


Howard County
Agricultural Land Preservation Program

MEMORANDUM

Subject: Testimony for the JRNL Property Installment Purchase Agreement

To: Lonnie Robbins, Chief Administrative Officer, Department of Administration ^{DS} LR

Through: Amy Gowan, Director, Department of Planning and Zoning ^{DS} AG

Through: Beth Burgess, Chief, Resource Conservation Division, Department of Planning and Zoning ^{DS} BB

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

Date: May 10, 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 JRNL, LLC. 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.

This 39.5-acre property is currently comprised of three separate parcels of record that function as one farm, and the owner must merge the parcels prior to easement settlement, as they have been scored accordingly. Over half of the farm acreage is wooded, with the remaining in pasture. Approximately 65% of the property is Class I, II and III soils. There is a high percentage of preserved land immediately adjacent to the JRNL farm, as well as a high concentration of preserved land within 3/4 mile. The farm is improved with a principal dwelling, an equipment storage barn and a run-in shed. 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 JRNL easement is \$1,122,600.00, however; when twice yearly interest payments over 20 years are factored in, the overall cost will be \$1,226,995.00. The funding comes from the 25% portion of the 1% local transfer tax that is dedicated to the Agricultural Land Preservation Program.

JRNL 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 owner 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 JRNL acquisition. The 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

Landowner: JRNL, LLC 20 Year Amortization - 5% Down	Acres: 39.25 Price per acre: \$28,600.00 Total price: <u>\$1,122,600.00</u> Down Payment: \$56,130.00
Interest Rate: 1.0000% Settlement: November 1, 2021 Estimated - subject to change	Interest: 104,395.61 Total payments: <u>\$1,226,995.61</u>

Date	Principal Amount	Interest	Semi-annual Debt Service	Annual Debt Service	Balance
					\$1,066,470.00
February 15, 2022	53,323.50	3,080.91	56,404.41	56,404.41	1,013,146.50
August 15, 2022		5,065.73	5,065.73		1,013,146.50
February 15, 2023	53,323.50	5,065.73	58,389.23	63,454.96	959,823.00
August 15, 2023		4,799.12	4,799.12		959,823.00
February 15, 2024	53,323.50	4,799.12	58,122.62	62,921.74	906,499.50
August 15, 2024		4,532.50	4,532.50		906,499.50
February 15, 2025	53,323.50	4,532.50	57,856.00	62,388.50	853,176.00
August 15, 2025		4,265.88	4,265.88		853,176.00
February 15, 2026	53,323.50	4,265.88	57,589.38	61,855.26	799,852.50
August 15, 2026		3,999.26	3,999.26		799,852.50
February 15, 2027	53,323.50	3,999.26	57,322.76	61,322.02	746,529.00
August 15, 2027		3,732.65	3,732.65		746,529.00
February 15, 2028	53,323.50	3,732.65	57,056.15	60,788.80	693,205.50
August 15, 2028		3,466.03	3,466.03		693,205.50
February 15, 2029	53,323.50	3,466.03	56,789.53	60,255.56	639,882.00
August 15, 2029		3,199.41	3,199.41		639,882.00
February 15, 2030	53,323.50	3,199.41	56,522.91	59,722.32	586,558.50
August 15, 2030		2,932.79	2,932.79		586,558.50
February 15, 2031	53,323.50	2,932.79	56,256.29	59,189.08	533,235.00
August 15, 2031		2,666.18	2,666.18		533,235.00
February 15, 2032	53,323.50	2,666.18	55,989.68	58,655.86	479,911.50
August 15, 2032		2,399.56	2,399.56		479,911.50
February 15, 2033	53,323.50	2,399.56	55,723.06	58,122.62	426,588.00
August 15, 2033		2,132.94	2,132.94		426,588.00
February 15, 2034	53,323.50	2,132.94	55,456.44	57,589.38	373,264.50
August 15, 2034		1,866.32	1,866.32		373,264.50
February 15, 2035	53,323.50	1,866.32	55,189.82	57,056.14	319,941.00
August 15, 2035		1,599.71	1,599.71		319,941.00
February 15, 2036	53,323.50	1,599.71	54,923.21	56,522.92	266,617.50
August 15, 2036		1,333.09	1,333.09		266,617.50
February 15, 2037	53,323.50	1,333.09	54,656.59	55,989.68	213,294.00
August 15, 2037		1,066.47	1,066.47		213,294.00
February 15, 2038	53,323.50	1,066.47	54,389.97	55,456.44	159,970.50
August 15, 2038		799.85	799.85		159,970.50
February 15, 2039	53,323.50	799.85	54,123.35	54,923.20	106,647.00
August 15, 2039		533.24	533.24		106,647.00
February 15, 2040	53,323.50	533.24	53,856.74	54,389.98	53,323.50
August 15, 2040		266.62	266.62		53,323.50
February 15, 2041	53,323.50	266.62	53,590.12	53,856.74	0.00
	\$ 1,066,470.00	\$ 104,395.61	\$ 1,170,865.61	\$ 1,170,865.61	