



Howard County
Agricultural Land Preservation Program

MEMORANDUM

Subject: Testimony for the Sowell Property Installment Purchase Agreement

To: Lonnie Robbins, Chief Administrative Officer, Department of Administration

Through: Amy Gowan, Director, Department of Planning and Zoning

Through: Beth Burgess, Chief, Resource Conservation Division, Department of Planning and Zoning

From: Joy Levy, Agricultural Land Preservation Program Administrator, Department of Planning and Zoning

Date: March 17, 2021

The Department of Planning and Zoning supports Council Bill No. -2021. This bill approves an Installment Purchase Agreement to acquire an agricultural preservation easement on property owned by Larry and Peggy Jo Sowell. Section 15.507(e)(4) of the Howard County Code requires County Council approval of a multi-year Installment Purchase Agreement pursuant to Section 612 of the Howard County Charter.

The approval of an Installment Purchase Agreement for the Sowell property would preserve 30 acres of land that is approximately half pasture and half wooded. The property is comprised of 66% Class I, II and III soils, and is improved with a principal dwelling and an uninhabitable tenant house. There is also a horse barn and a tractor shed.

The Sowells have a small horse boarding operation. Although there is relatively little land in preservation immediately adjacent to the Sowell farm, there is a high concentration of preserved land within 3/4 mile. Preserving this property would add to over 22,800 acres of farmland that have been preserved to date.

Fiscal Impact Analysis:

The purchase price of the Sowell easement is \$786,000.00, however; when twice yearly interest payments over 20 years are factored in, the overall cost will be \$ 861,292.35. The funding comes from the 25% portion of the transfer tax that is dedicated to the Agricultural Land Preservation Program.

The Sowells will be paid 5% of the purchase price in cash at settlement. The balance will be paid through the Installment Purchase Agreement in 20 equal yearly installments. The owners will also receive twice yearly interest payments on the remaining principal over the 20-year term. Please see the attached draft amortization schedule for detailed payments. There are no other expenditures associated with the Sowell acquisition. Current ALPP staff member manages all aspects of the acquisition process.

Having met all eligibility criteria for the acquisition of an agricultural preservation easement, staff supports Council Bill No. -2021.

cc: Jennifer Sager, Legislative Coordinator, Department of Administration
Rafiu Ighile, Director, Department of Finance
Morenike Oyenusi, Senior Assistant County Solicitor, Office of Law

Howard County, Maryland
Agricultural Land Preservation Program
Installment Purchase Amortization Schedule

		Acres:	30.00
Landowner:	Larry and Peggy Jo Sowell	Price per acre:	\$26,200.00
	20 Year Amortization - 5% Down	Total price:	\$786,000.00
		Down Payment	\$39,300.00
Interest Rate:	1.0000%	Interest:	75,292.35
Settlement:	July 15, 2021	Total payments:	\$861,292.35
	Estimated - subject to change		

Date	Principal Amount	Interest	Semi-annual Debt Service	Annual Debt Service	Balance
					\$746,700.00
August 15, 2021		622.25	622.25		746,700.00
February 15, 2022	37,335.00	3,733.50	41,068.50	41,690.75	709,365.00
August 15, 2022		3,546.83	3,546.83		709,365.00
February 15, 2023	37,335.00	3,546.83	40,881.83	44,428.66	672,030.00
August 15, 2023		3,360.15	3,360.15		672,030.00
February 15, 2024	37,335.00	3,360.15	40,695.15	44,055.30	634,695.00
August 15, 2024		3,173.48	3,173.48		634,695.00
February 15, 2025	37,335.00	3,173.48	40,508.48	43,681.96	597,360.00
August 15, 2025		2,986.80	2,986.80		597,360.00
February 15, 2026	37,335.00	2,986.80	40,321.80	43,308.60	560,025.00
August 15, 2026		2,800.13	2,800.13		560,025.00
February 15, 2027	37,335.00	2,800.13	40,135.13	42,935.26	522,690.00
August 15, 2027		2,613.45	2,613.45		522,690.00
February 15, 2028	37,335.00	2,613.45	39,948.45	42,561.90	485,355.00
August 15, 2028		2,426.78	2,426.78		485,355.00
February 15, 2029	37,335.00	2,426.78	39,761.78	42,188.56	448,020.00
August 15, 2029		2,240.10	2,240.10		448,020.00
February 15, 2030	37,335.00	2,240.10	39,575.10	41,815.20	410,685.00
August 15, 2030		2,053.43	2,053.43		410,685.00
February 15, 2031	37,335.00	2,053.43	39,388.43	41,441.86	373,350.00
August 15, 2031		1,866.75	1,866.75		373,350.00
February 15, 2032	37,335.00	1,866.75	39,201.75	41,068.50	336,015.00
August 15, 2032		1,680.08	1,680.08		336,015.00
February 15, 2033	37,335.00	1,680.08	39,015.08	40,695.16	298,680.00
August 15, 2033		1,493.40	1,493.40		298,680.00
February 15, 2034	37,335.00	1,493.40	38,828.40	40,321.80	261,345.00
August 15, 2034		1,306.73	1,306.73		261,345.00
February 15, 2035	37,335.00	1,306.73	38,641.73	39,948.46	224,010.00
August 15, 2035		1,120.05	1,120.05		224,010.00
February 15, 2036	37,335.00	1,120.05	38,455.05	39,575.10	186,675.00
August 15, 2036		933.38	933.38		186,675.00
February 15, 2037	37,335.00	933.38	38,268.38	39,201.76	149,340.00
August 15, 2037		746.70	746.70		149,340.00
February 15, 2038	37,335.00	746.70	38,081.70	38,828.40	112,005.00
August 15, 2038		560.03	560.03		112,005.00
February 15, 2039	37,335.00	560.03	37,895.03	38,455.06	74,670.00
August 15, 2039		373.35	373.35		74,670.00
February 15, 2040	37,335.00	373.35	37,708.35	38,081.70	37,335.00
August 15, 2040		186.68	186.68		37,335.00
February 15, 2041	37,335.00	186.68	37,521.68	37,708.36	0.00
	\$ 746,700.00	\$ 75,292.35	\$ 821,992.35	\$ 821,992.35	