmland has been lost, in proportions higher than the overall mean (61%) included:

"Too much" county growth	*83%*
Funding for open space programs "Essential"	*80%*
"Extremely" concerned about farmland loss	*79%*
Funding for farmland preservation "Essential"	*78%*
GR Ward 3	*74%*
Under $25K	*73%*
Farmland preservation programs "Essential"	*72%*
$25-50K	
"Too few" parks	*71%*
"Very" concerned about farmland loss	
Open space preservation programs "Essential"	
Farmland preservation programs "Very Impt"	*70%*
Funding for open space programs "Very Impt"	
No college women	
Women over 50	*69%*
GR Ward 2	*68%*
"Favor" PDR programs (Q 28)	
"Favor" farmland PDRs (Q 31)	
Women	
Young w/o college	
"Negative" rating for government planning	*67%*
Favor Kent Co. PDR program	
Funding for farmland preservation "Very Impt"	
40-49 Age group	
Women Under 50	
Northeast region	*66%*
Open space preservation programs "Very Impt"	
HS or less	

Question 26

-- High concern over impact of farmland loss on the local economy

Respondents were next informed of Kent County's top rankings for production of crops overall, as well as the particularly high rankings for specific agricultural products. After a brief description of these statistics, respondents were asked, the level to which they were *"Concerned"* about the effect the loss of farmland might have on the health of the local economy. Overall, combining those voicing either *"Extremely"* or *"Very"* high levels of concern, 59% of all respondents reported "concern" about the negative economic impact the loss of farmland could have on Kent County. If combined with those who reported being at least, "Somewhat" concerned, the overall level of concern regarding the impact of farmland loss on the local economy rises to 86%. The following graph illustrates the distribution of the responses:



Respondents reporting that they are "Concerned" (in total) about the loss of farmland, in proportions higher than the overall mean (59%) included:

Funding for farmland preservation "Essential"	*80%*
Open space preservation "Essential"	*78%*
Farmland preservation program "Essential"	*76%*
Funding for farmland preservation "Very Impt"	*71%*
Young, no college	
Women over 50	
"Too much" farmland loss	*70%*
Northeast region	*69%*
"Favor" PDRs (Q 28)	*68%*
"Too few" parks	*67%*
Funding of farmland programs "Favor"	
Funding of open space programs "Very Impt"	
No college women	
"Negative" rating on Gov't planning	*66%*
Farmland preservation program "Very Impt"	
Under $25K	

Northwest region	*65%*
"Favor" Kent Co. PDR program	
Women	
Post HS	
50-55 Age group	
"Small town" residents	
$25-50K	*64%*
"Too much" county growth	*63%*
"Favor" open space PDRs (Q 29)	
Funding of farmland programs "Favor"	
Older w/college	
College women	
Open space preservation "Very Impt"	*62%*

Question 27

-- On follow-up, a fairly even distribution of reasons for concern

Among respondents who expressed at least, *"Only a little concern"* about the economic impact to Kent County over the loss of farmland, a follow-up, closed-end question asked them to select which of the offered reasons best represented "*why*" they were concerned. Given the preceding series of questions heard by respondents regarding the availability of locally grown food, environmental considerations, impact on the need for governmental services and economic impact, the distribution of answers reveals something of a potpourri. The closeness of these results suggests that respondents don't harbor one overriding reason for concern but rather, have more than one reason competing for their attention. The chart below, demonstrates the distribution of respondents' selections of reasons for their concern:

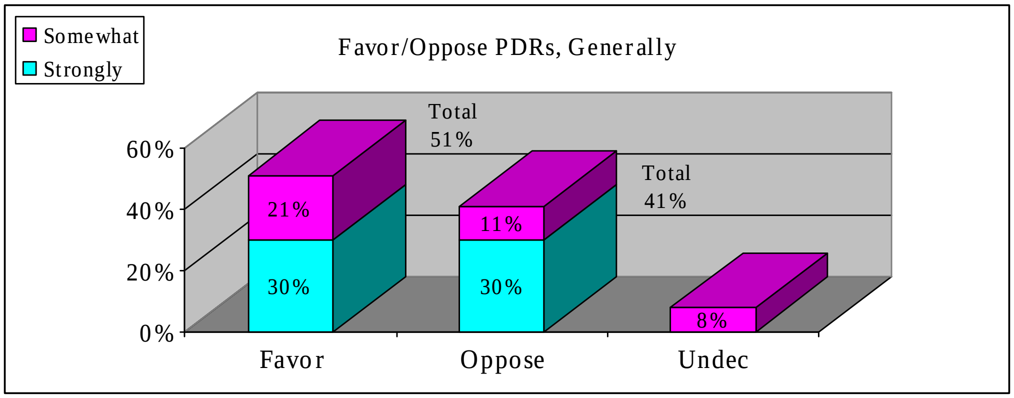
REASONS FOR CONCERN ABOUT LOSS OF FARMLAND

32%	It reduces the availability of locally grown food
28%	Maintaining farmland helps preserve environmental quality
18%	Loss of farmland results in a loss of jobs
15%	Population growth results in a greater need for services and more taxes
7%	Undecided/Refused

Question 28

-- Very slight majority favor PDRs on initial asking

Respondents were next asked if they would *"Favor"* or *"Oppose"* a voluntary government program allowing local units of government to purchase development rights as one means by which governments can control population growth and development. The result to this initial asking of a specific question regarding PDR programs was a bare majority reporting they favored the notion. Strength of sentiment about the question was equal, however, with identical proportions indicating a *"Strong"* preference on the question one way or the other. The chart below, illustrates the distribution of responses:



Respondents "Favoring" PDRs (in total), in proportions higher than the overall mean (51%) included:

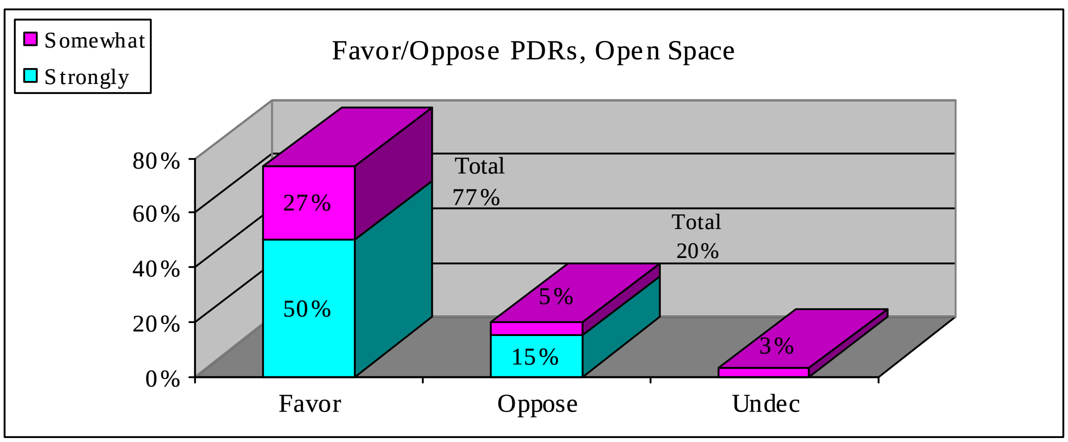
Funding for Open space programs "Essential"	*70%*
"Extremely" concerned about farmland loss	*69%*
Funding for farmland programs "Essential"	
Farmland preservation programs "Essential"	*68%*
"Favor" farmland PDRs	*67%*
"Favor" Kent Co. PDR program	*65%*
Open space preservation programs "Essential"	*64%*
GR Ward 1	*63%*
GR Ward 3	
"Favor" open space PDRs	*61%*
Aware of Kent Co PDR program	
Funding for farmland preservation "Very Impt"	
50-55 Age range	
Over $100K	
Open space preservation programs "Very Impt"	*60%*
Funding for Open space programs "Very Impt"	
16-25 year residents	
Older w/college	*58%*
College women	
Women under 50	
County growth "About right"	*57%*
"Too much" farmland loss	
Children at home	
College educated	
Younger w/college	
Under age 50	
Southeast region	*56%*
1-15 year residents	
Younger/no college	

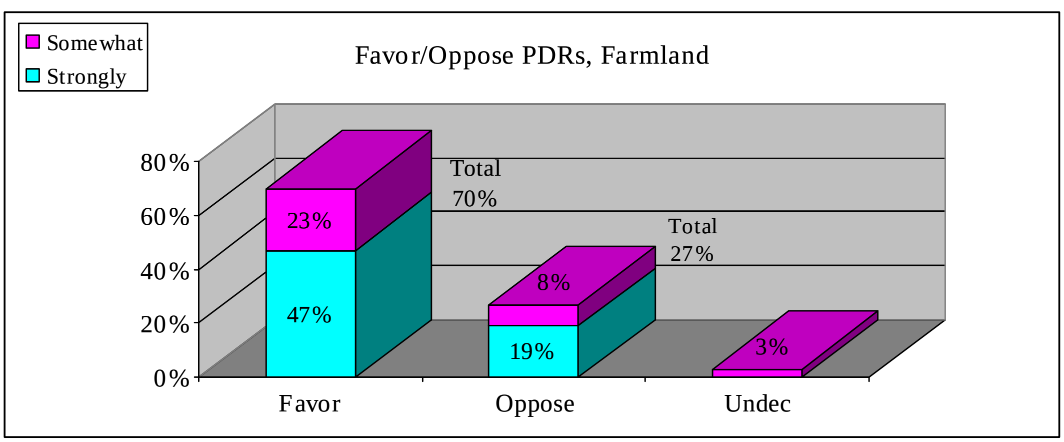
Question 29 & 31

-- Strong support of PDR's upon hearing more specifics

As a follow-up to the initial question asking respondents to voice an opinion concerning PDR's generally, a presentation of two rotated questions was made. The questions specifically identified *"Open-space"* and *"Farmland"* as the object of hypothetical preservation activity that might be undertaken by a local unit of government using a PDR. When put in the context of the aforementioned purposes, a significant increase in the proportion of respondents who reported *"Favoring"* government use of PDR's is seen.

In the case of "open space", defined as, "*. . . a parcel of land in a mostly open and undeveloped condition . . . and is suitable for natural areas, wildlife and native plants"*, a very strong majority of 77%reported *"Favor[ing]"* the idea overall, 50%saying they *"Strongly"* favored the idea. Similarly, 70%of respondents overall, *"Favor[ed]"* PDR use in the context of farmland preservation, 47% *"Strongly"*. The following graphs illustrate the distribution:





Respondents "Opposing" PDRs for Open space (in total), in proportions higher than the overall mean (20%) included:

Open space preservation programs "Not impt/Und"	*66%*
Oppose farmland preservation PDRs (Q 31)	*51%*
Oppose Kent Co. PDR program	*46%*
"Little/No" concern over loss of farmland	*41%*
Farmland preservation programs "Not impt/Und"	*40%*
Oppose PDRs generally (Q 28)	*37%*
Southeast region	*31%*
Funding of farmland preservation programs "Not impt/Und	
Loss of farmland "Undecided"	*30%*
Oppose Kent Co. PDR program "Undecided"	*27%*
Open space preservation program "Smwt impt"	
HS or less	*26%*
Men over 50	
Loss of farmland "About right"	*25%*
Farmland preservation programs, "Smwt Impt"	
65+ Age group	

Respondents "Opposing" PDRs for Farmland (in total), in proportions higher than the overall mean (27%) included:

Farmland preservation programs, "Not Impt/Und"	*73%*
Open space preservation programs "Not Impt/Und"	*70%*
Oppose Kent Co. PDR program	*68%*
"Little/Not" concerned about farmland loss	*53%*
Farmland preservation "Somewhat Impt"	
Oppose PDRs, generally	*52%*
Amount of farmland loss, "About right"	*41%*
Open space preservation programs, "Somewhat Impt"	*40%*
County growth "Too slow"	*38%*
Amount of farmland loss, "Undecided"	
Northwest region	*36%*
"Undecided" about Kent Co. PDR program	
College men	*35%*
Funding for farmland preservation "Somewhat Impt"	*34%*
Southwest region	*33%*
1-15 Year residents	
Men	*32%*

Question 30 & 32

-- Role of government vis-à-vis market forces top reasons to oppose PDRs

After each *"Favor/Oppose"* question regarding PDR use in the context of open-space and farmland, respondents who *"Opposed"* the use of them were asked, which of four recited reasons best described the respondent's opposition? In the case of open space, 80% of this subset (16%of the entire sample), cited the offered reason that, *"Government should not be in the business of purchasing development rights for land preservation purposes."*, with 5%citing the related reason that, *"Market forces should determine how much open space is available"*.

Fourteen percent indicated that resources should be devoted to other priorities, with one percent "Undecided."

In the case of farmland preservation, the specific percentages citing the reasons for opposition differed somewhat from those in the case of open-space preservation, but the ordering of the reasons remained the same. That is, the proper role of government, deference to market forces, and the existence of other, more pressing, priorities topped the list of reasons for opposition to PDRs in the farmland preservation context among the 27%of respondents who expressed opposition. Because a fairly small minority expressed original opposition, and there were five possible categories (including *"Undecided"*) available to express as reasons for opposition, dissecting the data by subgroup yields very small raw numbers of interviews and are thus, of minimal analytical value.

Question 33

-- Nearly two-thirds "unaware" of existing PDR program

Respondents were next told that over the past eight years, Kent County has operated a PDR program for farmland preservation. They were then asked if they were aware of the program or not. Sixty-four percent of respondents indicated that they had not heard of the program before, with 36%reporting that they had.

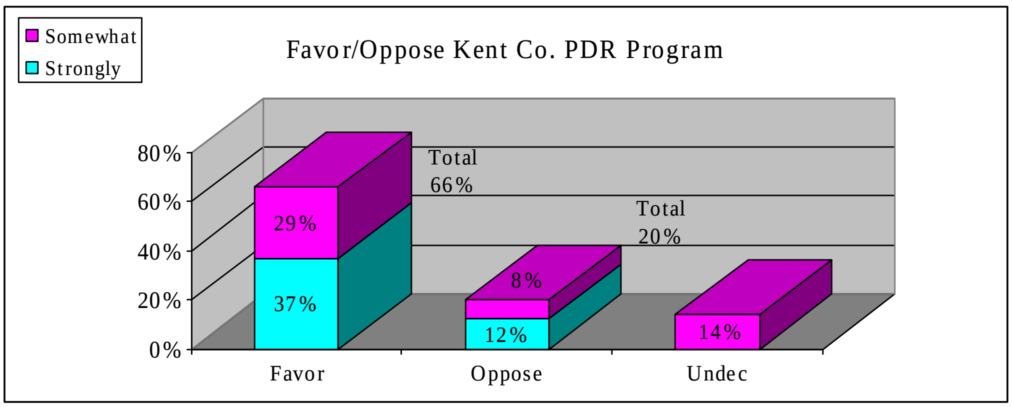
Respondents reporting being "Unaware" of the Kent Co. PDR program, in proportions higher than the overall mean (64%) included:

"Undecided" about Kent Co. PDR program	*82%*
16-25 year residents	
"Small town" residents	*79%*
Under $25K	*78%*
30-40 year age group	*77%*
Women under 50	*76%*
Younger w/o college	*73%*
Under 50	
Younger w/college	*72%*
County growth "Too slow"	*71%*
Funding for farmland preservation "Somewhat" Impt	
No college women	
GR Ward 2	*70%*
1-15 year residents	
Oppose Kent Co. PDR program	*69%*
Women	
Children at home	
Post HS	
41-49 year age group	

Question 34

-- Two-thirds "Favor" the existing PDR program

Following the brief description of the Kent County PDR program in the preceding question, respondents were next asked – apart from how they might generally feel about PDR programs – whether or not they *"Favor"* or *"Oppose"* the county program just described. As illustrated by the chart below, two-thirds of all respondents overall *"Favor"* the program, 37%*"Strongly"*.



Respondents "Strongly Favor[ing]" the Kent Co. program, in proportions higher than the overall mean (37%) included:

Northeast region	*69%*
Open space preservation programs, "Essential"	*66%*
Funding for open space programs, "Essential"	*64%*
Funding for farmland preservation "Essential"	*62%*
Farmland preservation programs, "Essential"	*59%*
"Extremely" concerned about farmland loss	*55%*
Over $100K	
Aware of Kent Co. PDR program	
Favor PDR programs (Q 28)	*53%*
Favor farmland preservation programs	*49%*
"Too few" parks	*45%*
"Too much" farmland loss	
Funding for open space preservation programs, "Favor"	
16-25 year residents	*44%*
50-55 year age group	
College educated	*42%*
"Small town" residents	
$25-50K	
Women under 50	

Questions 35-42

-- Greatest uncertainty found regarding how PDR programs are funded

A series of eight statements regarding PDR programs were presented to respondents and for each statement, the respondent was asked to indicate whether the statement was an *"Accurate"* or *"Inaccurate"* description of such programs. For five of the eight statements, a majority of respondents reported an opinion one way or the other. However, for three of the statements – two asserting the source of PDR funding and a third asserting that other Michigan communities have seen a benefit from such programs – *"Undecided/Don't know"* received the highest proportion of responses. The table below illustrates the distribution of responses, ranking the statements in order of highest to lowest proportions of respondents reporting that the statement is *"Accurate"*.

[IF ACCURATE/INACCURATE, ASK: Is that a very or somewhat (Accurate/Inaccurate) description of the program? ' AND CODE BEST RESPONSE]

[ROTATE Qs]	Very Accurate	***TOTAL Accurate***	***TOTAL Inaccurate***	Very Inaccurate	DK/ Undec
It has long term benefits to the community	37%	***67%***	***14%***	6%	19%
It improves land values	17%	***49%***	***28%***	12%	23%
The program provides jobs and helps the economy	18%	***48%***	***33%***	16%	19%
It reduces the cost for water, sewer and other services	17%	***42%***	***32%***	18%	26%
The program is mostly funded by local government tax dollars	17%	***40%***	***17%***	9%	43%
Other areas in Michigan have seen a benefit from having a Purchase of Development Rights program	16%	***36%***	***13%***	7%	51%
The program is mostly funded by local foundations	9%	***24%***	***24%***	11%	52%
It only benefits the farmer	6%	***19%***	***68%***	39%	13%

Respondents reporting being "Undecided" about foundation funding of PDRs in proportions higher than the overall mean (52%) included:

"Undecided" about the Kent Co. PDR program	*73%*
"Undecided" about the amount of farmland loss	*68%*
Northwest region	*66%*
Funding for open space programs, "Somewhat" Impt	*64%*
50-55 Age group	*63%*
41-49 Age group	*59%*
College women	
Unaware of Kent Co. PDR program	*58%*
Funding for farmland programs, "Somewhat" Impt	
"Rural" residents	
Younger w/college	
Women under 50	

Respondents reporting that funding from local tax dollars is an "Accurate" (in total) description of PDR programs (40%) in proportions higher than the overall mean included:

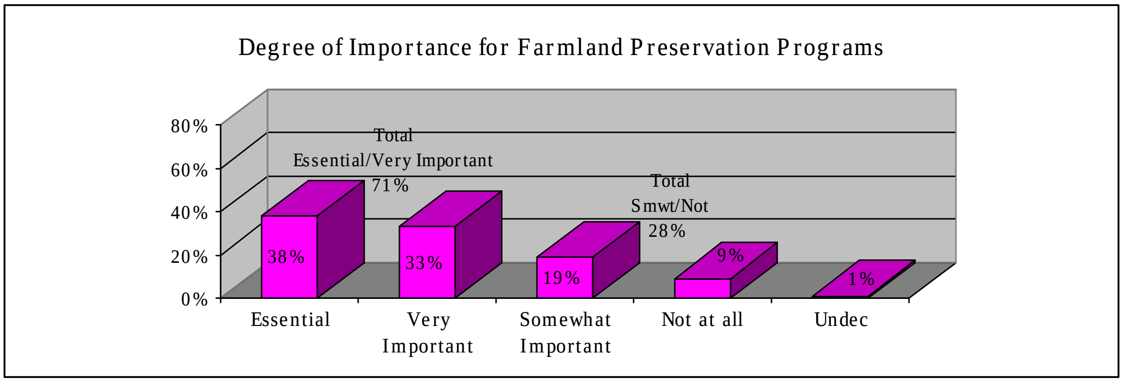
"Oppose" Kent Co. PDR program	*55%*
Wyoming	*52%*
$50-75K	
Post HS	*50%*
"Oppose" open space preservation programs	*49%*
"Aware" of Kent Co. PDR program	
"Oppose" farmland preservation programs	*48%*
Younger w/o college	
No college women	
GR Ward 2	*46%*
"Oppose" PDRs, generally (Q 28)	
Funding of farmland preservation "Somewhat" Impt	
16-25 year residents	
56-64 year Age group	

Questions 43-46

-- High importance placed on the existence of land preservation programs

In a final test meant to measure opinion about land preservation activities, two rotated question sets were presented asking respondents to rate the level of importance that should be placed on programs to preserve, farmland/open-space. They were then offered the following gradations of importance from which to choose: *"Essential"*, *"Very important"*, *"Somewhat important"* and, *"Not important at all"*. For those placing at least a level of *"Somewhat important"* on preservation programs, a follow-up question asked them to assign the same importance rating scale on there being a dedicated source of funding for each type of preservation program.

Between the two purposes for a land preservation program – preserving farmland and preserving open-space – more respondents placed importance on farmland (71% overall, 38%*"Essential"*), than on the preservation of open-space, although at 63% overall "Important" (24% *"Essential"*) the level of importance respondents placed on the open-space presentation did not lag far behind. A slightly lower level of importance was placed on the existence of a dedicated funding source for preservation programs, with farmland again nudging out open-space, although each test produced strong majorities offering their view of the overall importance for dedicated funding sources. The following charts illustrate the distributions.



Respondents reporting that farmland preservation programs are "Essential" in proportions higher than the overall mean (38%) included:

Funding for farmland programs, "Essential"	*87%*
Open space preservation programs, "Essential"	*81%*
Funding for open space programs, "Essential"	*80%*
"Extremely" concerned about farmland loss	*64%*
Northeast region	*53%*
"Favor" PDRs, generally (Q 28)	*50%*
"Favor" farmland preservation programs	*49%*
"Favor" Kent Co. PDR program	*48%*
GR Ward 1	*47%*
GR Ward 3	
Southeast region	*46%*
"Too much" farmland loss	*45%*
16-25 year residents	
Over $100K	
Women under 50	*44%*
GR Ward 2	*43%*
"Favor" open space preservation programs	
Children at home	
College women	

How important is it that there be a dedicated funding source for farmland preservation? Is it essential, very important, somewhat important, or not important at all?

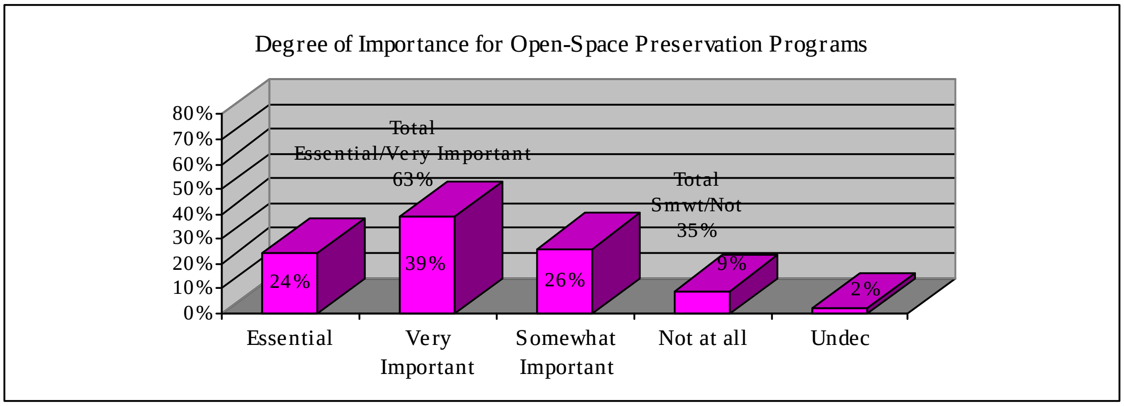
27% *Essential ----------------------------* ***61% TOTAL IMPORTANT***

34% *Very important*

29% *Somewhat important*

7% *Not important at all*

3% *Undecided/Refused*



Respondents reporting that open space preservation programs are "Somewhat/Not at all" important in proportions higher than the overall mean (35%) included:

Farmland preservation programs, "Undecided"	*76%*
"Oppose" open space preservation programs	*72%*
Farmland preservation "Somewhat" Impt	*70%*
"Oppose" farmland preservation programs	*64%*
"Oppose" Kent Co. PDR program	*59%*
Funding for farmland preservation "Somewhat" Impt	*54%*
County growth "Too slow"	*50%*
Loss of farmland, "About right"	
Loss of farmland, "Undecided"	
Oppose PDRs, generally (Q 28)	*49%*
Southwest region	*42%*
"Somewhat" concerned about loss of farmland	
Age 65+	*41%*
$75-100K	*40%*

How important is it that there be a dedicated funding source for Open Space preservation? Is it essential, very important, somewhat important, or not important at all?

20% *Essential* -------------------------- ***57% TOTAL IMPORTANT***

37% *Very important*

34% *Somewhat important*

7% *Not important at all*

2% *Undecided/Refused*

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