




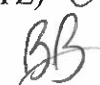
Howard County
Agricultural Land Preservation Program


MEMORANDUM

Subject: Testimony for the O'Keefe Lot 1 Property Installment Purchase Agreement

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

Through: Amy Gowan, Director, Department of Planning and Zoning (DPZ) 

Through: Beth Burgess, Chief, Resource Conservation Division, DPZ 

From: Joy Levy, Agricultural Land Preservation Program Administrator, DPZ 

Date: May 5, 2022

The Department of Planning and Zoning supports Council Bill No. -2022. This bill approves an Installment Purchase Agreement to acquire an agricultural preservation easement on property owned by Eric O'Keefe and Jennifer Shrader. 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 57-acre O'Keefe family farm was subdivided in September 2021 into Lot 1, this 29.24-acre parcel, and Lot 2 (25.77 acres). Lot 1 is located at 6940 Haviland Mill Road in Clarksville and is a small livestock farm, with about 22 acres in hay and the rest in pasture. Eric O'Keefe tends the livestock and the hay on this parcel but shares equipment and harvesting with his brother Scott, who owns Lot 2. Lot 1 contains 76% Class I, II and III soils. A Soil Conservation and Water Quality Plan was established prior to the subdivision of the property and is being implemented. However, now that the property has been subdivided, the owners are working with the Soil Conservation District to create a Plan for each parcel. Lot 1 is improved with a principal dwelling, a barn and two outbuildings. There is a significant amount of county and state park land nearby. Preserving this property would add to over 23,100 acres of farmland that have been preserved to date.

Fiscal Impact Analysis:

The purchase price of the O'Keefe easement is \$927,500, however; when twice yearly interest payments over 20 years are factored in, the overall cost will be \$1,014,389. The funding comes from the 25% portion of the 1% local transfer tax that is dedicated to the Agricultural Land Preservation Program.

Mr. O'Keefe and Ms. Shrader 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 O'Keefe 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. -2022.

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: Eric O'Keefe Lot 1
 20 Year Amortization - 5% Down

Acres: 29.24
 Price per acre: \$31,720.00
 Total price: \$927,500.00

Down Payment \$46,375.00

Interest Rate: 1.0000%
 Settlement: October 5, 2022 **Estimated - subject to change**

Interest: 86,888.70
 Total payments: \$1,014,388.70

Date	Principal Amount	Interest	Semi-annual Debt Service	Annual Debt Service	Balance
					\$881,125.00
February 15, 2023	44,056.25	3,181.84	47,238.09	47,238.09	837,068.75
August 15, 2023		4,185.34	4,185.34		837,068.75
February 15, 2024	44,056.25	4,185.34	48,241.59	52,426.93	793,012.50
August 15, 2024		3,965.06	3,965.06		793,012.50
February 15, 2025	44,056.25	3,965.06	48,021.31	51,986.37	748,956.25
August 15, 2025		3,744.78	3,744.78		748,956.25
February 15, 2026	44,056.25	3,744.78	47,801.03	51,545.81	704,900.00
August 15, 2026		3,524.50	3,524.50		704,900.00
February 15, 2027	44,056.25	3,524.50	47,580.75	51,105.25	660,843.75
August 15, 2027		3,304.22	3,304.22		660,843.75
February 15, 2028	44,056.25	3,304.22	47,360.47	50,664.69	616,787.50
August 15, 2028		3,083.94	3,083.94		616,787.50
February 15, 2029	44,056.25	3,083.94	47,140.19	50,224.13	572,731.25
August 15, 2029		2,863.66	2,863.66		572,731.25
February 15, 2030	44,056.25	2,863.66	46,919.91	49,783.57	528,675.00
August 15, 2030		2,643.38	2,643.38		528,675.00
February 15, 2031	44,056.25	2,643.38	46,699.63	49,343.01	484,618.75
August 15, 2031		2,423.09	2,423.09		484,618.75
February 15, 2032	44,056.25	2,423.09	46,479.34	48,902.43	440,562.50
August 15, 2032		2,202.81	2,202.81		440,562.50
February 15, 2033	44,056.25	2,202.81	46,259.06	48,461.87	396,506.25
August 15, 2033		1,982.53	1,982.53		396,506.25
February 15, 2034	44,056.25	1,982.53	46,038.78	48,021.31	352,450.00
August 15, 2034		1,762.25	1,762.25		352,450.00
February 15, 2035	44,056.25	1,762.25	45,818.50	47,580.75	308,393.75
August 15, 2035		1,541.97	1,541.97		308,393.75
February 15, 2036	44,056.25	1,541.97	45,598.22	47,140.19	264,337.50
August 15, 2036		1,321.69	1,321.69		264,337.50
February 15, 2037	44,056.25	1,321.69	45,377.94	46,699.63	220,281.25
August 15, 2037		1,101.41	1,101.41		220,281.25
February 15, 2038	44,056.25	1,101.41	45,157.66	46,259.07	176,225.00
August 15, 2038		881.12	881.12		176,225.00
February 15, 2039	44,056.25	881.12	44,937.37	45,818.49	132,168.75
August 15, 2039		660.84	660.84		132,168.75
February 15, 2040	44,056.25	660.84	44,717.09	45,377.93	88,112.50
August 15, 2040		440.56	440.56		88,112.50
February 15, 2041	44,056.25	440.56	44,496.81	44,937.37	44,056.25
August 15, 2041		220.28	220.28		44,056.25
February 15, 2042	44,056.25	220.28	44,276.53	44,496.81	0.00
	\$ 881,125.00	\$ 86,888.70	\$ 968,013.70	\$ 968,013.70	