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HARRY R. HUGHES CENTER FOR
AGRO-ECOLOGY, INC.
Supporting Viable Farms and Forests

December 10, 2008

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Planning Commissioners of Queen Anne's County
Queen Anne's County Land Use, Growth Management & Environment
160 Coursevall Dr.
Centreville, MD 21617

RE: Downzoning and its Implications

Dear Planning Commission Members:

This letter is in response to a letter that you received from Mr. David E. Cadell expressing his concerns over a downzoning study that was funded by the Harry R. Hughes Center for Agro-Ecology. Being one of seven authors of the study, I thought it best to respond so that this letter might be considered along with other studies and letters that you may have before you as you consider proposed changes to the County ordinances.

In 2003, the Center conducted a study of the effects of downzoning in four Maryland counties (Kent, Talbot, Calvert, and Dorchester). It was entitled: "Downzoning: Does it Protect Working Landscapes and Maintain Equity for the Landowner?" This report was written by a robust team of seven professionals that included several land use and resource management experts and a statistician with more than twenty years' experience. The report was also submitted for peer review before being released.

When land transactions were examined for a period of 20 years for counties that had enacted downzoning with counties that had not enacted downzoning, it was found that the result of downzoning was either higher land value for the downzoned counties or little to no appreciable effect on the land value. In this process, downzoned counties were coupled with counties that had not downzoned and the results were aggregated on an annual basis and presented in a series of charts contained in the study. Although not included in the statistical analysis, the study also recognized that there were many factors that influenced value such as a robust economy at the local, state, regional and national level; the suitability of the land for alternative "developed" uses, for agriculture or rural use; where the land was located and how accessible to transportation, water and sewer, good schools, etc.; and



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whether the land was located close to growth pressure. The study also concluded that tools such as transfer of development rights, purchase of development rights, installment purchase agreements and/or tax credits should be viewed as possible compliments to downzoning that could create opportunity and equity options for landowners whose land had been downzoned.

Shortly after releasing the Center's study, a study was released by the New Jersey Farm Bureau entitled: "The Impact of Downzoning on Agricultural Land Value in New Jersey." The study authors produced findings that found that downzoning did have a negative effect across the board on land values in the New Jersey counties which were analyzed.

In order to ascertain why there were differences with the conclusions between the studies as well as to have the methodologies reviewed, the Center commissioned an independent review of both studies. The peer review study entitled: "Downzoning and Rural Land Markets: A Review of Two Recent Studies in Maryland and New Jersey" is available on the Center's website (www.agroecol.umd.edu). Weaknesses were identified by the Peer Review team in both the Maryland and the New Jersey Studies. The Peer Review team concluded that given the weaknesses in the methodologies, they had little confidence in either study's findings. The Peer Review Team did not say that the Maryland study was without merit. What the team did say was while they believed a large sample statistical study of market transactions was the best general approach, the approach in the Maryland study was too aggregated, failed to control for many other influences on land value, and simply did not use the best available statistical techniques. These helpful recommendations on ways to strengthen future downzoning studies are being incorporated into a Phase II downzoning study that is also being funded by the Center and is underway in the process. The Peer Review Team also pointed out the differences between the two studies and the approaches taken.

While methodologies can always be improved, the point is that the findings of the Center-funded downzoning study are very consistent with two previous reports conducted in Maryland. The first one was a study entitled: "The Effects of Agricultural Zoning on the Value of Farmland" completed for the Maryland Office of Planning in 1991. The second report entitled: "Report to the Valleys Planning Council on the Trading Value of RC-2 Zoned Land Compared with RC-4 Zoned Land in Northern Baltimore County" was performed by Applied Data Resources, Inc. The Center's downzoning findings also seemed to track with other studies outside of Maryland.

The mission of the Center for Agro-Ecology is to find and promote the best policies and practices at the local and state level that will protect Maryland's working landscapes and preserve landowners' equity. This is accomplished through sound, unbiased scientific research that is rigorously peer-reviewed. Therefore, we stand by the conclusions of our research.

We realize that important decisions are about to be made by you this week and that the input from the constituents as well as from written reports will influence your decision-making. We appreciate the opportunity to clarify the conclusions of the Center's original downzoning study and the Center-funded peer review analysis.

Sincerely,



Sarah Taylor-Rogers, PhD
Assistant Director