### **Agenda Action Form Overview**

The Board is requested to approve the acquisition of three conservation easements with Jerry and Sandra Wrightenberry, Frances Cook, and Tom Washington; to use existing open space capital project funds to support no more than 50% of the easements' costs; and to authorize the Manager to execute funding agreement documents if funds are awarded.

The Wrightenberrys' Mountain View Farm lies in north Durham along 15-501 at the Person County line. They purchased it in 1989 for its scenic views and stately oaks along North Roxboro Road, later expanding their holdings to include hay fields, pastures, forestland, and two ponds. They live on an adjacent parcel outside the proposed conservation easement.

Frances Cook and her late husband, Wesley, established their 146-acre farm along Hopkins Road in the 1970s, building their home, raising beef cattle, and expanding over time. With well-designed fenced pastures for rotational grazing, they have hosted national events showcasing their exemplary management. Both the City of Durham and Raleigh Watershed Protection Programs identify these parcels as priorities for protection. Ms. Cook, aware of rising development pressure, wants the farm permanently conserved.

Tom Washington's farm, located on the North Durham County Scenic Byway next to Camp Butner and Tilley Farm (a protected Durham County farm), belonged to his Aunt Jean Ellis. After her death in 2021, Tom purchased it to keep it in the family and out of development. The property includes a pond, home, forestland, and open fields managed for wildlife crops. Though he doesn't live on site, Tom visits regularly to maintain the land and enjoys hunting there.

#### **Background/Justification**

Since the early 2000s, Durham County has protected farmland and ecologically significant land by purchasing development rights through permanent conservation easements. These lands remain privately owned for farming, forestry, and conservation but cannot be subdivided or developed. To date, 2,698 acres have been preserved through 36 easements, with nine more projects underway to add 264 acres.

The Wrightenberry and Cook projects qualify for USDA-NRCS Agricultural Lands Easement (ALE) funds, which cover 50% of easement value. Durham County has secured more than \$2 million from this program over the past decade and, in August 2024, was designated a Certified Entity for its strong performance.

Tom Washington's farm easement will be funded through Army National Guard (ARNG) resources to buffer Camp Butner from residential development. Under a 2021 Cooperative Agreement with ARNG through the REPI (Readiness and Environmental Protection Integration) Program, Durham County partnered with Triangle Land Conservancy in 2023 to protect 177 acres in this buffer. Two additional easements (Poole and Stevens) are also in progress with ARNG.

Overall, Durham County has leveraged about \$2.23 in outside funding for every \$1 spent on land protection, drawing from USDA-NRCS, ARNG REPI, the North Carolina Land & Water Fund, and watershed programs in Raleigh and Durham.

#### **Policy Impact**

Permanent land conservation helps Durham County protect farmland, sensitive natural areas, and the agricultural, scenic, water quality, habitat, and wildlife connectivity values they provide. These efforts deliver broad community and environmental benefits and advance multiple County policy goals.

Acquiring conservation easements for permanent open space aligns with DCo Forward 2029 Strategic Plan Focus Area: Sustainable Infrastructure and Environment, specifically Objective SI 3—preserve and restore natural and built environments—through Initiative SI 3c (improve water quality via equitable land protection) and Initiative SI 3d (protect and restore natural resources, rural spaces, and recreational and



historic lands). Because protection is through conservation easements, the land will remain private with no public access.

Durham's <u>Comprehensive Plan</u> reinforces rural and agricultural land uses, sustainable farming practices, support for local food markets (Policies 89, 91, 141), protection of sensitive natural areas (Policy 79), drinking water sources (Policy 86), and wildlife habitat (Policy 98). It also sets a goal to place 30% of County land under permanent conservation (Policy 78).

This work continues implementation of the County's 2009 Agricultural Development and Farmland Preservation Plan, which recognized farmland's value, Durham's rapid growth, and the need to acquire permanent easements from willing landowners. All three properties are consistent with the Comprehensive Plan's <u>Place Type Map</u> designation of "Rural & Agricultural Reserve" and rural residential (RR) zoning.

#### **Procurement (Acquisition) Background**

n/a

#### **Fiscal Impact**

The 2025 USDA-NRCS Agricultural Lands Easement (ALE) Program submission deadline is October 10, 2025. To qualify, the County must secure signed real estate options confirming both the County's and landowners' intent to proceed if funding is awarded. These options grant the County the right, but not the obligation, to purchase the easements. ALE funds would cover 50% of the approved easement value, while the Washington Farm easement is eligible for 75% funding from Army National Guard (ARNG) partners. Funding decisions are expected in 2026.

The total cost for all three easement projects is estimated at \$1.8 million. The County's open space and farmland capital project account has sufficient funds to cover its share, so no additional funding is required. If ALE and ARNG funds are awarded, final budgets will be presented to the Board for approval prior to closing.

<u>County Manager's Recommendation</u>: The Board is requested to approve the acquisition of three conservation easements with Jerry and Sandra Wrightenberry, Frances Cook, and Tom Washington; to use existing open space capital project funds to support no more than 50% of the easements' costs; and to authorize the Manager to execute funding agreement documents if funds are awarded.



# Durham County Farmland Protection Program



## **Determining the Value of a Conservation Easement**

The value of a conservation easement is determined by a qualified appraiser who is hired by Durham County. The valuation process has the following steps:

- 1. First, the appraiser will determine his/her estimate of the likely value of the property if it was sold on the regular marketplace without restrictions, called "fair market value." This analysis looks at recent land sales in the area, and factors in characteristics such as the property's location, size, access, surrounding land uses, and development potential.
- 2. Next, the appraiser examines the same property and its likely value with the easement restrictions. The appraiser has a general list of easement restrictions, such as how many home sites are still possible, what uses can still be made of the property, etc. The appraiser will then use their educated judgment, and sales of land with existing easements, to estimate the property's value with the easement restrictions. This value is typically substantially less than the unrestricted "fair market value" of the property and often called the "after value."
- 3. The difference between the two values is the value of the conservation easement. If the property owner is willing to sell the conservation easement for less than its appraised value, the difference is called a "bargain sale" which can have advantages on federal and state taxes as it is considered a "charitable donation". See the examples below:

#### **Example of the Appraised Value of a Conservation Easement on a 50-acre farm:**

1. Fair Market Value:

Value of the farm without easement (50 acres @ \$10,000/acre)	\$500,000
2. Value after the Easement is conveyed:	
Value of the farm with easement restrictions in place	- \$150,000
(50 acres @ \$3,000/acre)	
3. Value of the Easement rights:	= \$350,000
Reduction in market value due to the easement restrictions	
Example of a "Bargain Sale"	
1. Easement Value: As determined by the process above	\$350,000
2. Amount that the landowner wishes to receive:	- \$250,000
3. "Bargain Sale" Value: (This donated value may be considered a charitable donation on federal taxes.)	= \$100,000