

## **Frequently Asked Questions about PDR**

### **What are development rights?**

Development rights are a landowner's rights to develop, or subdivide, his or her property. Often compared to mineral rights, development rights can be separated from a landowner's property.

### **What is Purchase of Development Rights (PDR)?**

Purchase of Development Rights (PDR) is a voluntary farmland protection technique that compensates landowners for limiting future development on their land. PDR has been used by local and state governments on the east coast since the mid-1970s. Under a PDR program, an entity, such as a town or a private organization, purchases development rights to a piece of property. By doing so, the organization or government agency is essentially buying the landowner's right to develop that land. The land itself remains in private ownership and the landowner still retains all other rights and responsibilities associated with being a property owner.

### **What is a conservation easement?**

When a landowner sells his or her development rights, a legal document known as a conservation easement is created to restrict (in perpetuity) the use of land to farming or open space. A conservation easement permanently limits residential, commercial or industrial development of a property in order to protect its conservation or agricultural values. Easements can be designed to meet the individual financial and personal needs of each landowner. The easement is attached to the landowner's deed and stays on the deed even if the land is sold or passed on through inheritance, thereby assuring that development will not occur on that particular property.

### **How long do conservation easements last?**

Easements purchased by the Town of Dunn are permanent. The easement becomes part of the land deed and is recorded in the local land records.

### **What restrictions are found in a typical easement?**

Conservation easements typically restrict non-farm development and subdivisions. Generally, there are few restrictions on improvements related to the farming operation. Often, however, easements will include language to protect sensitive natural areas, like wetlands, and other important resources, such as archaeological sites. Dunn's easements also require that farming be carried out in accordance with an approved soil and water conservation plan. It is important to remember that easements can be tailored to the particular property in question and to the needs of the individual landowner.

### **How does an easement affect other rights of ownership?**

The landowner controls the land and use of the land not covered by the conservation easement. The land is still owned by the landowner and can be transferred, deeded or sold just as any other piece of property.

### **Does a conservation easement grant public access to land?**

No. The easement does not require any provisions for public access, unless such access was negotiated as part of the easement purchase transaction. In general, the town is not interested in providing public access to land protected by conservation easements.

### **Does a conservation easement affect a farmer's ability to borrow money?**

The experience of those farmers who have participated in existing PDR programs in other states is that their ability to borrow operating funds for the farms is not affected by the presence of the conservation easement.

If a lending institution holds a lien on a property, it must approve the sale of the conservation easement just as it would need to sign off on any transaction on the property. Since a farm loan is usually based on the ability of the farm operation to carry the loan, a conservation easement, which only affects non-farm development activities, not the farm operation, would not have a bearing on the performance of the loan.

### **How much is an easement worth?**

The value of an easement varies with each property and the specific conditions of the easement. The town hires a certified professional appraiser to determine the value of an easement on a particular property. Using “comparable sales” on similar properties in the area, the appraiser first determines the value of the property as agricultural land. Using the same method, the appraiser then determines what the value of the land would be if it were to be developed to the fullest extent under the town’s current Land Use Plan. The difference between these two values is the value of the development rights or easement.

### **How will the town decide which properties to protect?**

The Town of Dunn Land Trust Commission, which oversees the town’s PDR program, has developed a ranking system to prioritize applications to the program. The following criteria will be used to determine the ranking of each application: quality of farmland (based on soil quality, size of farm and proximity to other agricultural land), development pressure (based on such factors as proximity to sewer services and inclusion of the property in the annexation plans of neighboring cities and villages); other features (such as important natural areas or archaeological sites); financial considerations (including whether the landowner is willing to receive payments for the easement in installments and whether matching funds are available from other sources to buy an easement on the property); and proximity to other protected land.

Since funds to purchase easements in the town are limited, the ranking system is an objective method for determining which properties should be protected first. The top three applications will be given the highest priority and will be considered simultaneously. The Land Trust Commission plans to work with several landowners at the same time since negotiating an easement is very complicated and can take anywhere from several months to a few years.

### **Is there an application deadline to the PDR program?**

Applications to the PDR program will be accepted throughout the year. However, the Land Trust Commission will review and rank the applications that it has received once a year on October 15. You are encouraged to come in at any time for a consultation with members of the Commission.