ASSESSING CURRENT AGRICULTURE USE VALUE
IN FARMLAND PRESERVATION

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ASSESSING CURRENT AGRICULTURE USE VALUE

IN FARMLAND PRESERVATION

BY

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The purpose of this thesis is to research the use of the tax incentive known as Current Agriculture Use Value in Delaware County, Ohio. Delaware County is one of the most urban counties in the nation. As this happens, a rural-urban fringe has developed which has caused the need to plan for the future of the urbanizing region. Research of tax and land ownership records in Kingston and Orange Townships offers perspectives for past, present, and future changes in the geographical land ownership and development patterns. The structure of Current Agriculture Use Value (CAUV) has enabled some absentee landowners and large developers to abuse the purpose of the tax incentives, which is keeping agriculture a viable livelihood in the number one growing county in Ohio. The analysis of tax records and geographical distribution of land ownership and CAUV enrollment allows for an evaluation of the economic, environmental, and social importance of agriculture.

Approved:

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Chapter 1

Introduction

The rural-urban interface is a geographical area occupying an important developmental hierarchy of rural areas and the central city.¹ Urbanization is visually noticeable as it rapidly spreads beyond the suburbs. As a result, a fierce competition has developed between agricultural interests and those interested in promoting greater suburban development. While lands dedicated to farming provide a flow of both market and non-market benefits to society (crop production and open space), these same lands are increasingly being sought by developers for profitable building sites.

The greatest farmland losses are typically found on the urban fringe--areas originally chosen for settlement because they were ideally suited for growing crops and raising livestock. The location of prime farmland in relatively close distance to metropolitan areas allows for a readily available market for farm goods.² Today, farms within commuting distance of cities produce 30 percent of U.S. grain and 45 percent of livestock. Even more important, these urban-edge farmers grow more than 80 percent of all domestic fruit, vegetables, and dairy products.³ As development spreads into rural areas, the price of farmland is often driven above its economic value for farm use.

Unplanned development has caused destruction of the rural landscape and misuse of prime farmland. Since 1960, the census defined “urban area” has increased by one million acres, a 4% annual increase. For example, the Chicago metro area now covers

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3,800 square miles. Ironically, land occupied by housing and commercial uses has increased 74% but population has only increased 4%. In two decades, 1970-1990, Kansas City’s population grew by 29%, yet land used for development increased 110%.

![Figure 1: Acres of Prime Farmland Lost to Development](image)

Similar trends are taking place across the nation, and Ohio and the Columbus metro region is no exception. Of the 50 states, Ohio ranks 8th in urban growth, but 22nd for population increase. It ranks 9th in population density, yet still retains the 5th largest rural population in the United States. In 2002, Ohio’s current number of farms was 78,000, down from 80,000 in 2000. In 1992-1997 over 219,000 acres of Ohio farmland

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were converted to urban development, which is about 73,240 acres annually. As shown in Figure 1, 158,000 acres of land converted to urban uses were designated as prime farmland. These numbers and trends are indicative of what is happening across the United States.

*Research Question*

The urban-rural fringe has not been the focus of much scholarly work. To date, little research has been conducted on the connection between open space and farmland loss and managing metropolitan growth. Farmland and open space preservation is often the stated purpose for the Ohio Agricultural Land Preservation Program. A component of this is the Current Agriculture Use Value (CAUV) Tax assessment program, which is available to owners of land in agriculture use. Examining land ownership CAUV tax records as a means of assessing farmland loss and urban growth, my research will enable the anticipation of future land-use changes in Orange and Kingston townships, Delaware County, Ohio.

The goal of this research is to examine the connection between land enrolled in CAUV and any development of the land in the subsequent years. If a relationship is found, it will enable communities to plan for future growth rather than let development happen in an inefficient way. In this thesis, I will explore the importance of linking land use and ownership in a region experiencing increased urbanization. Two townships in

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7 The Brookings Institute, Center on Urban and Metropolitan Policy, April 2002, available from [www.brook.edu](http://www.brook.edu); Internet; accessed 11 November 2002.
Delaware County will be examined. Delaware County is currently experiencing tremendous exurban growth. The two townships represent the variations at the edge of the City of Columbus. Orange Township is urban and closer to the central city, while Kingston is more distant and positioned to experience exurban growth.

Rapid urbanization calls for proper planning to avoid leapfrogging and other undesirable effects in areas where severe competition has developed for land. It is critical to identify problems and opportunities, collect information, and set goals for future growth when making land-use decisions.⁸ There is no hard evidence that CAUV actually has preserved farmland, but it is clear that reduced land taxes have helped prevent many farmers from being "pushed" out of business due to increasingly higher operating costs.⁹

**Why Preserve Farmland?**

Urban sprawl is a national concern. Economics, politics, environmental and social factors, and health are some of the many reasons farmland is important to the welfare of the United States. Often, the increase of sprawl serves as a disincentive for future agricultural ventures because of land fragmentation and increased conflict between farmers and non-farmers. Agricultural land preservation has been listed as a top ten smart growth “tool” by a network of state, federal, and non-profit organizations. Productive agriculture land is finite and irreplaceable yet we continue to disregard this as other factors take precedence.

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In the early 1970’s the Federal Government acknowledged that there is a need to establish national land use studies. But the Federal government failed to implement national land use laws or incentives. This has left planning to local and state authorities.

There are conflicts in government policies and recommendations when it comes to protecting America’s finite resources. Some policies subsidize homes and shopping plazas while others work to ensure downtown revitalization and the security of America’s heartland. The effects of post-World War II’s policy implications have not ceased. The Eisenhower Highway System has allowed for the US economy to be the best in the world, but it has also has opens more distant locations for commuters. Easy access to employment guarantees an increased rate of suburban sprawl and continuation of leapfrogging developments in formerly rural areas.

To address issues that develop when government agencies agendas conflict, the Farmland Protection Policy Act (FPPA) was created. This voluntary program helps farmers and ranchers keep their land in agriculture. The FPPA is intended to minimize the impact Federal programs have on the unnecessary and irreversible conversion of farmland to nonagricultural uses. It tries to ensure that Federal programs are administered to be compatible with state, local, and private programs and policies to protect farmland. In fiscal year 2002, Ohio’s allotment of the total Federal funds was $1,612,800 which helped place 1,091 acres of farmland in five separate easements.

The United States Department of Agriculture (USDA) is the Federal agency that guides policy with issues that arise in the agriculture sector, including farmland preservation. The USDA is ensuring that some farmland will avoid development by
creating several program options for farmers, ranchers, and landowners. The Natural Resource Conservation Service (NRCS), under the direction of the USDA, has many programs that address the conservation of farmland. One program, the Farm and Ranch Lands Conservation Program, provides matching funds to help purchase development rights to keep productive farm and ranchland in agricultural uses. A second program in the NRCS offers communities technical assistance. In partnership with local conservation districts, the NRCS provides local jurisdictions with natural resource and other assessments that can help communities develop comprehensive growth management plans.

Sprawl causes excessive consumption of lands, creating an imbalance in the ecosystem. Pollution and traffic congestion, rising taxes, housing segregation based on income, and a weakened sense of community are some of the other negative effects of sprawl. To deal with these effects, The Ohio State University Land Use Team suggests a variety of public policies and endorses the formation of a subcommittee in the Ohio House of Representatives lead by Representative Larry Wolpert. Some policy suggestions include increased density residential development, mass transit, inclusive residential zoning, and increased regional collaboration for land use planning. The Land Use Team also wants to increase local officials on land use and agriculture and open space preservation options. As much as sprawl is problematic within an economic and environmental sense, it is also a fiscal burden on communities.10

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Economics, Environment, and the Images of Ample Land

Economics and the environment are key reasons for farmland protection. It is hard for agriculture to compete with industrial and technological companies’ profits margins. Agriculture continues to be one of the largest industries in Ohio, adding $73 billion to the economy every year. Corporate profits are often a higher priority than the sustainability of agriculture. Once land is taken out of agricultural production, it is hard to replace. As one farmer said, “we are tearing down our largest factory one acre at a time”.

The aggregate budget shortfall for states in FY 2004 has been estimated at $85 billion. Studies in Rhode Island, New Jersey, Kentucky and elsewhere indicate that smart growth costs less than sprawl in infrastructure and services. The American Farmland Trust has issued a report detailing a comparison study of the cost of community services over a fifteen year period. The study found that in every community, working lands generated more public revenue than residential lands. Additionally, they used less public infrastructure and services than residential, commercial and industrial land uses. Most often, since residential expenditures are not covered by residential revenues, the difference must be covered by other land uses. The national average showed that for every dollar of revenue raised, working lands used $.36 in services compared with $1.06

by residential lands. This shows that land converted to residential use actually costs the community money in the long term.\textsuperscript{15}

One reason the topic of land use and proper planning has often been overlooked is the assumption that there is plenty of open acreage within the United States. Although 27\% of land in the US is held by federal, state, or local governments, 70\% remains in private hands. The rates and types of land loss and types of lands loss vary according to which organization has performed the analysis. According to government records, the US is losing land to development at a rate of 2 million acres per year. Some land areas are unable to sustain any type of development due to being protected lands, such as wetlands.

Land ownership is like a roadmap. It is helpful in determining where growth will occur in the future and it enables citizens and government to plan accordingly. Ninety nine percent of Americans do not live on farms, yet the interest to preserve farmland has entered into local, state, and federal policy. Developing farmland affects the agriculture and non-agriculture sector.

Between 1992 and 1997, 521,000 acres were taken out of forests and other open space in Ohio. Nationally it was almost 16 million acres or 3.2 million annually. Although arguments exist that there is apparently an endless amount of land and farmland preservation is not needed, the problem is \emph{where} the growth is occurring.

Fifty-eight percent of the United States food comes from farms within or adjacent to metropolitan areas. Of the total US food production in identified threatened areas, 80% of the fruit, 67% of the vegetables, 50% of dairy, 28% of meat and 27% of grain are located in the expanding areas.\textsuperscript{16} This loss of farmland diminishes prime and unique land and also scenic resources available to metro and rural residents.

Land quality affects production and it also affects changes in input into the land.\textsuperscript{17} Certain characteristics, such as wetlands, physical features, etc., make it either desirable or undesirable to develop. Flat land is preferred for development, which is also the preferred land for agricultural purposes. However, not all of it is available for development. Less than 1/5 of the US land is quality farmland. Ohio ranks second behind Texas for having prime farmland, land that has the best physical and chemical characteristics for producing. Forty-four percent of all land in Ohio is prime farmland.\textsuperscript{18}

Ohio’s Eastern Till Plain is ranked as the 7\textsuperscript{th} most threatened area in the nation according to the American Farmland Trust. Losing this natural resource will cause significant loss of fertile soil and will impact the economy and land negatively in future years.

Land that is labeled as “prime farmland” may not actually be used for agricultural purposes.\textsuperscript{19} Much of the loss is caused by development around growing metropolitan areas, where much of the prime land is located. American Farmland Trust researchers

have found these three overlapping effects for the loss of prime farmland:

• Loss of farmland to development is accelerating
• The highest quality farmland is threatened
• Food and open space are in the path of development

The Darby Scenic River System constitutes some of the most important natural resources in Central Ohio. Eighty-two miles of the Big Darby Creek and its major tributary, Little Darby Creek, were designated as state scenic rivers in 1984. Draining 555 square miles in the Central Ohio region, it flows through rich agricultural bottomland of Union, Madison, Franklin and Pickaway counties. The creek's valley is geographically gently rolling topography in the upper reaches to relatively steep, heavily-wooded topography in lower portions. In 1994, the Secretary of the U.S. Department of Interior approved Governor Voinovich’s request that the Big and Little Darby Creeks be designated as National Scenic Rivers.

In April 2004, American Rivers listed the Big Darby as the 9th most threatened river in the United States. It is the only river in the top ten that is in danger because of threats poised from urban sprawl. American Rivers states that with 600,000 new residents in the Columbus area by 2030 that the impact of roads, rooftops, and parking lots will hurt the Darby’s ability to survive droughts and rains. Along with less soil to soak up the water, pollution from lawn fertilizers, pesticides, and automobiles will be harmful to the river and the 37 species of rare fish and mussels.

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20 American Farmland Trust: www.farmland.org
The City of Columbus is now larger than Cleveland and Cincinnati combined, concluding that people are living on larger parcels of land. Even as urbanization continues to overtake the farmland, preserving farmland is a priority for Ohioans. Although this may be an oxymoron, it is the open space and lifestyle of agriculture that people want to be near that is slowly paving over prime soils.

National concern for urban encroachment into prime farmland continues to capture the attention of the public. The public is often unaware of their role in the long term economic and environmental effects of urbanization. The loss of farmland around expanding metro areas not only threatens prime farmland but also diminishes scenic resources and open space for all residents, metro and rural. These reasons are the public’s largest perceived benefits for preserving farmland, which ultimately prevents further urban sprawl. Those directly tied to the agriculture community see protecting farmland beneficial for more specific reasons such as food security and supporting local farmers.

Although there are various reasons for protecting farmland depending on one’s background, the land-use decisions one county makes affects neighboring communities and counties. The land-use decision that Delaware County has and will make affects the entire Columbus metro region.

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22 The Ohio State University Agriculture newsletter, (Fall 1998)
Chapter 2

Literature Review

The literature relating to the disappearance of farmland in the United States has grown rapidly during the last decade. However, further research is needed to address the potential effects of increasing suburbanization, loss of farmland, and impacts on the physical and social environment. While seeking to understand and strengthen the research agenda, it is crucial to continue to strive for answers.

The loss of farmland varies in different regions of the country, but averages two acres per minute. The loss of farmland was 51% faster in the 1990’s than it was in the 1980’s. John Frasier Hart, an expert in land use policy, cites increased urban expansion as a major cause for the loss of farmland. The motivation for increased awareness of urbanization in the countryside may arise from anxieties which Hart addresses. These anxieties, he writes, arise from three interrelated observations. First, increased costs associated with providing services. Second, diminishes the nation’s prime farmland. Finally, it diminishes the aesthetic and ecological importance of the geographical area. The second of these observations is of main concern in this thesis. Hart’s arguments depict the outcomes that urbanization has on society. It is a disruption of our ecological and societal balance causing a domino effect.

Coinciding with Hart, Gillham examines the sprawl debate, and how it affects all aspects of our society’s infrastructure, policy and the environment. As sprawl continues

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to invade the countryside, it is no wonder that there is continuous debate. Observing the American lifestyle may lead some to believe that there shouldn’t be any debate at all. Gillham offers anti-sprawl and pro-development points of view, arguing that each have a certain amount of accuracy. Development proponents offer many reasons that go against saving farmland. For one, they insist that the food supply is not a reason for saving farmland. Although the United States is secure in its food production, it is a serious local threat that affects segments of the agriculture community. Gillham states that sprawl costs the nation economically and socially. It is not only an aesthetic despoiling, but also causes long term environmental damage. Gillham concludes that sprawl causes decentralization, increases the costs of necessary infrastructure, and divides the neighborhoods socially.\(^\text{25}\)

As sprawl is vague and often hard to define, there are many differing opinions on what constitutes sprawl and unplanned development. John F. McDonald, an urban economist, describes it as having certain characterizations such as almost complete dependence on automobiles because of geographical separation. Others such as Myers and Kitsuse say that the fact that no one can define it is what makes it hard to have any authoritative action taken on it.

As the transition to non-agriculture uses takes place, many researchers have examined the different types of changes. A mix of land uses makes up the exurban area, making it neither rural nor urban. Exurban growth results from the loss of farmland and open space to low density development. Dr. Irwin of The Ohio State University Exurban

Change Project notes that growth of edge cities and other economic activity centers from the central urban areas and changes in the agriculture sector are factors influencing low density development.\textsuperscript{26} She asks if Ohio is experiencing sprawl and concludes that there are different types of sprawl developing. Sprawl is correlated with farmland loss in urban-rural fringe counties.\textsuperscript{27} Pertaining to the study area, the question arises if Kingston Township’s agricultural land is headed for exurban development. An examination of current landownership will allow us to identify the trajectory of future use of current agriculture land.

Land use problems have existed for decades. They seem to appear most vividly in three fringe zones, as Wehrwein writes in 1942. Although this article was written 64 years ago, it still relates to the present. The fringe zones still exist today and each are experiencing constant change in the utilization of land. The three zones are: 1. the area between arable farming and grazing; 2. the zone between farm and forest; and 3. the suburban area between built up city and suburbs. As the land use structure of the rural urban fringe changes, so does the value of the land and the agrarian way of life. It is the last zone that is relevant to this thesis, as the fringe continues to expand into the prime farmland of the research area.

As more areas attempt to approach land use planning regionally, Wehrwein noticed the need of regional cooperation decades ago. The “built up” city, he writes, is not bound by only the political boundary. It extends beyond the limits sociologically and

\textsuperscript{26} The Ohio State University, Exurban Change Project Low Density Development in Ohio, March 2002, available from \url{http://www.aede.osu.edu/programs/exurbs/}; Internet; accessed 21 May 2003.

\textsuperscript{27} The Ohio State University, Exurban Change Project State of Sprawl in Ohio, March 2002, available from \url{http://www.aede.osu.edu/programs/exurbs/}; Internet; accessed 21 May 2003.
economically.\textsuperscript{28} Urban farmers have existed for decades as the United States transformed from an agrarian to industrial country. Each decade has presented difficult situations to rural-urban farmers. He even predicts that the expenses associated with infrastructure, now at issue with communities, will cost more than the amount received in taxes. The American Farmland Trust currently provides a “Cost of Community Services” research as technical assistance to governments and local organizations. Through numerous studies they have determined that Wehrwein’s theory is correct.

Property value derives from three difference sources, according to Libby’s interpretation of economic literature. First, the production value of land reflects its ability to provide food. Second, returns to the land are based on the consumptive and speculative value and productive resources. Consumptive and speculative values are based on social interactions whereas productive resources rely on market and natural interactions. Third, government and social institutions create rules, opportunity and obligations for people.\textsuperscript{29} Some economists may argue that land value results from the quality of the soils, but in recent years the value has been determined by land speculators and land development in surrounding areas. As Libby points out, land value results from an assortment of interconnecting aspects in society and nature.

Von Thunen simplifies the relationship of urbanization and agriculture by eliminating all natural features, topography, soil types, and climate factors in his 1826 theory. In the “Isolated State”, he divides the type of land utilization around the central

city into agriculture zones as they relate to the type of commodity. In the zone closest to the city, high priced and perishable goods are grown. Each zone extending away from the city becomes less and less agriculturally intensive and the products decrease in value intensiveness. This theory does not allow for an area now known as the “fringe”, but if it were to be updated for today’s landscape it may exist in zones one, two and three. Leapfrogging effects may be noticeable in zones four and five.

Wehrwein responds to the Von Thunen theory by recognizing that the landscape of the zones has been altered so that they must now balance both the agriculture and urban uses of the land, as shown in Figure 2.

![Figure 2: Von Thunen’s “Isolated State” Theory](image)

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John Hart examines the urban fringe using New York City as a historical perimetrpolitain growth example. He observes that the fringe for one generation becomes the suburbs for the next. This phenomenon, the “bow wave” effect, is what is continually happening throughout the United States. The zone of intensively used and high priced agriculture land continues to remain in front of the expanding metro regions. Urban expansion is a major cause for the loss of cleared farmland.

The correlation between land development and population is unbalanced. According to statistics that measure land development in relation to population growth, between 1982-1997, the US population grew by 17% but total urbanized land grew by 47% and the average number if people actually decreased per developed acre by 14%. Since 1994, 10 plus acre housing lots have accounted for 55% of total land developed in the US. The overall percentage of built-up land in the US is low, but the amount of build-up land which is, or was, prime farmland is high.

Using population counts from the 2000 Census there were 59.1 million rural residents in 2000, of which 49 percent of lived in non-metro counties. There were 49.2 million non-metro county residents, 59 percent of whom lived in rural areas. Ninety one percent of metro county residents are preponderantly urban area residents. Overall, 17% of the national population lived in non-metro counties and 21% lived in rural areas in 2000. For the first time, a slight majority of rural people now live in metro areas. Populations continue to spread further into counties changing the composition from rural to urban. The correlation between decreasing farmland and diminishing farmers can be
made, as farmers are also becoming endangered. In the years 1997-2002, the total number of farmers fell by 4% to 2.1 million.

Growth Management, how people and their government deal with change, varies across the US. Tomas Koontz of Ohio State University analyzes collaborative planning for Ohio’s Farmland Preservation Task Force. He describes the development of collaborative efforts when local groups are left to independently make decisions or input into a statewide issue. There will be varied interest depending on how the pressure of development and loss of farmland is affecting the county. In areas where farm loss is more prevalent, there will be a high interest among the citizen based group and more detailed planning and enforcement of the comprehensive plan.

Although most counties in Ohio have a farmland preservation plan, it is hard to enforce. Tom Daniels indicates eight interrelated factors that hinder long term, efficient and coordinated growth management in areas that are on the metropolitan fringe. One, many jurisdictions overlap and fragment in respect to governmental authorities; Two, fringe areas are large; Three, lack of community, county and regional vision; Four, lack of sense of place and identity; Five, social conflicts with newcomers and rapid population growth; Six, scattered new developments, also known as the “leapfrog” effect”; Seven, inefficient planning resources; and Eight, outdated planning and zoning techniques.\(^{31}\)

During the 1970’s, Ohio was a leader in land use policy. Several legislative initiatives were made to preserve agriculture and to guide the growing urban state. The Land Use Review Committee was formed in 1975 by the General Assembly to review

current land use policies and create recommendations. Two years later, the Committee issued a report to the General Assembly which lead to the passing of Senate Bill 78, which became effective in 1982.

As the first major legislation to deal with land use, amendments were added to Senate Bill Number 78 in the fall of 1982. These include defining agricultural activity, auditor notification process, municipality’s procedure for processing, renewal process, and protection from nuisance complaints.

More recently, Governor Voinovich created a Farmland Preservation Task Force in 1998. In January 2000, Ohio Senate Bill 223 passed and Ohio received its first tool to protect farmland. The bill allowed many things to take place to deal with farmland issues, including permitting land owners to donate their development rights to the State of Ohio or local governments for the purpose of protecting productive farmland from conversion to non-agricultural use. In 2002, more than 688 acres from five farms were donated to the state under this law. Since the signing of the bill, 11 easements preserving more than 1,400 acres have been donated to the state, preserving the land for agricultural use. Although this is a step in the direction of public awareness of the urbanization trend, policies nationally and statewide have a skewed outlook on land preservation. Policymakers often see development as more of an economic benefit than agriculture. Nationally, the Farm Policy does little to help farmers in urban influenced areas.
Ohio’s Current Farmland Protection Tools

1. Ag Easement Purchase Program (AEPP)

This program aims to preserve Ohio’s most productive farmland for future generations. Through a voluntary program, land is enrolled in accordance with local land use organizations and ordinances. In 2000, Ohio voters approved the Clean Ohio Act. One provision in this was allotment of $25 million over four years, beginning in 2002, for farmland protection. Clean Ohio allots 75% matching funds for farmland owners who apply and are approved for the donation of their ag easements to the Ohio Department of Agriculture.

An overwhelming number of applications were made to the Department of Agriculture from landowners who were interested in AEPP. In 2002, $6.25 million was used to purchase easements on 4,535 acres and protected 24 farms. In 2003, 7 farms were protected totally 2,000 acres.

2. Purchase of Development Rights (PDR)

This program pays property owners to keep their land in agriculture. Voluntarily, a farmer sells the right to develop his land and a permanent agricultural conservation easement is placed on the land. The state pays the difference between the value of the land for agriculture and the value of the land for what is considered “highest and best use” which typically means residential or commercial development. The farmer/landowner still retains all other rights to the land and can sell the land in the future. While easements may reduce future market value, they also facilitate farm transfer and can reduce property taxes.
The Purchase of Development Rights permanently protects the land. It is implemented by the state, county, township or private organizations for permanent protection of the land by voluntary landowners. It also provides farmers with cash and can protect agricultural and ecological resources. Over four hundred farmers applied to the program the first year. Even with a 50% reduction in the amount of available funds approximately three hundred applied for 2003. Because of the costs involved and existing development pressure, a state program alone cannot provide the solution to permanently protect farmland.\(^{32}\)

3. Current Agriculture Use Value (CAUV)

Farmland is assessed at its agricultural value rather than the fair market value. There are recoupment provisions which require repayment of taxes on market value for a period of time if the agricultural land is converted to non-farm use.

4. Right-to-Farm Law

This State Law allows for farmers to be protected from a nuisance claim. It provides defense to a civil nuisance allegation if all of the following factors exist:

- The agricultural activities complained of were conducted within an agricultural district.
- Agricultural activities were established within the agricultural district before the plaintiff’s activities or the interest on which the action is based.
- The plaintiff was not involved in agricultural production

• The agricultural activities were not in conflict with federal, state, and local laws and rules relating to the alleged nuisance or were conducted in accordance with generally accepted agricultural practices.

4. Agricultural Districts

The Agricultural district program, created by Senate Bill 78 in 1982, allows farmers to collaborate to form special districts where commercial agriculture is encouraged and protected. It is a voluntary program which is authorized by the state and implemented at the local level. Enrolled farmers are offered some protection from utility assessments and costs, nuisance complaints, and restrictions on use of eminent domain. There are multiple benefits for farmers to create an agricultural district. It can stabilize land base at low public cost, and can help protect large blocks of land. Sanctions for withdrawal may not discourage conversion of land.33

To enroll in the Agricultural District program, landowners must commit their land for five years to avoid a penalty. The penalty would be collection of 25 percent of the real estate tax savings based on current agricultural use value. Farmers also would have to pay utility assessments plus the interest on the bond issue that financed the assessment if they tie into the utility during the five year period.

In a statewide survey conducted by The Ohio State University and Purdue University Extension Services, 78 percent of Delaware County’s farmland was enrolled

in agricultural districts.  Orange Township has an Ag Preservation District around Alum Creek Reservoir.

6. Agricultural Zoning

This type of zoning establishes geographical areas where farming is the primary land use. The zoning restrictions are designed to discourage non-agricultural uses. Agriculture zoning specifies the number of houses that may be permitted in a district by looking at how much land is required to support specific types of farming. This form of farmland protection is usually developed by the community and has the advantage of being a cost flexible alternative and it can be quickly implemented. As with other land protection tools, it is best implemented as a complement to other types of programs.

7. Purchase of Agriculture Easements (PACE)

Ohio’s PACE program began in 1999. With the combination of three programs, 25 easements have been acquired protecting 4400 acres. The programs are the Ag Easement Donation, the Southern Ohio Tobacco Ag Easement Program, and Ohio Ag Easement Purchase Program.  

8. Conservation Easements

A conservation easement is a legal agreement between a landowner and a land trust (a private non-profit conservation organization) that permanently restricts a property's uses in order to protect its conservation values. Conservation easements are.

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usually donated by the landowner to a qualified land trust. There are many advantages to conservation easements that appeal to landowners. These include:

- The landowners maintain ownership of their land. They may live on, sell, or pass on the land to their heirs.

The terms of a conservation easement are flexible and are specifically written based on the needs of each individual landowner. For example, landowners may continue to conduct agriculture and forestry activities on their property. Some landowners may wish to reserve a site for their children or grandchildren to build a home.

- A conservation easement is permanent, remaining in effect even when the property changes ownership. It is the responsibility of the land trust to enforce the terms of the easement.

- The donation of an easement is considered a charitable contribution and may be deducted from the landowner's federal income tax according to IRS rules. Also, donating a conservation easement may significantly reduce or eliminate the estate tax that the landowner's heirs must pay when they inherit the land.

Of all the Farmland Preservation programs, only Transfer of Development Rights and Purchase of Development Rights permanently preserve farmland from development. These two are examples of policies that are effective. Others must be utilized with other programs in order to be effective.

Current Agriculture Use Value

According to The Ohio State University Extension Service, CAUV is a differential real estate tax assessment program which affords owners of farmland the opportunity to have their parcels taxed according to their value in agriculture, rather than full market value.\(^{37}\)

In 1973 Ohio voters approved a property tax savings for farmers, known as Current Agriculture Use Value (CAUV). Effective in 1975, it keeps taxes in line with the value of the land being farmed, which in turn protects the farmer from being forced out of the agriculture sector because of unrealistic taxes. In Ohio, 16 million acres are designated as CAUV.\(^{38}\)

Only lands devoted exclusively for agriculture use are able to apply for designation. Qualified lands include land used for commercial animal or poultry husbandry, aquaculture, apiculture, the production for a commercial purpose of timber, field crops tobacco, fruits, vegetables, nursery, stock, ornamental trees, sod, or flowers. Lands may also qualify if they generate payments or other compensation under a land retirement or conservation program with an agency of the federal government.

Five factors are used by county auditors in determining if land meets Ohio CAUV standards. These factors are crop yield information, cropping patterns, crop prices, non-production land costs, and capitalization rates. In addition, a parcel of land ten acres and greater must be exclusive to agriculture use for three consecutive years. If the parcel is

\(^{37}\) The Ohio State University, Community Development Fact Sheet, available from http://ohioline.osu.edu/cd-fact/1267.html; Internet; accessed 5 May 2003.

less than ten acres it must produce an average gross income of $2500 or more from the sales of agricultural products in the three previous years. If these requirements are met, an application shown in Appendix 4 must be filed. In addition, a $25 filing fee to the county’s Auditor’s office and renew by the first Monday in March of each year.

Farming profits and prices vary year to year. In order to estimate the CAUV for the land, a five year market cycle is used to determine the value. Other factors that are taken into consideration are slope, drainage, and soil type. CAUV values are adjusted by the Ohio Department of Tax Equalization for a particular county every three years. Because of low crop prices for the last several years, CAUV values in Ohio, on average, decreased approximately 30 percent over the year 2000.39

CAUV designation can be problematic. Beginning in the 1950’s, all states began to enact CAUV. It was intended to slow growing suburbanization. However, CAUV has recently been debated on its effectiveness. Its priority of providing farmers a property tax break in the value of their land is now being utilized by companies. The loopholes in CAUV are allowing developers who buy land to apply for CAUV while the property is readied for development. Every state CAUV law differs slightly, but it has been shown that there are many people who are taking advantage of the tax breaks. Unlike the farmer, the land will be developed yet taxes on the land on how it will be used in the future have not been applied. When the development goes in, there is now a cost of community services that the community must bear. The tax revenue lost to the developer’s lands in speculation is estimated to be millions of dollars annually. If the

land had not been in CAUV status after the farmer sold the land then the accumulated
taxes could have aided the community in services and planning for the increased growth.

Overall, there are few farmland preservation tools and government policies that
have had little success in making farmland protection a national policy.
Accomplishments and successes have continued with state and local governments and
non-profit organizations. The listed programs are all aimed at giving the farmer a choice,
or leverage, when faced with having to make decisions while living on the urban fringe.
The minimal research and written literature on the cause of farmland loss and the
effectiveness of programs can be changed with the innovative research and inter-
governmental development.
Chapter 3

Methodology

My main research question is how land ownership can serve as a planning tool when addressing farmland loss and urban growth. A secondary question is can a detailed examination of CAUV enable us to predict land-use change? I will use CAUV records to compare two townships in Delaware County. Orange Township, located in the southern portion of the county one has been highly developed and has sections that have been annexed to the City of Columbus. Kingston Township is in the northern portion and shares a northern border with Morrow County. If the growth trend continues north, rapid suburbanization will take place. The distribution of acreage is shown in Appendices 2 and 3.

By utilizing CAUV as a source of data, I will be able to see if CAUV is a farmland preservation tool or does just the opposite and enrolled land is primed to be the next to be developed. The research area serves as a smaller scope of the national trend. This will determine if the land within the same high growth county will experience the similar growth just at different times. It is necessary to identify problems and opportunities, collect information, and set goals for future growth when making land-use decisions.40

I will use Current Agriculture Use Value tax records to identify enrolled parcels in two townships in Delaware County, Ohio. Orange Township has been heavily developed whereas Kingston Township is beginning to notice farmland being sold for

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40 Joseph and Mary Chadborne, Common Groundwork (Chagrin Falls: Chadbourne and Chadbourne, 2000), 25.
residential and commercial uses. I will explore the history of these parcels that are in speculation, using CAUV as the variable.

CAUV has recently been at the center of debate. When enacted in many states in the 1950’s and 1960’s it was intended to slow growing suburbanization. In theory, it provides farmers with a property tax break in the value of their land. However, it is now also being utilized by companies and land speculators. The loopholes in CAUV are allowing developers who buy land to apply for CAUV while the property is readied for development. Every state CAUV law differs slightly, but it has been shown that there are many people who are taking advantage of the tax breaks.

The Delaware County Auditor’s office will be the main source of my data. Utilizing the Delaware Appraisal Lands Information System (DALIS) web server, I am able to access parcel information in order to see if it is enrolled in CAUV. Using Township plat maps, I will record which parcels are enrolled in CAUV on the maps and visually mark them. I will use the Auditor’s public access computer to create an excel database that depicts the parcel number, owner name, tax information, zip code of owner, and 1994 and 2002 CAUV tax records. These spreadsheets will also depict the total savings for the owner from enrolling in CAUV. By visually and numerically plotting the CAUV parcels, an analysis of the lands is possible. This will allow me to visually see where the parcels are that are participating in the CAUV program. The spreadsheet will allow me to see which parcels are still in the program and what average tax savings are. The importance of using the zip codes of the parcels will be to determine where the landholders are. This may be a look into the future, as many absentee
landowners are developers. By knowing which lands are in current agriculture use in a threatening sprawl environment, we are able to plan for the future growth by accommodating the needs of both.
Chapter 4

Research in Delaware County, Ohio

The agricultural community in the Columbus metropolitan area plays an integral part in the prosperity of Central Ohio. Even as Ohio has 13 major cities and the highest number of metropolitan centers in the nation, agricultural lands make up 54% of Ohio’s landscape. Ohio’s landscape is changing at a rapid pace.41

In 2003, OMB defined metro areas as (1) central counties with one or more urbanized areas, and (2) outlying counties that are economically tied to the core counties as measured by work commuting. Outlying counties are included if 25 percent of workers living in the county commute to the central counties, or if 25 percent of the employment in the county consists of workers coming out from the central counties—the so-called “reverse” commuting pattern.42 The characteristics of the rural-urban interface can be defined as an area10-50 miles from urban centers of 500,000 people where most commuters travel 25 or more minutes each way to work. The landscape shows low density development and a mix of urban and rural land uses.43 The Columbus metropolitan region includes Franklin, Delaware, Morrow, Fairfield, Union, Licking, Madison, and Pickaway Counties.

“On the rural-urban fringe” in Ohio and Columbus Metro Region

Eight percent of food in the United States originates from farms within or adjacent to metropolitan areas, and the Columbus metro region is no exception. Agriculture is still a large part of the economy and way of life. Agriculture adds $73 billion to Ohio’s economy every year and one in six people are employed in the agriculture sector. Although agriculture remains a viable industry, Ohio is the number two state for having lost its prime farmland to development.

The central Ohio region is giving way to land development at an alarming rate. As the major metropolitan center of Ohio, Columbus ranks as one of the top cities nationwide for sprawl. The City of Columbus is now 221 square miles, making it larger than Cleveland and Cincinnati combined. According to the Columbus Planning Division it has annexed 132 square miles since 1960. As Columbus continues to grow, farmland and open space continues to diminish.

Figure 3: Columbus, Ohio Annexation Trends

45 Columbus Department of Development, Columbus Planning Division Decades of Annexation. 21 June 2003; Internet; accessed 21 June 2002.
Government figures show a national average of 365 acres of farmland is lost per hour to development.\textsuperscript{46} In Ohio, between 1987 and 1997, a total of 363,100 acres of prime, unique and locally important farmland was lost to sprawling development.

Of all lands (cropland, forests, and other open spaces), Ohio lost 521,000 acres during 1992 through 1997 for development. The table below displays the urban and agriculture lands in the Columbus metro region:\textsuperscript{47}

<table>
<thead>
<tr>
<th>County</th>
<th>2000 census</th>
<th>Land area (sq. miles)</th>
<th>Urban/open impervious surfaces (acres)</th>
<th>Ag/Open Space (acres)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Franklin</td>
<td>1,068,978</td>
<td>540</td>
<td>88,614</td>
<td>191,963</td>
</tr>
<tr>
<td>Delaware</td>
<td>109,989</td>
<td>442</td>
<td>6,277</td>
<td>216,568</td>
</tr>
<tr>
<td>Fairfield</td>
<td>122,759</td>
<td>505.7</td>
<td>5,217.9</td>
<td>229,762.6</td>
</tr>
<tr>
<td>Licking</td>
<td>145,491</td>
<td>686.5</td>
<td>7,943.8</td>
<td>265,402.6</td>
</tr>
<tr>
<td>Morrow</td>
<td>122,759</td>
<td>505.7</td>
<td>5,217.9</td>
<td>229,762.6</td>
</tr>
<tr>
<td>Madison</td>
<td>40,213</td>
<td>465.7</td>
<td>1,612.2</td>
<td>278,129.2</td>
</tr>
<tr>
<td>Pickaway</td>
<td>52,727</td>
<td>502.2</td>
<td>4,848.7</td>
<td>228,120.1</td>
</tr>
<tr>
<td>Union</td>
<td>40,909</td>
<td>436.7</td>
<td>1,910.6</td>
<td>241,565</td>
</tr>
</tbody>
</table>

Figure 4: Columbus Metro Region, County Land Area

\textsuperscript{47} Ohio Department of Development, County Census Information, 2000, available from http://www.odod.state.oh.us/research/Files/s0.html; Internet; accessed 3 April 2004.
In Delaware County, Ohio, 85% of the soils are labeled as prime farmland. Five percent are locally important farmland soils, meaning they are used for the production of high value food, fiber or horticultural crops. In 1998, 63% of Delaware County was labeled as “open/agriculture” lands and 20% labeled as residential; and 11% Institutional. The American Farmland Trust has labeled Delaware as “High Development and High Quality Farmland”; meaning urban and suburban development is taking place on quality soil.

Delaware County addressed the need for Farmland Preservation with the establishment of the Delaware County Farmland Preservation Task Force in 1998. Its mission was to complete a comprehensive plan for Delaware County that addressed the preservation of farmland and devise strategies of farmland preservation. On June 27, 2000, the Farmland Preservation Task Force presented their report to the County Commissioners. The Task Force had twelve recommendations:

1. Establish a Farmland Preservation Program
2. Support the creation of private, tax exempt land trusts and easements
3. Develop regional transportation
4. Support and encourage townships to protect the agriculture industry through zoning codes

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5. Provide redevelopment incentives
6. Establish incentives for voluntary landowner enrollment in Ag Security Areas
7. Support increase of CAUV recoupment to six years
8. Support the repeal of Ohio law that exempts five acre or larger lot splits from Subdivision review
9. Use impact fees to support community services
10. Strengthen Ohio drainage laws
11. Provide exemption of Ohio Estate Tax
12. Require all state agencies to evaluate the impact of their policies and programs on farmland conservation.\(^5\)

Recommendation number seven is of importance to this research. An increase in CAUV recoupment to six years would allow the landowner an additional three years for the land to be valued at the agriculture value rather than the developed value. In essence this takes off an administrative worry from the landowner. It also forces the land to remain in agriculture use for three extra years by extending the contract with the landowner. It increases the contract to six years contract rather than a three year contract.

*Delaware County....in transition.....*

According to *The Newark Advocate*, growth in central Ohio is most dramatic in Delaware County. Its population grew in the last decade at a rate much greater than that

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of any of the state's 88 counties, increasing from 66,929 in 1990 to 119,752 in 2000. However, the Ohio Farmland Preservation Task Force Report shows that agriculture is still a vibrant industry in Delaware County. The southern portion of the county is experiencing the most development, as residential development is the number one reason for the conversion of farmland. Although agriculture is still a major part of Delaware’s economy, the number of farms has continued to decline since the 1980’s. In 1997, 56% of Delaware’s land is in agriculture production, a 10% drop since 1982. The loss of 27,120 acres and decrease in the number of farms from 920 to 627 during the 15 year span has changed how people are farming. Nationally, the numbers of farms are declining, but the acreage per farm is increasing. Delaware is not following the national trend and the farms are becoming smaller, but the farmers are transitioning to higher value crops. In 1987, farm receipts were $40 million and in 1987 farm receipts were $87 million. Between 1987 and 1997, a 400% increase in direct sales to the public was cited by the Farmland Preservation Taskforce. This is also consistent with the identity of the transition from a rural county to a suburban county.

The acreage of urbanization has a close statistical relationship with population. In the 1990’s, Delaware County was the tenth fastest growing county in the nation. It currently is ranked as the sixteenth fastest growing county in the nation, adding 22,808 people from April 2000-July 2003. As the fastest growing county in the state, Delaware’s current population is 132,797. Delaware County statistics show that it has

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been experiencing a surge in population in the past fifteen years and the trend will continue through 2030

Although Delaware County has embraced the growth in the southern portion of the county, the need for Farmland Preservation and planned growth has been a focus of the planning commission and concerned citizens. According to the Mid Ohio Regional Planning Commission, Delaware County is preparing for the following to occur:

- Over 152,000 new people are expected by the year 2030, a 139% increase over the 2000 population of 109,989. Shown in figure 7, the population increase is tremendous as the population of Delaware in 2000 was 25,243.
- From 1990 to 2000, the population of the County increased 64.3%, or by 43,000 people for the decade.
- In the years 2000 through 2030, the population of the County is expected to increase 34.4% per decade, or by 51,000 people per decade.
- While population growth is expected to increase by 139%, household growth is expected to increase by 219%.
- While population increased by 64.3% between 1990 and 2000, employment increased by 72.8%.
- Nearly 55% of the County’s residents worked in Franklin County in 2000. This is about 20% more than the number of County residents that both live and work in the County.\(^4\)

• *Kingston Township*

Kingston Township lies in the northeastern portion of Delaware County. Although largely rural, lands are in speculation for proposed sub-developments. I will explore the history of these parcels that are in speculation, using CAUV as the variable. Researching landownership records will enable Kingston Township to respond to anticipated development in a coordinated manner.

In 2000, the population of Kingston Township was 1,603 persons, with 99% of the residents being Caucasian. There were 537 households in the township. The average commute time was 33 minutes. Of the residents, 3.7% are employed in the agriculture sector. There is a noticeable home building “boom” beginning in 1970. More recently, there have been 97 homes built in 1995-2000.\(^{55}\)

*Orange Township*

Orange Township, as a more urbanized area, has more ethnic and economic diversity. With a population of 12,464, Orange Township has experienced a majority of the commercial and residential growth in Delaware County. Of the 4,629 housing units 90% are Caucasian. The average commute time for residents is 24 minutes. Only 0.2% of all the residents claimed that their occupation was in the agriculture sector. The 1990’s were when commercialization and residential development began to boom. Of

the total structures built, 21% were built in 1990-1994, 37% in 1995-1998, and 18.3% in 1999-2000.

![Bar chart showing population change and land in agriculture](image)

Figure 5: Comparison of Population Change and Land in Agriculture

The increase in construction and the relation to population change from 1990-2000 in relation to the percent land in agriculture in the early 1990’s is shown in Figure 6.  

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Chapter 5

Results

An examination of agricultural lands enrolled in the CAUV program in Kingston and Orange townships in Delaware County is one way current and future development can be anticipated. I was able to plot, label, and obtain tax information from CAUV for the current enrolled parcels by utilizing the Delaware County Auditor’s records. The years 1994 and 2002, and also the combination of years 1994-1996 and 2000-2002 were obtained and recorded into an excel spreadsheet. Geographically plotting the parcels on the map and also in excel form allows for two separate analyses.

Mapping the current CAUV parcels by color-codes allows for a pattern to develop in geographical terms, as shown in Appendix 2. Many answers to land ownership questions are obtained by visually analyzing the geographically plotted data. Where is the most land enrolled? What sections of the township are enrolled and what are the parcel sizes? Who owns the parcels? What monetary receipts did the owners receive?

The excel format allows for a historical review at the past tax savings and what they currently are. Increasing tax savings in lands enrolled in CAUV is an indication of increasing land values. In Delaware County, one of the factors of the increasing land values is due to development pressure. As developers can pay more per acre and begin developing the land surrounding a CAUV parcel, the land value increases which means the landowner pays more in taxes. As stated earlier, the purpose of CAUV is to make certain that the taxes are paid on the land value as agriculture, not as development. It is
stated that CAUV is a form of farmland preservation, although some disagree. It is with this disagreement that the analysis is able to aid in the aspect of planning.

*Kingston Township*

According to the Delaware County Auditor’s office, Kingston Township has been experiencing tremendous interest from developers and individuals interested in purchasing land.\(^5^7\) This statement is a sign that Kingston may be in transition from a primarily agricultural township to one that will become known as an exurban area. As the Columbus metro region grows, interest in commuting centers develops to monitor growth patterns.

Researching each parcel in Kingston Township to check its CAUV status showed that most of the land in recorded agricultural use by the Auditor is enrolled in the government program. Parcel size varied from approximately 2 acres to 605 acres. Total acreage in the enrolled 304 parcels is 11,962. The average CAUV parcel size is 39.35 acres. Comparing taxation zip codes to ownership records, the ownership of the land is consistent with the addressee.

This shows that the most of the agriculture land in Kingston is not occupied by developers. Although this not constant, the larger tracts of land are owned and operated by the one working the land. What is noticeable is the large number of small farms enrolled in CAUV. Land enrolled in CAUV must produce $2500 or more if it is ten acres or less. In Kingston, the number of parcels enrolled in CAUV that are 10.5 acres or less

\(^{57}\) Todd Hanks, interview by author, Delaware, Ohio, 14 April 2004.
is 87. Thirty two of the 87 parcels, approximately one third, are located in the same section of the township. This large number of small parcels correlates with Von Thunen’s theory of the agriculture distribution surrounding a central city.

Tax savings on land is the incentive for many farmers to enroll their land in agriculture, which in turn slows land from being sold to non-agriculture interests. In Ohio, more than 16 million acres of the 19.3 million acres of agricultural land are enrolled in the CAUV program.\textsuperscript{58} In Kingston Township the tax savings varies. The smallest parcel enrolled is 0.6 acres. The owner saved $75.04 combined in 2000-2002. The largest parcel enrolled does not save the most. The most tax savings is $37,673.36 on 458.533 acres. In comparison, the largest acreage in one parcel enrolled is 605.755 acres. Located in the southern portion of the township, it is owned by land speculator Siemer Lands, LLC. The total taxable value of the land in 2002 was $1,099,670 with a market land value worth over $3 million. In 2000-2002, CAUV saved Siemer Lands $11,074.

In 2002, the savings was $4,518. Although the large amount of land was enrolled, the tax savings from CAUV for Siemer Lands, LLC is small in comparison to other parcels. Five acres saved over $6,000 for a non-developer. This is a good reason to enroll in the program. Full time, part time and hobby farmers who enroll may not see their savings as large enough to keep land enrolled in agriculture use instead of developing it. For example, 70.85 acres with a 2002 market value of $207,000 saves $2,528 in 2002 and $6,161 for the combined two years 2000-2002.

\textsuperscript{58} The Ohio Department of Taxation, Land Value Appraisal, 21 May 2001, available from www.tax.ohio.gov; Internet; accessed 12 April 2004.
The savings have paralleled the increase in the land market value. In 1994-1996, total savings from the same parcels enrolled in 2000-2002, was $391,791.30. In 2000-2002, the same parcels saved $1,014,724.93. This is an increased annual tax savings of $622,933.63 since 1996. This shows that the market value of the land has increased which may also be an incentive for developers owning the land to continue to buy and plan for future development while capitalizing on the tax break. For all totals, see Excel Workbook for Kingston Township in Appendix 5. Geographical distribution of the parcels is located on the map in Appendix 6

*Orange Township*

The total number of CAUV parcels in Orange Township, the most rapidly developing township in Delaware County, is significantly lower than Kingston. There are 106 parcels enrolled totaling 3,435.568 acres. By researching the ownership records, it is recognizable that the majority of the parcels are owned by development corporations and investment companies.

In 2002, the paid CAUV tax was $4,141,711.40 and the savings was $1,276,095.90. This is a 31% savings by enrolling land in CAUV program. However, the savings is going to a majority of developers who owned the land instead of the farmers who are responsible for the actual farming practice.

The largest owners who received CAUV receipts were investment corporations. For example, Evans Capital Investments, located in Columbus, Ohio, had 759.484 acres enrolled with a 2002 savings of $178,732.56. NP Limited is also located in Columbus,
Ohio enrolled 233,562 acres in CAUV. Although this acreage is small in comparison to other cumulative parcels by other owners, the company saved over $281,612 in 2002.

The largest singly enrolled parcel in Orange Township is individually owned. The 166.5 acres had a market land value of $3,081,000 and a 2002 CAUV tax savings $50,153.93. The second largest individual owned parcel is a 129 acre tract with a 2002 market land value worth over $3 million and a CAUV payment of $162,260.

Comparing the zip code of the current owner to the zip code of the parcel location allows the analysis of absentee ownership to be determined. Absentee ownership totaled 2154.767 acres on 60 parcels totaling $657,300.29 in taxes sent outside the zip code. For all totals, see Excel Workbook for Orange Township in Appendix 7. Geographical distribution of the parcels by map is located in Appendix 8.
<table>
<thead>
<tr>
<th>Township</th>
<th>Total</th>
<th>Owner in zip</th>
<th>Absentee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orange</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAUV parcels</td>
<td>106</td>
<td>46</td>
<td>60</td>
</tr>
<tr>
<td>CAUV savings (2002)</td>
<td>$1,276,095.90</td>
<td>$692,629.51</td>
<td>$583,466.43</td>
</tr>
<tr>
<td>Acreage</td>
<td>3435.568</td>
<td>1280.801</td>
<td>2154.767</td>
</tr>
<tr>
<td>Avg. saving/acre</td>
<td>$371</td>
<td>$514</td>
<td>$270</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Kingston</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAUV parcels</td>
</tr>
<tr>
<td>CAUV savings (2002)</td>
</tr>
<tr>
<td>Acreage</td>
</tr>
<tr>
<td>Avg. savings/acre</td>
</tr>
</tbody>
</table>

Figure 6: CAUV Comparison for Orange and Kingston Townships
Conclusion

The USDA has identified two types of development of land in transition from agriculture to non-agricultural uses. One is the continuing acceleration of urban development adjacent to already existing urban areas. The second is the proliferation of large lot development beyond the urban fringe and into adjacent non-metropolitan areas. Orange Township is related to the first growth type and Kingston is similar to the second.

There is a clear trend that the number of farmers renting land in Delaware County is increasing. In 1987, 50% of the owners operated their own land. In 1997, less than 40% of the land was operated by the owner. This is an indication that once the renter retires, land will be converted to other uses, which will greatly affect the agriculture industry in Delaware County in the future.

The analysis of CAUV for Kingston and Orange confirms that the tax break is currently being utilized on most of the land that is being farmed. The individual landowners parcel sizes varied, but overall parcel sizes receiving CAUV are larger in Kingston Township than those in Orange Township. Every tax dollar that is lost to developers rather than active farmers must be made up by payment by the rest of the residents. This can happen in reduced services, which can result in a poorly planned growing community. The cost of community services for a new community is tremendous. The cumulative years tax investments that have been lost to developers profits instead of being invested into the anticipated growth of the community.

Referring to figure 6, the tax savings for absentee and non-absentee landowner’s is described. In Orange Township, most of the tax savings was received by absentee
landowners. Absentee landowners received an average of $270 per acre compared with $514 received by owners whose zip code matches the parcel zip code. Despite absentee landowners owned a majority of the parcels enrolled in the program, the savings was comparable to the land owners whose zip code matched the parcel location zip code.

This analysis of CAUV has shown that land preservation and making agriculture a viable livelihood continue to be the purpose of the program. However, there are problems once the analysis of tax savings and distributed is investigated. A majority of the land owners in the enrolled parcels do not have the intention of developing their land. Instead CAUV is an added incentive as a farm land owner.59 This incentive of keeping taxes equivalent with what the land is worth as agriculture rather than development causes misuse by developers and persons with other non-agriculture intentions. It is good for the farmer who owns the land and makes minimal income from the land. However, for the developer who is investing in the long term and is creating a future use that will never return the soil to a natural state is an abuse of the incentive.

As Ohio continues to become more urbanized, there will an increased demand on the land and conflicts between rural and urban interests will arise. Farmland is no longer an unlimited resource and prime farmland is even more finite. Ohio is in danger of threatening its economic, environmental, and human resources. Farmland preservation is an important key in creating a sustainable environment and conserving our natural resources while in balance with the economic benefits that the land provides us.

Researchers and academia are beginning to notice trends in the connections between land ownership, farmland preservation, and government programs. It is important to make the connections with the abuse and intended purpose of programs such as CAUV. Land owners are utilizing it for different purposes, some for its intended purpose and others to save on taxes as the land increases in value and development approaches.

**Suggestions for additional research**

There are several additional studies that would provide a further detailed analysis of the type of agriculture and intention of the land owner with the CAUV acreage. would provide for the intention of the land in the following years.. There needs to be more research on the tax savings recipients and the land use in the following years, preferable in the next 10-12 years. This can be accomplished by analyzing the landowners who zip code matches the parcel zip code. An intention survey would assess what the type of agriculture is being performed on the large number of small parcels that are enrolled in CAUV. These detailed studies will allow for geographical analysis of lands enrolled in CAUV with absentee owners and its future use. As an important examination of geographical urbanization trends and initiation of the restructuring of the Current Agriculture Use Value program, this research looks at land owners living within the same zip code as the enrolled CAUV parcels while being potential land speculators.
Glossary

1. Conservation Easement- A legally binding agreement that is either voluntarily sold or donated by the landowner which prohibits certain types of development. It is designed to exclude certain activities on private land, such as commercial development or residential subdivisions and protect natural resources such as open space and agriculture.\textsuperscript{60}

2. Transfer of Development Rights- A regulatory tool designed to facilitate land-use planning by protecting land by transferring the "rights to develop" from one area and giving them to another. By placing conservation easements on property in agricultural areas while allowing for an increase in development in other areas, development can be managed.\textsuperscript{61}

3. Purchase of Development Rights- A voluntary program where a land trust or another agency usually linked to local government, makes an offer to a landowner to buy the development rights on the parcel. This permanent deed restriction allows the land to be placed in permanent agriculture or open space protection.\textsuperscript{62}

4. Agricultural Easement Purchase Program- A voluntary program that attempts to preserve Ohio’s most productive farmland. By providing up to 75% matching grants to selected interested farmland owners wishing to sell their development

\textsuperscript{60} The Ohio State University, Community Development Fact Sheet No.CDFS-1261-98, 11 November 2002, available from http://ohioline.osu.edu/cd-fact/index.html; Internet; accessed 11 November 2002.
\textsuperscript{62} The Ohio State University, Community Development Fact Sheet CDFS-1263-98, available from http://ohioline.osu.edu/cd-fact/1263.html; Internet; accessed 11 November 2002.
rights to a local government or land trust jointly with the Ohio Department of Agriculture.\textsuperscript{63}

5. Agricultural Districts- Areas where commercial agriculture is encouraged and protected through zoning. This designation provides protection to farmers against nuisance suits over agriculture operations and deferment of tax assessments on land to build sewer and water lines. It also allows for additional review if land is taken by eminent domain for a public purpose.\textsuperscript{64}

6. Agricultural Zoning- A special application of zoning used by communities to encourage and protect agricultural production in a designated area. Agricultural zoning strives to protect the viability of agriculture in a region and is generally used by communities that are concerned about maintaining the economic viability of their agricultural industry. Agricultural zoning ordinance can prevent farmland from being converted to non-agricultural uses and can prevent the fragmentation of farms. Effective agricultural zoning prevents land-use conflicts and protect agricultural producers from non-agricultural intrusion into agricultural areas.\textsuperscript{65}

7. Development Impact Fees- A one time charges applied to offset additional public service costs associated with new development. They do not alter the total service and infrastructure costs but rather they alter the percentage that people pay and

\textsuperscript{63} The Ohio State University, Community Development Fact Sheet CDFS-1557-03, 11 November 2002, available from http://ohioline.osu.edu/cd-fact/1557.html; Internet; accessed 11 November 2003.

\textsuperscript{64} The Ohio State University, Community Development Fact Sheet CDFS-1268-99, 11 November 2002, available from http://ohioline.osu.edu/cd-fact/1268.html; Internet; accessed 11 November 2002.

8. levied for anticipated future use. In Ohio, home rule townships and municipalities develop the structure for impact fee.\textsuperscript{66}

9. Current Agriculture Use Value- A differential real estate tax assessment program allowing land owners of farmland the ability to have their parcels taxed according to their value in agriculture, rather than full market value.\textsuperscript{67}

10. Land Trust- Local, regional, statewide or national organizations formed to protect particular land related resources such as forests, farmland, open space, wetlands, or historic districts.\textsuperscript{68}

11. Urban Area- A land use category consisting of residential, industrial, commercial, and institutional land; construction sites; public administrative sites; railroad yards; cemeteries; airports; golf courses; sanitary landfills; sewage treatment plants; water control structures and spillways; other land used for such purposes; small parks (less than 10 acres) within urban and built-up areas; and highways, railroads, and other transportation facilities if they are surrounded by urban areas. Also included are tracts of less than 10 acres that are completely surrounded by urbanized land.

12. Prime Farmland- Land that has the best combination of physical and chemical characteristics for producing food, feed, forage, fiber, and oilseed crops and is also available for these uses. It has the soil quality, growing season, and moisture

\textsuperscript{66} The Ohio State University, Community Development Fact Sheet CDFS-1558-04, 11 November 2002, available from \url{http://ohioline.osu.edu/cd-fact/1558.html}; Internet; accessed 11 November 2002.

\textsuperscript{67} The Ohio State University, Community Development Fact Sheet, 11 November 2002, available from \url{http://ohioline.osu.edu/cd-fact/1267.html}; Internet; accessed 11 November 2002.

\textsuperscript{68} The Ohio State University, Community Development Fact Sheet CDFS-1262-98, 11 November 2002, available from \url{http://ohioline.osu.edu/cd-fact/1262.html}; Internet; accessed 11 November 2002.
supply needed to produce economically sustained high yields of crops when treated and managed according to acceptable farming methods, including water management; has adequate and dependable water supply, a favorable temperature and growing season, acceptable acidity or alkalinity, acceptable salt and sodium content, and few or no rocks; not excessively erodible or saturated with water for a long period of time, and do not flood frequently or are protected from flooding.\textsuperscript{69}

13. Cropland- includes areas used for the production of adapted crops for harvest.

Two subcategories of cropland are recognized, cultivated and noncultivated, are recognized by the USDA.\textsuperscript{70}

14. Conservation Reserve Program- A Federal program established under the Food Security Act of 1985 to assist private landowners to convert highly erodible cropland to vegetative cover for 10 years. In 1997, 251.2 acres of land in Ohio were enrolled in CRP.\textsuperscript{71}


Appendix 2

Acreage in Kingston Township
Delaware County, Ohio

Map by C. Burlingame 5/04
Appendix 3

Acreage in Orange Township
Delaware County, Ohio

ACRES
- 0.000 - 9.904
- 9.905 - 38.840
- 38.841 - 106.500
- 106.501 - 478.740
- 478.741 - 2359.840

Map by C. Burlingame 5/04
Appendix 4

INITIAL APPLICATION FOR THE VALUATION OF LAND
AT ITS CURRENT AGRICULTURAL USE

File With County Auditor Prior to First Monday in March
See Instructions on Back. Type or Print All Information

1. Owner’s Name: ___________________________ Place: __________________

2. Owner’s Address: ___________________________ Street: __________________
   City: __________________ State: _________ Zip: _____________

3. Parcel Number(s): ___________________________ Number of Acres: _____________
   Parcel Number(s): ___________________________ Number of Acres: _____________

4. If tract is fewer than 10 acres, show the total gross income from agricultural products for each of the past three years.
   LAST YEAR $ _____________ 2 YEARS AGO $ _____________ 3 YEARS AGO $ _____________

5. If you have a soil map or aerial map of this farm, please attach a copy of each map.

6. List the acreage in each crop or land use for the past three years:

<table>
<thead>
<tr>
<th>CROPS:</th>
<th>LAST YEAR No. of Acres</th>
<th>2 YEARS AGO No. of Acres</th>
<th>3 YEARS AGO No. of Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corn &amp; Soybeans</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wheat &amp; Oats</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hay</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PERMANENT PASTURE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(WOODLAND)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(DOMESTICS)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROADS &amp; WASTE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OTHER USE:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL ACRES:</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

I declare under penalties of perjury that I have examined this application and, to the best of my knowledge and belief, it is true, correct and complete. I authorize the county auditor to inspect this property to verify the accuracy of this application.

Signature of owner: ___________________________ Date: __________________

BELOW THIS LINE FOR COUNTY AUDITOR’S USE ONLY

RECEIPT FOR PAYMENT OF FEE

I hereby certify that owner paid the filing fee of $25.00 on the date this application was filed with me.

County Auditor: ___________________________ Date filed with County Auditor: ___________________________
Appendix 5

Kingston Township

Excel Workbook

http://groups.yahoo.com/group/cauvdelawarecounty/
CAUV Parcels in Kingston Township
Delaware County, Ohio

Savings (dollars)

Map by C. Burlingame 5/04
Appendix 7

Orange Township

Excel Workbook

http://groups.yahoo.com/group/cauvdelawarecounty/
CAUV Parcels in Orange Township
Delaware County, Ohio

Savings (dollars)

1 Dot = 20,000

CAUV

Map by C. Burlingame 5/04
Bibliography


