



**ROCK COUNTY PACE COUNCIL  
MONDAY, OCTOBER 5, 2015 – 8:30 AM  
LAND CONSERVATION OFFICE CONFERENCE ROOM  
440 N US HWY 14  
JANESVILLE WI**

**AGENDA**

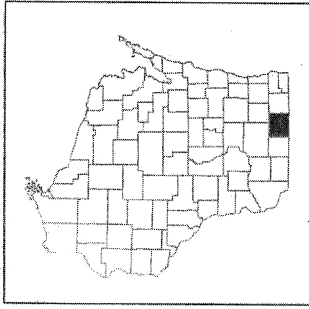
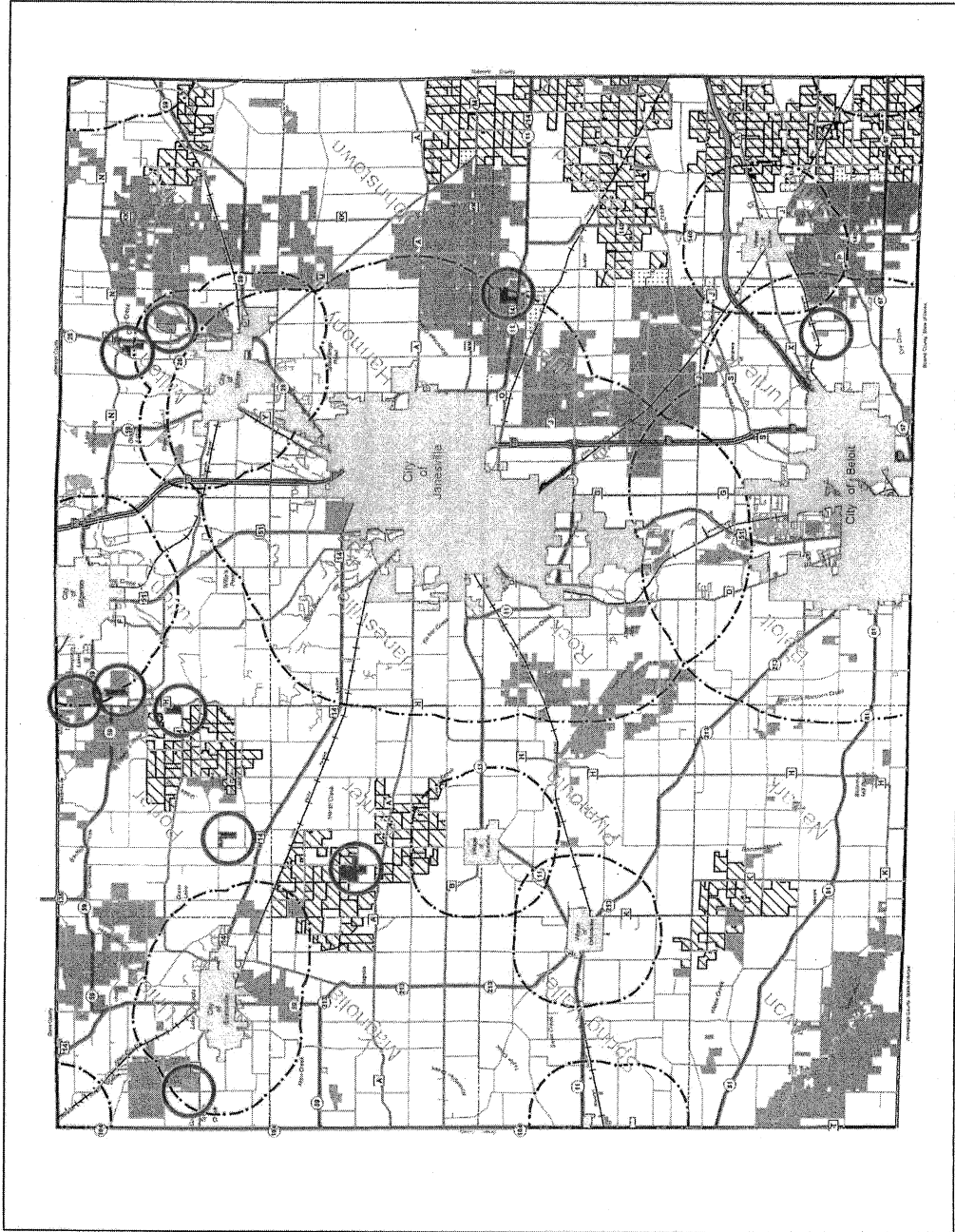
- 1) Call to Order
- 2) Adoption of Agenda
- 3) Approval of minutes from PACE Council meeting August 25, 2014
- 4) Citizen Participation, Communications, and Announcements
- 5) Summary and overview of Rock County PACE Program activities
  - a. Status of program funding
  - b. Status of past applications
  - c. Change to USDA-NRCS funding application process relating to appraisals
- 6) Review and discuss 2015 PACE applications (landowners may be present to answer questions regarding their application)
  - a. Kraus: LaPrairie Township, 117 Acres, Primary Target
  - b. Oberdeck: Fulton Township, 107 Acres, Primary Target
  - c. Francis: Union Township, 112.5 Acres, Primary Target
  - d. Sayre: Center Township, 201.5 Acres, Secondary Target
  - e. Demrow: Porter Township, 73 Acres, Eligible Area
  - f. Lee: Fulton Township, 35 Acres, Primary Target
  - g. Carroll: Porter Township, 77 Acres, Eligible Area
  - h. Marjorie Hanlon: Milton Township, 68 Acres, Eligible Area
  - i. Michael Hanlon: Milton Township, 84.5 Acres, Eligible Area
  - j. Michael Plankey: Turtle Township, 36 Acres, 100% Donation
- 7) Make recommendation of approval or non-approval to Rock County Land Conservation Committee for each 2015 PACE application
- 8) Consider updating purchase price policy related to appraised fair market value and priority areas. Possibly make recommendation to Land Conservation Committee
- 9) Future Meeting Date
- 10) Adjournment

It is possible that members of and possibly a quorum of other governmental bodies of Rock County may be in attendance at the above-stated meeting to gather information: any governmental body at the above-stated meeting will take no formal action.

**ROCK COUNTY PACE PROGRAM APPLICATIONS - 2015**

	Kraus	Oberdeck	Francis	Sayre	Dunrow	Lee	Carroll	Marjorie Hanlon	Michael Hanlon	Plankey
PURCHASE OR 100% DONATION	Purchase	Purchase	Purchase	Purchase Partnership	Purchase	Purchase	Purchase	Purchase	Purchase	Donation
ACRES	117	107	112.5	201.5 (may vary)	73	35	77	68	84.5	38.0 +/-
TOTAL LEAS SCORE (County Ave: 6.51)	7.1	6.83	7.29	7.54	6.3	7.0	6.118	5.9	5.2	
TARGET ACQUISITION AREA	Primary	Primary	Primary	Secondary	No	Primary	No	No	No	No
NRCS Ranking Based on Current Criteria (Fiscal Year 15 - 400 is maximum)	194	178	157	181	148	163	163	165	165	NA
TOWNSHIP	LaPrairie	Fulton	Union	Center	Porter	Fulton	Porter	Milton	Milton	Turtle
EXTERIORIAL AREA	Jansville	Edgerton	Evansville	None	None	Edgerton	None	Milton	Milton	Bebit
TOWN/CITY/VILLAGE OBJECTION	No	No	No	No	No	No	No	No	No	No
NOTES AND OTHER CONSIDERATIONS	2014 Application which was approved by Council and LCC, but not selected for funding by NRCS	2014 Application which was approved by Council and LCC, but not selected for funding by NRCS	2014 Application which was approved by Council and LCC, but not selected for funding by NRCS	2014 Application which was approved by Council and LCC as alternate if one of four approved did not proceed with acquisition. This property may be subject to collaborative effort between Natural Heritage Land Trust (using DNR Stewardship funds), NRCS and Rock County. Percentage may increase based on Stewardship funding level.	2014 Application which was not selected for acquisition			Family feels strongly about preserving farmland, as evidenced by submitting applications for two different farms. This property is in the Otter Creek Watershed, which flows into Lake Koshkonong and the Rock River.	Family feels strongly about preserving farmland, as evidenced by submitting applications for two different farms. This property is in the Otter Creek Watershed, which flows into Lake Koshkonong and the Rock River.	Mr. Plankey applied for the purchase program and was approved for funding by the County and NRCS. Due to various circumstances, Mr. Plankey decided to not proceed with the acquisition of the easement on the entire property. This application is for a donation of an easement on a portion of the property.
STAFF RECOMMENDATION	<p><b>Purchase Applications:</b> Due to the number of applications this year and the limited funding resources for this program, staff is choosing to be consistent with the priorities outlined in the PACE Program Manual and recommend that the PACE Council and the LCC approve the Primary Target Acquisition Area applications. This consists of four applications, the Kraus, Oberdeck, Francis and Lee Properties. Approval authorizes staff to begin acquisition process by applying for USDA-NRCS portion of the funding.</p> <p><b>Sayre Property Application:</b> As noted above, the Natural Heritage Land Trust has applied for DNR Stewardship funding to acquire an easement on this property. The intention is to develop an easement document which will be consistent with the Rock County PACE Program, but also allow for public access for hunting, etc (complete terms to be determined). Fifty percent of the funding would be applied for from the USDA-NRCS, just as a typical PACE Easement. Though no formal agreement has been drafted yet (pending approval of Stewardship Funding), initial discussions outlined a scenario where Rock County would be a co-holder of the easement and provide funding for administrative expenses, such as title work, appraisal and long term monitoring, but not provide any funding for the purchase of the easement. In this way, it would be similar to the expenses related to a 100% donation application. At the time of preparing the agenda materials, it was unknown whether the Stewardship funding has been approved. If approved, the acquisition area may vary depending on the funding level and the landowner decision. Staff recommends approving the Sayre application contingent on Stewardship funding being approved for the local share of the purchase price and PACE funding only to be used to cover administrative expenses related to the acquisition and long term monitoring.</p> <p><b>Plankey Donation Application:</b> Staff recommends approval as presented. Mr. Plankey and staff have worked together to determine an easement area which meets the requirements of the program and the goals of the landowner, but considering Mr. Plankey has additional land outside of the proposed easement that area may be modified if proposed by the PACE Council or LCC.</p>									
PACE COUNCIL RECOMMENDATION	<p style="text-align: center;">OCTOBER 5, 2015</p>									

# 2015 Rock County PACE Program Applications

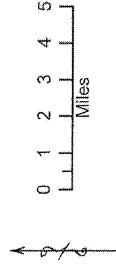


## Legend

### PACE Program Applications

#### Landowner

- Francis - 112.5 Acres - Primary Target Parcel
- Kraus - 117 Acres - Primary Target Parcel
- Oberdeck - 124 Acres - Primary Target Parcel
- Sayre - 201.5 Acres - Secondary Target Parcel
- Lee - 35 Acres - Primary Target Acquisition Area
- Demrow - 73 Acres - Eligible Parcel
- Carroll - 77 Acres - Eligible Parcel
- Marjorie Hanton 68 - Eligible Parcel
- Michael Hanton - 84.5 Acres - Eligible Parcel
- Plankley - 36 Acres - 100% Donation
- Primary Target Acquisition Areas
- Tier I Farmland Adjacent to Target Area
- Secondary Target Acquisition Areas
- Protected Land
- Town Boundary
- City or Village
- Extra Territorial Jurisdiction (ETJ) Area Boundary
- Rail



# Policy Related to PACE Program Easement Acquisition and Appraised Fair Market Value

For Consideration by  
PACE Council and

Land Conservation Committee

**APPROVED BY LCC SEPTEMBER 2014**

**Background:** The purchase price for a PACE easement is based on an appraisal of the fair market value (FMV) of the easement. PACE funding is a combination of County and Federal program funds. Based on current Federal program rules, a landowner may get paid up to 75% of the FMV for the easement acquisition when combining the local and federal funds. By rule, the Federal program will contribute up to 50% of the FMV and the local entity (in this case the County) must contribute the other 25%. When viewed another way, the Federal program will contribute twice the local contribution, up to the 50% of the FMV federal cap. Therefore, for example, if the County chooses to offer a payment of 17% of the FMV, the Federal program (if approved) will pay an additional 34% of the FMV, making the total payment 51% of the FMV.

In the development of the PACE program, not only were eligible parcels designated, but geographic groups of eligible parcels were created to support the concept of creating blocks of protected land. These groups of parcels were also based on the parcel LESA scores. These groups of parcels were designated in order of priority for acquisition as follows:

1. Primary Target Acquisition Areas
2. Tier 1 Farmland Adjacent to Primary Target Acquisition Areas
3. Secondary Target Acquisition Areas
4. Other Eligible Parcels

The Federal program does not have criteria for prioritizing certain groups of parcels over another. However, each individual parcel gets a "score" to help determine, on a state wide basis, which applications will be funded. This federal scoring system does give some credit for being within a local priority area.

**Purpose of policy:** As outlined above, the PACE program was designed by putting each eligible parcel into one of four priority levels. However, when the appraisal for a parcel is completed there is no consideration for what level of priority the parcel falls within. The appraiser has industry standards, methods and procedures that must be followed, along with making links to "comparable" properties. Therefore, the FMV of parcel which is simply "Eligible" could be higher than a parcel that is in a "Primary Target Acquisition Area."

After a few years of implementation of PACE, LCD staff is proposing to develop an objective payment structure that reflects the level of priority in which the parcel is located. With a policy as described below, LCD staff will be able to better inform potential applicants as to the level of funding they can expect. It is important to formally document the expected payment percentage since the applicant is responsible for the cost of the appraisal if he/she decides to not move forward

with the acquisition after the appraisal is completed. However, since the payment is still tied to the appraised FMV, it will vary from parcel to parcel and year to year and LCD staff cannot predict the actual payment that will be received.

**Proposed Policy:** An “Option to Purchase” agreement is required to apply for Federal funding and is only developed after the application is approved at the County level and an appraisal is completed. To reflect the acquisition priorities as determined in the development of the PACE program, it is proposed to utilize the following payment structure when developing an “Option to Purchase” agreement with a PACE applicant:

Priority Level	Total Percent of FMV Paid (County and Federal Share)
1. Primary Target Acquisition Areas	65-75
2. Tier 1 Farmland Adjacent to Primary Target Acquisition Areas	65-75
3. Secondary Target Acquisition Areas	60-70
4. Other Eligible Parcels	50-60

LCD staff is proposing a range of total percentage payment to give the Land Conservation Committee the ability to “negotiate” with a landowner after the appraisal is complete and a FMV is determined. This will be especially important for the situations when a property is valued very high or low compared to historic averages and/or for applications with a large number of acres. Keep in mind, the landowner has the benefit of the income tax deduction on any portion of the total FMV which is not purchased (subject to an IRS appraisal).

It may also be appropriate for the PACE Council and LCC to consider setting a maximum per acre payment as part of this proposed policy.

**UPDATE FOLLOWING PACE COUNCIL MEETING ON AUGUST 25, 2014:**

The PACE Council voted to recommend this policy as written and also recommend a maximum per acre payment for the 2014-2015 application cycle. The recommended cap is \$2,100.00 per acre with the flexibility to have a higher payment on parcels with high LESA scores. The recommended payment cap is based on the average payments to date and therefore should be reconsidered on an annual basis.

**The Land Conservation Committee approved the percentage payment structure and cap at the September 2014 meeting.**