



Howard County

Agricultural Land Preservation Program

MEMORANDUM

Subject: Testimony for the Dickey/Sharp Property Installment Purchase Agreement

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

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

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

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

Date: September 15, 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 which is currently owned by the Jean R. Dickey Inter Vivos Trust and is under contract to be owned by AFS Farm, LLC and Sharp's Wild Horse Meadow, LLC prior to the settlement of the County's easement purchase. 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 Dickey/Sharp property would preserve 127.71 acres of land that is primarily in a corn and soybean rotation, is comprised of 97% Class I, II and III soils, and has met all of the eligibility criteria for the acquisition of an agricultural preservation easement. The farm is improved with a principal dwelling, a bank barn and three equipment sheds. There is a high concentration of preserved land nearby. The Dickey family owns the 290-acre ALPP easement farm to the west, which has been in the Program since 1984. Preserving the Dickey/Sharp property would add to almost 22,900 acres of farmland that is already in the ALPP.

Fiscal Impact Analysis:

The purchase price of the Dickey/Sharp easement is \$4,827,500, however; when twice yearly interest payments over 20 years are factored in, the overall cost will be \$5,316,432. The funding comes from the 25% portion of the 1% local transfer tax that is dedicated to the Agricultural Land Preservation Program (ALPP).

AFS Farm, LLC and Sharp's Wild Horse Meadow, LLC 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. AFS Farm, LLC and Sharp's Wild Horse Meadow, LLC 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 this acquisition. The current ALPP staff member manages all aspects of the acquisition process and on-going custodial duties of the easement.

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: Dickey-Sharp
20 Year Amortization - 5% Down

Acres: 127.71
Price per acre: \$37,800.00
Total price: \$4,827,500.00

Down Payment \$241,375.00

Interest Rate: 1.0000%
Settlement: December 17, 2021 Estimated - subject to change

Interest: 488,931.89
Total payments: \$5,316,431.89

Date	Principal Amount	Interest	Semi-annual Debt Service	Annual Debt Service	Balance
					\$4,586,125.00
August 15, 2022		30,319.38	30,319.38		4,586,125.00
February 15, 2023	229,306.25	22,930.63	252,236.88	282,556.26	4,356,818.75
August 15, 2023		21,784.09	21,784.09		4,356,818.75
February 15, 2024	229,306.25	21,784.09	251,090.34	272,874.43	4,127,512.50
August 15, 2024		20,637.56	20,637.56		4,127,512.50
February 15, 2025	229,306.25	20,637.56	249,943.81	270,581.37	3,898,206.25
August 15, 2025		19,491.03	19,491.03		3,898,206.25
February 15, 2026	229,306.25	19,491.03	248,797.28	268,288.31	3,668,900.00
August 15, 2026		18,344.50	18,344.50		3,668,900.00
February 15, 2027	229,306.25	18,344.50	247,650.75	265,995.25	3,439,593.75
August 15, 2027		17,197.97	17,197.97		3,439,593.75
February 15, 2028	229,306.25	17,197.97	246,504.22	263,702.19	3,210,287.50
August 15, 2028		16,051.44	16,051.44		3,210,287.50
February 15, 2029	229,306.25	16,051.44	245,357.69	261,409.13	2,980,981.25
August 15, 2029		14,904.91	14,904.91		2,980,981.25
February 15, 2030	229,306.25	14,904.91	244,211.16	259,116.07	2,751,675.00
August 15, 2030		13,758.38	13,758.38		2,751,675.00
February 15, 2031	229,306.25	13,758.38	243,064.63	256,823.01	2,522,368.75
August 15, 2031		12,611.84	12,611.84		2,522,368.75
February 15, 2032	229,306.25	12,611.84	241,918.09	254,529.93	2,293,062.50
August 15, 2032		11,465.31	11,465.31		2,293,062.50
February 15, 2033	229,306.25	11,465.31	240,771.56	252,236.87	2,063,756.25
August 15, 2033		10,318.78	10,318.78		2,063,756.25
February 15, 2034	229,306.25	10,318.78	239,625.03	249,943.81	1,834,450.00
August 15, 2034		9,172.25	9,172.25		1,834,450.00
February 15, 2035	229,306.25	9,172.25	238,478.50	247,650.75	1,605,143.75
August 15, 2035		8,025.72	8,025.72		1,605,143.75
February 15, 2036	229,306.25	8,025.72	237,331.97	245,357.69	1,375,837.50
August 15, 2036		6,879.19	6,879.19		1,375,837.50
February 15, 2037	229,306.25	6,879.19	236,185.44	243,064.63	1,146,531.25
August 15, 2037		5,732.66	5,732.66		1,146,531.25
February 15, 2038	229,306.25	5,732.66	235,038.91	240,771.57	917,225.00
August 15, 2038		4,586.13	4,586.13		917,225.00
February 15, 2039	229,306.25	4,586.13	233,892.38	238,478.51	687,918.75
August 15, 2039		3,439.59	3,439.59		687,918.75
February 15, 2040	229,306.25	3,439.59	232,745.84	236,185.43	458,612.50
August 15, 2040		2,293.06	2,293.06		458,612.50
February 15, 2041	229,306.25	2,293.06	231,599.31	233,892.37	229,306.25
August 15, 2041		1,146.53	1,146.53		229,306.25
February 15, 2042	229,306.25	1,146.53	230,452.78	231,599.31	0.00
	\$ 4,586,125.00	\$ 488,931.89	\$ 5,075,056.89	\$ 5,075,056.89	