

QUESTIONS AND ANSWERS
Round 15-B Farmland Protection Implementation Grants
Request For Applications

(Funding Opportunity announced March 20, 2018)

PLEASE NOTE: *An error was discovered in the Request For Applications (RFA) document associated with this grant opportunity. Value of development rights We apologize for any confusion and inconvenience to you.*

Errata:

Item (1) (“Eligible Project Costs”) of Section C (“Project Costs”) on pages 7-8 of the RFA are revised to read as follows; all other text on those pages remain unchanged.

C. Project Costs

(1) Eligible Project Costs

Eligible project costs associated with donated agricultural conservation easements are those acceptable to the Department, provided those are limited to:

1. value of the development rights being acquired, provided such value associated with any perpetual conservation easement is from an appraisal deemed acceptable to the Department;
2. title reports (including associated continuation fees if title insurance is purchased);
3. title insurance (if purchased);
4. property surveys;
5. appraisal(s) (one per donated agricultural conservation easement);
6. applicant’s legal fees to negotiate/close the conservation easement transaction and to review title reports and, as necessary, prepare title curatives;
7. applicant’s and other project partners’ staff time to negotiate/close the conservation easement transaction, manage the preparation/compilation of required deliverables, and locally administer the awarded funding agreement;
8. preparation of a baseline documentation report regarding the proposed Conservation Easement Project;
9. environmental site assessment (if deemed necessary);
10. recording fees;
11. easement stewardship fee; and
12. conservation easement defense liability insurance.

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The following questions were submitted to the Department of Agriculture and Markets regarding this Request For Applications (RFA) for Round 15-B Farmland Protection Implementation Grants (Transaction Costs for Donated Agricultural Conservation Easements).

- 1. Q:** In the RFA, it states that an appraisal is required as part of the Final Report (section V.F.Project Deliverables).

Are there other acceptable means of establishing the value of the property, such as **(a)** a market study report by a qualified appraiser, or **(b)** the written opinion of a real estate professional that might be less onerous than a full appraisal?

For further context, we have a situation where the landowner is donating an easement and does not intend to have an appraisal done (and does not intend to claim a tax deduction). Requiring an appraisal in this case adds cost, which it seems is wasteful of state resources (likely several thousand dollars). In addition, it would add staff time to the project that is not necessary and would simply cause the project to go longer.

A: **(a)** Yes. **(b)** No.

Accordingly, the Department will accept either an appraisal report for the proposed conservation easement donation or a market study report of similar agricultural lands encumbered by a perpetual conservation easement equivalent to that proposed in your application. Either acceptable document must be prepared by a New York State Certified General Real Estate Appraiser certified by the New York State Department of State Division of Licensing Services.

- 2. Q:** I question the minimum acreage eligibility criteria for the Round 15-B projects (Round 15-B Part IV (B)(1), page 5). As an alternative, I would suggest using a broader and more realistic data set. One such data set is the current Census of Agriculture prepared by USDA, National Agricultural Statistics Service which includes both average and median farm size figures for all New York State counties. As very small and very large farms exist throughout the State, I believe that the use of median rather than average (mean) figures is a better measure of central tendency.

A: The Department concurs. However, the Department will not offer county-by-county minimum acreages for Option Agreement Projects. The Department will use the regional average of 50% of County Median Farm Size for the counties within each respective region. (Please note: [County Average Farm Size](#) as reported by National Agricultural Statistics Service as part of its 2012 Census of Agriculture, which is the most recent statewide survey of such statistical data.)

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The Department has revised the regional minimum size of projects as follows:

Transaction Costs for Donated Agricultural Conservation Easements <i>(Minimum Acreage Allowed)</i>	
Region	
Central	52
Eastern	49
Hudson Valley	26
Long Island	7
Western	41

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