

Purchase of Development Rights FAQs



Do I have to donate some of the value?

Yes. In Ottawa County, we require that the landowner donate a minimum of 26% of the easement value. Then a grant covers 50%, and Ottawa County raises funds for the remaining 24%.

How is the value determined?

A certified appraiser calculates the difference between the value of the land if it could be developed and the value of the land if it can only be farmed. That difference is the easement value.

Do I have to pay anything?

Yes. In order to keep the program solvent and able to continue preserving properties in the future, we ask the landowners to pay for:

- 1) A grant processing fee of \$5,000 for easements appraised at \$250,000 or less, and 2% of the value of easement appraised at more than \$250,000. This allows the program to recoup the costs of the appraisal, grant related costs, title searches, and closing costs. This can be paid to the County as a part of the closing along with the transfer taxes.
- 2) The survey that is performed prior to signing a purchase agreement. The landowner can keep the survey for future use, and the survey must occur *before* the landowner agrees to sell the easement to the County. For those reasons, we ask the landowner to cover that cost.

Can the easement be terminated?

Essentially, no - only under extreme circumstances outlined in the deed language is termination allowed. Termination would likely require repayment.

Can I build a house on the land?

Only one, and only for someone essential to the farm operation. If you anticipate wanting to build a home on the property in the future, you may want to exclude that location from the easement. It is also common for applicants to exclude from the easement a small number of acres where a home is currently located. This way, residential space is not restricted by the easement requirements.

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Why wasn't my property selected?

All applications are scored (scoring criteria can be found at www.miottawa.org/farmland) and ranked by total points. Typically, the highest scoring application will be selected by the Ottawa County Ag Preservation Board, after evaluating other key land use and planning factors.

What happens if I sell the land?

The easement follows the land. The value will be lower than land that still has its development rights.

What if I stop farming the land?

Most likely nothing. The goal is to keep it in productive use, and it will be monitored annually. However, if the Agricultural Land Easement Plan is followed and the ability to use it for agriculture is not diminished, there won't be an issue.

What if I leased the mineral rights?

Landowners who have leased the mineral rights will need to get a disclaimer to release those rights. This is a fairly common occurrence, and applies to similar leases, e.g., wind energy.

How long does the process take?

It can take from 18 months to 2 years from application to closing, primarily due to the length of time it takes to for the federal government to complete their grant process.

Why don't all the townships in the County participate?

There can be a variety of reasons that townships do not pass a resolution right away, but the Planning Department at the County continues to work with each township to educate them about the farmland preservation and address their concerns.

I am enrolled in PA116 – can I still preserve my land?

Yes. You can remain enrolled in the PA116 program and take the income tax credit if you are able. The County simply requires is a consent agreement from the State of Michigan that give us permission to preserve your land.