



## **GREEN ACRES**

### **LOCAL GOVERNMENT UNIT AND NONPROFIT GUIDE**

#### **Allocation of Land Value**

Green Acres requires applicants to obtain appraisals to establish the fair market value of land that will ultimately be acquired and held for public recreation and conservation purposes. That fair market value, as established by Green Acres, sets the limit of our funding participation.

When a Green Acres appraisal is done, the appraiser(s) carefully consider the highest and best use of the property. This will depend on such things as the zoning, environmental constraints, comparable sales, access to, and location of the site. A single value is established for the property which includes the entirety of the land, whether it is composed of wetlands, uplands, or other land types. The process is straightforward: the fair market value is certified and the local government unit or nonprofit acquires the entire parcel.

There are instances, however, when a parcel of land with one landowner will be acquired by more than one conservation purchaser, usually as a farmland preservation project. Each purchaser will take a discreet portion of the property, resulting in divided interests. More often than not, the Green Acres project area consists of the more environmentally constrained land, such as stream corridors, wetlands, and steep slopes. Establishing the value of the Green Acres project area still must be done to ensure that our funding is spent appropriately. The most appropriate method is for an appraisal to be obtained for the Green Acres project area, and a separate appraisal to be done for the area that will be acquired by the other entity.

There are some instances, however, when we are asked to “allocate” the per acre value of the property that will be acquired by more than one entity. That means that one value is established for the entire parcel and that value is allocated evenly on a per-acre basis, regardless of the differing land types or ultimate conservation owner. Doing this could result in buying undevelopable land at the same price as developable land. While this method sometimes may be supported in order to achieve the overall acquisition project, we must be sure it is consistent with our fiduciary responsibilities regarding the Green Acres funding. Therefore, we will not approve allocating value unless the local government unit or nonprofit can justify that approach in terms of the Green Acres funding.

Consideration will be given to the following issues in determining if land value should be allocated:

- **Density Calculations**

Some municipalities have cluster ordinances that allow the area represented by lands in floodplains and wetlands to be used in determining the maximum number of dwelling units that can be built on a property. Other municipalities exclude environmentally sensitive areas from density calculations.

When clustering ordinances count wetlands as part of net density calculations, it establishes a higher value to those wetlands even though development will not occur there. How does the municipality in which the project site is located address wetlands and other environmentally sensitive land, in terms of development?

- **Developability**

Does the proposed Green Acres project area contribute to the overall development of the site? For example, does it provide ingress or egress to the proposed development project, and thus have true development value?

- **Recreation and Conservation Priority**

Does the recreation/conservation land that is ultimately acquired with Green Acres funding “make sense,” for example, does it provide an important greenway connector or contain endangered species habitat? Will there be meaningful public access to the project site?

Consideration of allocation of land value will be made on a case-by-case basis based on the project scope and the project reference map submitted before the pre-appraisal meeting. Approval of the use of allocation will be at the discretion of the Bureau Chief, Local and Nonprofit Assistance, in consultation with the project manager and the Green Acres appraisal staff.