

NEWS RELEASE

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**Working Lands Are Net Contributor to Chatham County Economy:
Cost of Community Services Report released at
Chatham County Commissioners' Meeting on May 21, 2007**

A new study released at the Chatham County Commissioners' working session on May 21 demonstrates that working lands such as farms and forestland are a net contributor to the Chatham County economy.

"Despite being taxed on the basis of current land uses, property in agricultural land uses is found to be a net contributor to the local budget, generating \$1.72 in [property tax] revenues for every dollar of public services that it receives," the report says.

The report was commissioned in part to address a growing debate in Chatham County over the most desirable mix of land uses for this rapidly changing county. Mitch Renkow, the report's author and Professor of Agricultural and Resource Economics at NC State University, writes that "the current research was motivated by two questions: (1) Do the property taxes and other revenues generated by residential land uses exceed the amount of publicly-provided services supplied to them? (2) Do farm and forest lands receive an unfair tax advantage when they are assessed at their actual use value – as is the case in Chatham County – instead of their potential value in residential or commercial uses?"

The terms "Current Use," "Actual Use," "Present Use," "Present Use Value (PUV)," and "Land Use Value" all refer to a situation where land is taxed at a lower rate – usually due to its use for agricultural or forestry purposes – than the "Highest and Best Use" rate. These terms are often used interchangeably.

According to the report, "As has been found in other COCS studies, the answers to these questions are 'no' for Chatham County." The study found that "agricultural

lands more than pay their own way. This is true despite these properties being taxed on the basis of their current use (as opposed to their potential use were they to be transformed into commercial or residential uses).”

“The Cost of Community Services Study for Chatham County demonstrates that forestry and agriculture are net contributors to Chatham County government finances,” said Charlie Bolton, Chairman of the Chatham County Agricultural Advisory Committee. “This makes it imperative to conserve as much of our working lands as possible. The work of the Triangle Land Conservancy and others in this effort is beneficial to Chatham County taxpayers.”

“These results are consistent with over 100 Cost of Community Services conducted across the country, in a wide variety of different communities,” says Gerry Cohn, Southeast States Director for American Farmland Trust. “These studies help to dispel the myth that farms and forests are just temporary land uses waiting to be developed ‘to a higher use.’ As rapidly growing counties try to provide services for their residents and cope with rising costs, finding ways to maintain viable farms and forests is a good investment for all citizens.”

“In addition to aesthetic and recreational value, open space has intrinsic value, such as being a net contributor to a county’s budget,” says Kevin Brice, President and CEO of Triangle Land Conservancy (TLC).

Chatham is one of the fastest growing counties in North Carolina and the nation, as its population grew by 12 percent from 2000 to 2003.

The COCS study was requested by the Chatham County Agricultural Advisory Committee. In conducting the study, Renkow used a methodology established by the American Farmland Trust that has been used in numerous Cost of Community Services (COCS) studies throughout the U.S.

TLC paid for the study with funds for the Working Lands Initiative from the Save Our Undeveloped Land (SOUL) Fund of the Triangle Community Foundation. In January 2005, TLC was awarded a \$100,000, three-year grant to help establish a Working Lands Initiative in Chatham County. The project focuses on increasing farmland and forestland protection in the rapidly growing county. The Working Lands Initiative will be a permanent, long-term part of TLC’s priority conservation work in

Chatham County. Key components include planning and outreach, farmland preservation funding research and cultivation of conservation partnerships. The initiative could provide a model for similar programs in other counties.

Since 1983, TLC has helped to conserve 3,711 acres in Chatham County. These include conservation agreements with five owners of farmland and forestland conserving 956 acres; ownership of 741 acres on seven properties; and conservation partnership on projects that have conserved 2,014 acres.

Triangle Land Conservancy is a private, nonprofit group that conserves important open space—stream corridors, forests, wildlife habitat, farmland and natural areas—to help keep our region a healthy and vibrant place to live and work. TLC’s 67 protected sites in Wake, Durham, Orange, Chatham, Johnston, and Lee counties encompass more than 9,500 acres, including several preserves open to visitors year-round. TLC is primarily funded by individual contributions and memberships, plus grants from foundations, state government and corporations.

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