



Planning Implementation Tools Purchase of Development Rights (PDR)



Center for Land Use Education

www.uwsp.edu/cnr/landcenter/

August 2006

TOOL DESCRIPTION

Purchase of Development Rights (PDR) is an incentive based, voluntary program with the intent of permanently protecting productive, sensitive, or aesthetic landscapes, yet retaining private ownership and management. In this program, a landowner sells the development rights of a parcel of land to a public agency, land trust or unit of government. A conservation easement is recorded on the title of the property that limits development permanently.

(see conservation easement fact sheet). While the right to develop or subdivide that land is permanently restricted, the land owner retains all other rights and responsibilities associated with that land and can use or sell it for purposes allowed in the easement. PDR programs and conservation easements do not necessarily require public access, though it may be granted as part of the agreement or be a requirement of the funding source.

COMMON USES

Farmland Preservation

A PDR program can help protect farmland and participating farmers. Cash is given to the farmer in exchange for their right to develop the land, although special provisions may allow development of farm buildings or residences for family members or farm workers. The money may be used by the farmer in any way (e.g. pay down debt, retirement investment, operational expenses). Selling the development right can help to reduce inheritance taxes making passing the farm on to heirs less costly. It also makes the farm more affordable for young incoming farmers, helping to keep the agricultural economy active.

Natural Resource Protection

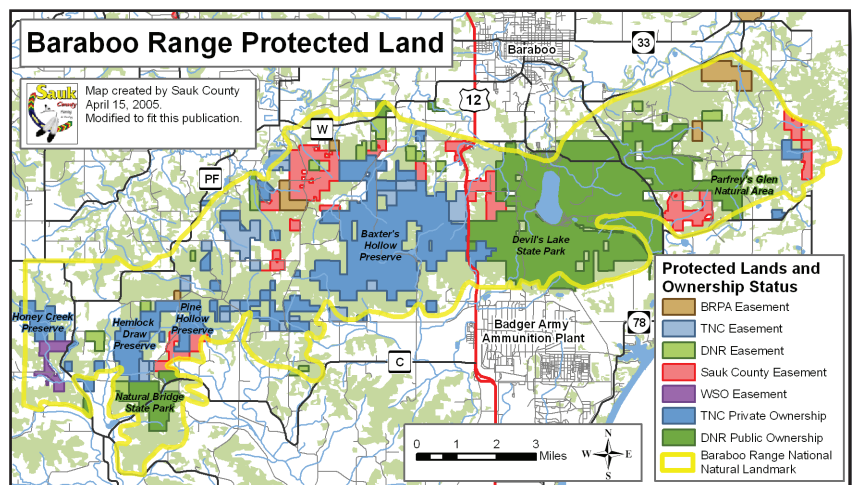
A PDR program can prevent development on ecologically significant land such as critical wildlife habitat, water recharge or water quality protection areas. Landowners receive the value of the development rights in cash, yet still own and retain the use of the land within the provisions of the agreement.

Possible Uses

Permanent protection of:

- ◆ Farmland
- ◆ Forrest
- ◆ Open space
- ◆ Rural character
- ◆ Critical habitat
- ◆ Riparian corridors
- ◆ Wetlands
- ◆ Areas for groundwater recharge or stormwater storage

*Figure 1: (Key to land classifications)
Protecting the largest block of mostly deciduous forest in the midwest*



IMPLEMENTATION

CREATION

1. Link PDR Program to Goals and Objectives.

Local governments should consult their comprehensive plans and link the PDR program to the plan objectives and goals. This tool is a good option when community goals reflect the desire to protect land in perpetuity as well as protect ownership rights. The PDR program should also be linked to supporting state and federal programs and be supported by local ordinances. There is a tendency for developers to use the existence of preserved land as a selling point. This may draw development to the fringes of target preservation areas and it may impact related preservation goals.

2. Establish a Board or Committee.

A board or committee oversees that program dollars are spent wisely to acquire properties that meet the goals and objectives of the program. Committees consisting of local governments, land trusts, and members of the public work best.

3. Identify Sources of Funding

External funding sources include federal and state grants, foundations, land trusts, and public money donations. For example, the Natural Resource Conservation Service manages the Farm and Ranchland Protection Program (FRPP). The FRPP will match up to 50 percent of the total acquisition costs of conservation easements. Funding can also be generated through local tax levies.

4. Identify Target PDR Areas

Identifying target areas is critical to achieving program goals and objectives. If the goal is to manage wildlife, it might be important to protect large, contiguous tracts of habitat. In other cases, scattered tracts may be targeted for protection. For example, scattered, but highly visible aesthetic bluffs on the Lower Wisconsin River Valley could be targeted to protect scenic views.

ADMINISTRATION

The program board or committee or a designated staff person is responsible for reviewing landowner applications, obtaining appraisals, prioritizing parcels based on program goals, negotiating agreements, and ensuring that deed restrictions are monitored and enforced. They also work with land owners in the targeted areas to explain the program and acquire additional easements.

Appraisers determine the value of development rights by subtracting the value of the property with a conservation easement from the value of the property with out an easement. The local land market will determine the actual dollar amount.

Determining the value of property rights.

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Report Card: Purchase of Development Rights

Cost	Money or staff resources required to implement tool.
D	The cost for this program is high and depends upon the price of development rights and the number of acres targeted for protection. Money is needed to appraise properties, write purchase provisions, monitor easements, and pay any legal fees.
Public Acceptance	The public's positive or negative perception of the tool.
A	This program is perceived as fair since the landowner is paid for the value of the development rights and is still able to own and use the land. The public is assured that a resource it values is permanently protected.
Political Acceptance	Politician's willingness to implement tool.
A	Since the program is voluntary, fairly compensates landowners, and keeps property on the tax rolls, politicians are willing to implement the tool. However, if local taxes are the primary funding source, officials become concerned.
Equity	Fairness to stakeholders regarding who incurs costs and consequences.
A	The landowner is compensated for not developing the property and is still able to derive income from working lands.
Administration	Level of complexity to manage, maintain, enforce, and monitor the tool.
B	In some instances, a land trust manages a PDR program on behalf of or in partnership with a municipality. Otherwise a staff person should be designated to manage the program, monitor the easements, and work with landowners.
Scale	The geographic scale at which tool is best implemented.
All Levels	This tool can be implemented at any scale. Its effectiveness is dependent on the capacity of the managing organization or agency to implement and monitor the program.

GRADING EXPLANATION

A - Excellent
B - Above Average

C - Average
D - Below Average

F - Failing

WISCONSIN EXAMPLES

Town of Dunn

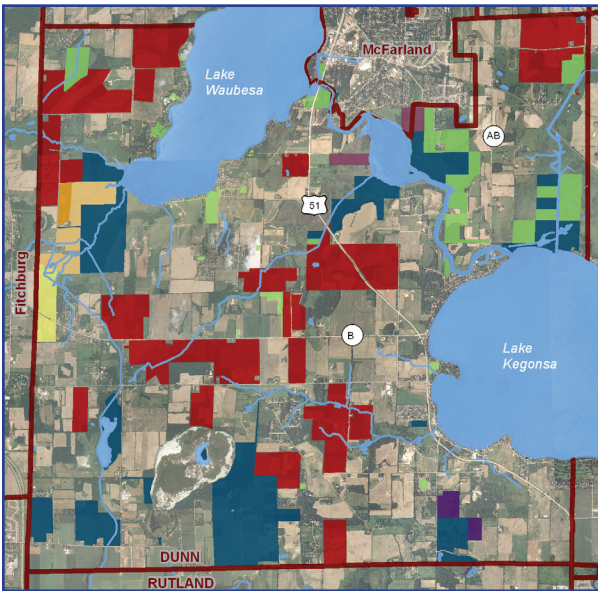
Since 1996, the Town of Dunn Land Trust Commission has acquired development rights over 2,500 acres to preserve farmland, support farming operations, protect sensitive natural resources, and maintain rural character. Easements restrict non-farm development and subdivisions and include language to protect sensitive natural areas and other important resources. Dunn's easements also require that farming be carried out in accordance with an approved soil and water conservation plan. The town voted to increase its levy by \$.50

per \$1,000 of equalized valuation to start the program. In 2000, it undertook a \$2.4 million bonding initiative to increase the money available for use. In addition, they have successfully applied for grants from WDNR and NRCS Farmland Protection Program.

Sauk County

The Baraboo Range Protection Program was created by the Sauk County Board of Supervisors. The Baraboo Range is the largest block of mostly deciduous forest in the upper Midwest and important habitat for neo-tropical migratory birds. The focus is on preservation of existing forestland within the Baraboo Range National Natural Landmark. A commission of local residents oversees the program with funds coming from Wisconsin DOT, The Knowles-Nelson State Stewardship money, the Farm and Ranchland Protection Program, Forest Legacy Program, local conservation groups and Sauk County.

Figure 2: Town of Dunn Map



Town of Dunn Protected Lands

Easements on Private Property

- Town of Dunn
- American Farmland Trust
- The Nature Conservancy

Public Property

- Dane County Parks
- Town of Dunn Parks
- US Fish & Wildlife
- WI DNR

Private Property

- MaHunt [501(c)3] Non-Profit
- The Nature Conservancy

FOR MORE INFORMATION

Miller, Gayle & Krieger, Douglas (Winter 2004). Purchase of Development Rights, Preserving Farmland and Open Space. *Planning Commissioners Journal* Issue 53.

Veslany, Kathleen, Ed. (2002). *Purchase of Development Rights*. Western Governors' Association, The Trust for Public Land, and National Cattlemen's Beef Association. Available at www.westgov.org/wga/publicat/pdr_report.pdf

Arendt, Randall (1994). *Rural by Design: Maintaining Small Town Character*. Chicago, IL: Planners Press, American Planning Association.

ACKNOWLEDGEMENTS

Document prepared by Douglas Miskowiak and Linda Stoll, Fall 2005. CLUE gratefully acknowledges all external reviewers.

Figure 1 developed by Sauk County, modified by Douglas Miskowiak to fit this publication. Figure 2 developed by Douglas Miskowiak.

This document is part of CLUE's collaboration with the USDA, NRCS, GEM, and UWEX, entitled, "Partnership for Community Planning – Models for Land Use Education, Planning, and Management."