

RURAL FLORIDA: OPPORTUNITIES FOR THE FUTURE

I. INTRODUCTION

The following paper is about rural Florida. It concerns rural community needs and the challenges faced by rural residents as a result of declining agricultural economies, growth related pressures, changing land values and environmental considerations. It is meant to inform readers about issues, trends, choices and opportunities, in the interest of rural areas. Tools and strategies are identified to help land owners and local governments address related needs. The conservation of farmland and sensitive environmental and cultural resources within farm landscapes are topics of special focus in the paper. Appendices are included to provide supplemental information on key points along with contacts for further resources and support.

The paper is part of a larger project involving education, planning, policy analysis and community outreach as well as land acquisition and conservation easements. The project is being funded by the Doris Duke Charitable Foundation as part of a broad based initiative to support sustainable land use and smart growth practices in rural areas. Of particular interest to the Foundation are the Red Hills/St. Marks River Eco-Region, the Apalachicola Eco-Region and the Gulf Coastal Plain Eco-Region. While each of these Regions is located in the Florida Panhandle, the topics, tools and resources presented herein are also relevant to rural areas statewide.

II. BACKGROUND

Florida is one of the fastest growing states in the nation. Rural lands constitute the majority of the state, and these areas are particularly subject to the pressures of fast-paced growth. While only accounting for 7 percent of the state's population in 1999, the growth rate of rural Florida has been outpacing the state average. According to Enterprise Florida, between 1990 and 1997 rural population grew by 20 percent as compared to the state average of 13.4 percent.¹ Growth impacts the environment, local economies and the quality of life for communities. For rural areas, it particularly affects agricultural lands and the viability of agricultural operations.

Development Patterns

Growth can be beneficial or harmful to a community or locale depending upon varied factors. Decisions made in the planning and development process are foremost among them. Patterns of development are of particular significance to the interests of rural communities.

A growth-related trend or pattern that has become evident throughout Florida and nationwide involves the phenomenon of “sprawl.” Sprawl amounts to an overflow of growth characterized by uncoordinated and unconsolidated land uses that are typically only accessible by car. Sprawling patterns of development are inherently inefficient and require the expenditure of excess taxpayer dollars to provide for infrastructure (like roads, water/sewer lines and electric utilities) and public services (like police, fire and emergency medical) outside of municipal boundaries. Such amenities are incrementally more costly the further out they must be provided. In a time of growing energy consciousness, they also demand the use of more fuel as well as other natural resources. Continued growth pressures are now extending the reach of various forms of sprawl-induced development into traditionally rural areas. Because of sprawl, critical agricultural land is being developed at a rate higher than population growth.² This type of development frequently has adverse impacts on the surrounding natural areas as well.

By contrast with well-planned development that is consistent with the character and needs of rural areas, random development spawned by uncontrolled growth and the financial interests of speculators can eliminate the unique qualities of rural towns and properties, qualities that rural residents and landowners often value most. Sprawl-related growth in rural Florida impacts the status of local economies, the tax burden on area residents and what many appreciate as the “rural lifestyle.” Its effects on environmental quality and the conservation of natural resources are likewise significant with regard to public health, water supply availability, wildlife protection and outdoor recreation. Impacts upon historic and cultural resources that contribute to a community’s sense of place can also be significant.

The Value of Agriculture

Agriculture has historically been a prime economic mainstay for Florida. Together with tourism and construction, it serves as the foundation for the Florida economy. The state’s leading industry, tourism, is now seriously threatened by the national tragedy of September 11. The importance of safeguarding Florida’s agricultural lands and production is thereby underscored.

From an economic standpoint, agricultural production in Florida resulted in a gross state product of \$3.57 billion for farms and \$6.69 billion for forestry in the year 2000, according to the Florida Statistical Abstract. This amounts to direct economic value alone, the impacts of agriculture being even greater when value-added products and multiplier effects are taken into account. In terms of employment, the job total for Florida’s agricultural sector ranks second in the nation. Florida’s farmers paid more than \$1.306 billion to contracted and hired farm workers in 1998. In that same year:

- Florida farmers spent more than \$1.322 billion on feed, seed, fertilizer and pesticides;
- Total production expenses were \$4.80 billion; and

- Florida farmland and buildings were valued at \$23 billion (\$662,538 per farm and \$2,241 per acre).³

The state's agriculture industry is known for its diversity, from food production of many varieties, to timber and fiber, to feedstocks, livestock and horticulture. Government statistics indicate that, in 1998, of the state's nearly 35 million acres of land, over 27 million acres (roughly 77%) were classified as agricultural. Those uses were as follows:

- 10,600,000 farm acres (30.5%)
 - 4,069,927 acres of range-pastureland
 - 2,132,308 woodland acres
 - 995,300 acres in field crops
 - 895,684 acres of improved pasture-land
 - 785,900 acres in citrus groves
 - 314,450 acres in vegetable fields
 - 1,406,431 other acres
- 13,007,265 of commercial forests (37.4%)
- 3,541,747 acres of National and State forests (10.1%)

The remaining 22.5 % of the land, or 7,842,560 acres, was classified as urban, suburban, and industrial.⁴

For 1997, total acres of farmland for counties in the western Panhandle of Florida were:

<u>County</u>	<u># of Farms</u>	<u>Total Acres</u>	<u>% Total Land</u>
Bay	70	6,732	1.4
Calhoun	130	43,799	12.1
Escambia	466	54,617	12.9
Franklin	19	5,125	1.5
Gadsden	290	57,933	17.5
Jackson	844	244,552	41.7
Jefferson	342	126,590	33.1
Leon	243	67,539	15.8
Okaloosa	342	50,822	8.5
Santa Rosa	438	87,971	13.5

Wakulla	88	11,426	2.9
Walton	476	78,844	11.6

Statewide statistics, by county, appear in Appendix A. For Florida as a whole, the number of farms increased from 36,352 in 1997 to 45,000 in 1998 while the average size of the farm went from 300 acres to 235 acres in that same time frame.⁵

Farming families of multiple generations have worked the land to produce agricultural commodities of value to Floridians and consumers throughout the nation and world. Florida has a strong tradition of service and quality from those in the agricultural industry, both large and small. The growing needs of our state and nation compel attention to the needs of Florida’s agriculturists.

The Challenge

According to the American Farmland Trust (AFT), nearly every city and large town in America is spreading out onto farmland that is important to our food production system. They note that each year more than one million acres of American farmland are lost to sprawling development. An AFT report⁶ points out that:

- “More than half of the value of U.S. farm production — including nearly 80 percent of our fruit and vegetables and more than half of our dairy products — are produced in rapidly urbanizing counties. Paving our best farmland limits our future options to deal with social, economic, food security and environmental problems.
- Farmland loss raises local taxes. Farmers and ranchers pay more in local tax revenues than it costs local government to provide services to their properties. Residential land uses, in contrast, are a net drain on municipal coffers.
- Farmland is important for maintaining quality of life: farmland provides open space, fresh air, wildlife habitat and watershed protection.”

AFT’s 1997 Farming on the Edge study⁷ showed a gradual dispersal of population into suburbs and small towns, threatening the nation’s best-quality resources, especially near ever-expanding metropolitan areas. The study, in part, concludes that:

- The competition for land — especially productive agricultural land — will intensify as our population grows and the communications revolution makes it easier for us to live and work in widely-dispersed communities.
- The irreplaceable land that produces our food and provides us with scenic open space, wildlife habitat and clean water is increasingly at risk from urban sprawl and rural subdivisions.

- Agriculture is crucial to our balance of trade. It also supports local economic stability. Privately owned open lands generate more in tax revenues than they require back in municipal services. Pastoral landscapes attract tourists. Agriculture contributes to state economies directly through jobs, sales and support services, and by supplying lucrative secondary markets such as food processing. Saving farmland is an investment in community infrastructure.

A 1999 report by the U. S. Department of Agriculture further documents the loss of U.S. farmland. During 1992-1997, they found that some 14 million acres of farmland were taken out of production — nearly 320 acres every hour.⁸ Analysts of the report singled out sprawl development as a prime culprit.

AFT attributes this trend to an array of factors, including farm profitability, land values, personal decisions about work and retirement, community expectations, taxes and government programs, incentives and regulations. The pressures of growth are the underlying force and create a formidable challenge to the rural landscape.

In an AFT report on the top twenty (20) endangered regions in the nation, they concluded that, when it comes to the encroachment of sprawl, Florida ranked # 6. They have further reported that much of Florida's prime and unique farmland is being lost to urban development. Their research in North Florida shows a trend toward increasing population growth in less dense areas like Jackson Okaloosa, Escambia, and Santa Rosa Counties.⁹

According to the National Resources Inventory,¹⁰ between 1982 and 1997 cropland acreage nationally decreased by 44 million acres, rangeland dropped by 10.8 million acres, and pastureland declined by 12 million acres. During that same period, the Florida Department of Agriculture and Consumer Services¹¹ shows that the number of in-state farm acres declined from 12,814,216 to 10,600,000, or almost 150,000 acres a year.

Tax Impacts

Though not widely known, farmland — not residential and commercial development — contributes the most to a local government's tax base and save communities money. Numerous studies from around the nation have found that such lands contribute more in tax dollars than they demand in tax-supported services. Several of many examples include:

- Hebron, CT: Farms required \$0.43 in services for every dollar they generated in taxes. In contrast, residential properties required \$1.06 in services for every dollar contributed in taxes.
- Minneapolis-St. Paul, MN: In three nearby rural communities, farms drew an average of \$0.50 in services for every tax dollar paid. Residential properties required an average of \$1.04 in services for every tax dollar.

- Dunn, WI: Farms required \$0.18 in services for every tax dollar; residential development cost taxpayers \$1.06 for every tax dollar collected.¹²
- Frederick County, MD: Residential property cost local government \$1.14 in services for every tax dollar collected, resulting in a net deficit. Farmland and open space required only \$0.53 in services for every tax dollar paid, thereby subsidizing residential land.¹³

State and federal finance and tax incentives are provided to assist agricultural operations. But current policies are not proving adequate to deter the widespread conversion of farmland, ranges, forests and other rural properties to development. As rural areas are transformed to urban and suburban, the taxes on area residents also rise to support new infrastructure and public services.

Environmental Considerations

Rural areas encompass some of the state's most treasured environmental resources. Wildlife habitat, water resources and recharge areas, and pristine open space are among Florida's unique rural heritage. Preservation of such resources helps ensure their availability for future generations while also providing multiple benefits to current residents. Among these benefits, such areas serve as buffers to pollution of air, land and water. Environmentalists and farmers are coming to realize the strong potential for compatibility between their respective goals. For instance, land that is preserved for forestry purposes can provide important wildlife habitat benefits. Where best management practices are utilized for pollution control, land used to produce food crops can have far less impact on the environment than urbanization. Rural property owners who maintain undeveloped lands for their personal purposes also benefit locales and regions where those lands provide environmental services such as water resource protection.

In the Florida Fish & Wildlife Conservation Commission's 1994 report, "Closing the Gaps in Florida's Wildlife Habitat Conservation System,"¹⁴ they recommend that 4.82 million acres, or approximately 13% of the land area in Florida, be designated as Strategic Habitat Conservation Areas to meet minimum conservation goals. Such goals are aimed at protecting the state's rarest animals, plants, and natural communities. These habitats can be protected in large measure through landowner stewardship of privately held lands.

Current policies and practices, however, often run contrary to these goals. As the Florida Stewardship Foundation so aptly points out, "Land is presently valued on the basis of how many housing units or condos it will accommodate, or in how effectively it will grow our food, but not on how important it is for aquifer recharge or as wildlife habitat." Until these "uses" are assigned an economic value commensurate with their true worth to society, lands that feature them will, in effect, be undervalued. Appraisers instead rely on a development-oriented system for assessing land value.

While farmers and ranchers can apply for and receive an agricultural exemption from property taxes, depending on their agricultural use, under current Florida law property tax credits are not available for maintaining aquifer storage or recharge areas, or for areas that are left in a natural or undisturbed state, such as tropical hardwood hammocks, scrub sites, high-quality sandhill sites, wetlands, or other lands important to animal and plant populations. As property values rise in conjunction with development potential, landowners are often drawn to sell lands that have intrinsic value unrecognized through the market place.

Another dimension of environmental considerations is the relationship to archeological and historic preservation. Important environmental resources — wetlands, adjacent uplands, springs, hardwood hammocks, and sandhills — often are the source of archeological resources. According to the Florida Archaeological Council, most existing environmental tax incentives do not address cultural resources, making it difficult for a landowner to apply for tax relief if a property contains a valuable archeological site but it is not otherwise regarded as environmentally significant. Most of the existing historic preservation tax incentives are for historic structures, and do not encompass archeological resources. Long-term preservation of archeological sites requires incentives that enable a landowner to maintain the site in an undeveloped condition, a goal which also benefits the environment.

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Farmland Protection

A diverse mix of tools and strategies are available to address farmland protection. AFT offers this summary:

- “All states provide property tax relief for owners of agricultural land and protection from nuisance lawsuits for farmers. Many states have additional programs that are designed to prevent farmland conversion and improve the economic viability of farms.
- Fourteen states have purchase of agricultural conservation easement (PACE) programs that offer farmers compensation for giving up the right to develop their land. Sixteen states allow farmers to form special agricultural districts where commercial agriculture is encouraged and protected.

- Local communities use comprehensive land use planning and farm-friendly zoning ordinances to control growth in agricultural areas. Some counties and towns also have PACE and other programs to protect farmland, as does the federal government.
- Some farmland protection tools rely on regulations. The advantage of regulatory strategies is that they can be put in place relatively quickly, and do not require governments to spend a lot of money. But new land use regulations are often controversial, and laws can always be changed — they don't guarantee that farmland will be protected in the long term.
- Other programs give farmers economic incentives to keep their land in agriculture. These programs are voluntary, and they are usually more popular than regulations. But they may also be more expensive, and they may not be able to protect large blocks of land."¹⁵

The options available are varied, and both creativity and initiative are required on the part of those concerned about addressing the challenges facing rural Florida. Available resources and contact information to further explore alternative approaches are included in the balance of this report.

Other Rural Issues

While agriculture is a predominant consideration when it comes to addressing the concerns of rural Florida, rural areas throughout the state are also encountering other needs related to their local economics and quality of life. Economic revitalization is often raised as an issue of concern in rural communities. Community leaders understand the need for a viable economy but often encounter difficulty in determining how best to achieve that broader goal while maintaining their communities as rural. Challenges also arise in being able to attract targeted or desired industries or enterprises to their towns or communities. Historic preservation is another goal set by some rural communities to protect age-old resources for future generations while also creating an opportunity for economic development. Rural areas typically reflect a unique lifestyle and character that rural residents value and wish to preserve. That lifestyle, from an historical perspective, has typically embodied measures of sustainability (living off the land, consuming limited resources, recycling/composting, etc.) that have special significance in an era of resource constraints and enhanced public awareness. These various concerns are, in part, addressed in the balance of this report.

Food for Thought

The concerns of urban areas generally receive the greatest attention at the state and federal levels as that is where most of the state's population resides. Yet city dwellers and suburbanites alike ultimately depend upon rural areas. Among other attributes, it is rural areas that provide the food and fiber upon which the general population nationwide subsists. A fundamental purpose of this paper is to draw

attention to the contributions and attributes of rural areas, their present and projected needs, and practical ways for those needs to be met.

III. AVAILABLE RESOURCES & STRATEGIES

A broad assortment of programs, tools and approaches are available to address the concerns and needs of rural areas. The balance of this paper focuses on such resources and strategies. They are presented in four major categories: Land Conservation; Planning Strategies; Economic Development Tools; and, Tax Programs. They are not all inclusive but provide a solid foundation with which to begin the process. This White Paper will be built upon over time to reflect additional insights and resources.

A. LAND CONSERVATION

Land conservation measures are undertaken by governments, community leaders, non-profit organizations and private land owners in recognition of the human connection to land: for basic survival (through food production, water supply and flood control), the production of commodities valued by society (clothing, wood products, etc.), opportunities for health and fitness (through recreation as well as the pollution control aspects of environmental systems) and for nurturance of the human spirit (“communing with nature”). The responsibility felt by many to steward land for future generations is yet another reason as is the desire for passing on family heritage to loved ones in the form of family-owned land. Several key programs and approaches of relevance to Florida are summarized in this section.

In addition, the American Farmland Trust publishes informative fact sheets on a range of related topics. Its Farmland Protection Toolbox Fact Sheet describes various tools and techniques that state and local governments use to protect farmland and ensure the economic viability of agriculture. Included as part thereof are:

- **Programs that are generally enacted at the state level:** Agricultural District Laws; Conservation Easements; Executive Orders; Growth Management Laws; Purchase of Agricultural Conservation Easement Programs; Right-to-Farm Laws; Tax Relief: Circuit Breaker; Tax Relief Credits; Tax Relief: Differential Assessment Laws
- **Programs that are enacted at the local level:** Agricultural Protection Zoning; Cluster Zoning; Comprehensive Planning; Mitigation Ordinances and Policies; Right-to-Farm Ordinances; Transfer of Development Rights

Other Fact Sheets have been published by AFT on Conservation Easements, Transfer of Development Rights, Agricultural Protection Zoning, Installment Purchase Agreements, Right to Farm Laws and Growth Management Laws. The Fact Sheets are available online at www.farmlandinfo.org.

1. Land Acquisition Programs

The State of Florida's land acquisition programs have been the largest and most aggressive in the country. Since 1990, the State has purchased over one million acres of environmentally sensitive lands through the Preservation 2000 (P2000), Conservation and Recreational Lands (CARL), and Land Acquisition Trust Fund (LATF) programs. P2000 was established as a 10-year program and, in 1999, the Florida Forever Act was adopted to continue the state's commitment to buying natural, recreational, historic and culturally important lands. The P2000 program spent more than 3 billion dollars over the 10-year period through bonding taxes collected from every real estate transaction in Florida. Florida Forever continues the same funding source as P2000 through the documentary stamp tax.

Funding under the P2000 program was focused on the purchase of environmentally important lands whereas, under the newly constituted program, more money is being allocated for water resources and land purchases in urban areas to protect open space and parks. At the same time, additional acres of sensitive lands are being purchased as well. The new Act provides for an annual allocation of \$300 million in Florida Forever funding among the following programs:

- CARL program – 35%;
- Water Management Districts – 35%;
- Florida Communities Trust – 22%;
- Florida Recreational Development Assistance Program – 2%;
- Fish and Wildlife Conservation Commission – 1.5%;
- Division of Forestry – 1.5%;
- Division of Recreation and Parks – 1.5%;
- Office of Greenways and Trails – 1.5%.

Uses of these funds are set forth in the Florida Statutes, Section 259.105, F.S. The Statutes may be found in local government libraries and local planning departments. They may also be accessed through the Internet at <http://www.onlinesunshine.com/>.

Greenways and trails are of special interest in rural areas. The State's Greenways and Trails program, housed in the Department of Environmental Protection, establishes a statewide system of greenways and trails, assists citizens, landowners and developers in constructing greenways and trails, and provides funding.

In addition to these state programs, about one-third of the counties in Florida have passed referenda creating and funding local land acquisition programs for the purpose of open space, recreation and environmentally sensitive land purchases. Some of these funds are used to match state program grants or private land conservation efforts.

To find out about how lands are selected for purchase by the State, contact: Florida Department of Environmental Protection, Bureau of Land Acquisition, (850) 488-2351 or <http://www.dep.state.fl.us/>. For information about partnering with local communities through the Florida Communities Trust program, contact FCT at (850) 922-2207 or <http://www.dca.state.fl.us/>. For information about the Greenways and Trails Program, call (850) 488-3701. For additional information on selling or donating land, contact the following organizations or agencies:

The Nature Conservancy: (850) 222-0199 or <http://www.tncflorida.org>

Trust for Public Land: (850) 222-7911 or <http://www.tpl.org.index.cfm>

North Florida Water Management District: (850) 539-5999 or <http://www.state.fl.us/nwfwmd/>

2. Conservation Easements & Reserves

Voluntary Conservation Easements

A conservation easement is a voluntary legal agreement between a landowner and an easement holder that permanently limits uses of the land in order to protect scenic or wildlife resources. Each easement is tailored to fit the owner's personal management objectives and goals for the property. This proven effective approach provides for land conservation in addition to tax savings through reduced property assessments.

According to Tall Timbers Research, Inc., saving land through conservation easements is the fastest growing movement to protect land in the United States. They note that there are 1,213 non-profit trusts operating throughout the country (63 percent more than a decade ago); and that as of 1998, approximately 4.7 million acres of land have been protected by local and regional land trusts, an area larger than the states of Connecticut and Rhode Island combined. The Land Trust Alliance serves as the national clearinghouse and information center for land trusts and easements.

Information on how Conservation Easements work and their benefits is provided in Appendix B, along with how to reach Tall Timbers (and its Red Hills Conservation Program), an excellent resource for North Florida rural interests.

Florida Rural Family Lands Act

The Florida Rural and Family Lands Protection Act was approved by the 2001 Florida Legislature as a state-level voluntary program aimed at offering financial payments to landowners for conservation agreements or easements. The purpose of this program is to prevent agricultural land from being inappropriately converted to a development land use category. Environmentalists support the program as a means of protecting open space, fish and wildlife habitat. The agricultural community supports it as a way to preserve agricultural land and to help support farmers. The historic preservation community supports this program as a way to preserve archaeological sites and historic resources. The program, although authorized by law, has not yet been funded.

Once funded, landowners will be able to receive financial payments for one of the following arrangements: a protection easement lasting in perpetuity, a 30-year protection easement, or a 5-10-year protection easement. The easements are attached to the landowner's property deed. These easements may restrict the construction of buildings, roads, billboards, other advertising, or utilities; subdividing the property; dumping; or any activities that adversely affect the hydrology of the land, soil conservation, fish or wildlife habitat. The Act also requires that, concurrent with an agricultural protection agreement, the landowner must grant the state an option to purchase the property in fee simple at the conclusion of the agreement or an extension of up to five years with the right to purchase attached.

The Department of Agriculture and Consumer Services is given the responsibility for implementing this program. However, until funding is provided, the Department is not prepared to enter into any agreements, although rule development is underway. The program is created through Sections 570.70 and 201.15, F.S.

For more information, contact:

- Steve Bohls at (850) 414-9914
Deputy Director, Division of Forestry (Tallahassee)
Department of Agriculture & Consumer Services
- Eric Draper at (850) 224-7546
Vice President, Audubon Society of Florida (Tallahassee)

Wetland Reserve Program

The Wetland Reserve Program is a voluntary program of the U.S. Department of Agriculture's Natural Resources Conservation Service (NRCS). The program provides technical and financial assistance to private landowners on the process of establishing conservation easements for the purpose of protecting, enhancing or restoring wetlands and associated uplands. In Florida, the program has purchased nearly 52,000 acres of wetlands through 34 contract agreements.¹⁶

Financial payments are offered to landowners for permanent conservation easements, 30-year easements and 10-year restoration cost-share arrangements. Conservation easements are attached to the property deed, ensuring that future owners will preserve the wetlands in perpetuity. The USDA will also pay up to 100 percent of the restoration costs for permanent easements. Upon expiration of the 30-year easements, landowners are paid 75 percent of the value of the land and restoration. The 10 year agreement does not require an easement and the USDA pays up to 75 percent of the cost for restoration with no rental payment made.

In all arrangements, the landowner retains ownership and responsibility for their land, including property taxes. They have access to the land for fishing, hunting, camping or other appropriate recreational uses. They are not required to provide public access as part of the arrangements. Owners may sell or lease their land and, if sold, the agreement carries with the property. In some instances, the land may be used for agricultural purposes such as haying, grazing or harvesting.

Public benefits include water quality, increased wildlife habitat, reduced soil erosion, reduced flooding, water supply protection and archaeological preservation. As a program of the federal government, it is also dependent upon receiving annual federal appropriations.

According to the Florida Archaeological Council numerous prehistoric and historic sites are located on uplands adjacent to wetland areas. In addition some wetlands contain prehistoric cemeteries, middens, and other marginal remains. Thus, the program has the added benefit of preserving significant cultural resources as well.

A landowner may apply for this program through their local NRCS or USDA Service Center. The local office will rank applicants at various times during the year and submit them to the national office for approval. Before submittal, the NRCS will visit the site to evaluate the landowner's eligibility. The landowner will then prepare, in coordination with other agencies, a plan for restoration.

For further information on the Wetland Reserve Program: Contact your local USDA Service Center or consult the national Website at <http://www.nrcs.usda.gov>. Information is also available through the following sources:

Northwest Florida Water Management District:

<http://www.state.fl.us.nwfwmd/>

Department of Environmental Protection: <http://www.dep.state.fl.us/>

For additional information on conservation easements:

The Nature Conservancy: <http://www.tncflorida.org/>

(850) 222-0199 (Tallahassee)

Trust for Public Lands: <http://www.tpl.org.index.cfm>

(850) 222-7911 (Tallahassee)

Department of Environmental Protection: <http://www.dep.state.fl.us/>

Tall Timbers Research: <http://www.talltimbers.org/>

(850) 893-4153 (Tallahassee)

Soil and Water Conservation Service: <http://www.swcs.org/>

National Association of Water Management Districts: <http://www.nacdnet.org/>

Northwest Florida Water Management District:

<http://www.state.fl.us/nwfwmd/>

(850) 539-5999

Conservation Reserve Program

This program is administered by the United States Department of Agriculture (USDA). It was created in 1985 by the Congress as part of the Food Security Act. By 1990, the USDA had signed up farm owners, operators and tenants from throughout the country to voluntary long-term programs paying them an annual per acre rental fee for their land plus half the cost of plantings they agreed to undertake as participants in the program. The purpose of the program is to reduce soil erosion, reduce the runoff of pollutants into streams and lakes, and protect food production. The USDA cites the benefits of the program as improved water quality, increased wildlife habitat, and additional forest and wetland resources.

The USDA Service Agency — the Natural Resource Conservation Service — will work with farmers in establishing rental payments over a multi-year period of time. Payments are made to farmers to convert erodible farmland or other endangered areas by planting native grasses, legumes and other vegetation next to ponds, lakes or streams to filter runoff and pollutants.

Since its inception, the Conservation Reserve Program has proven to be one of the largest environmental improvement programs of the agency. According to the U.S. Fish and Wildlife Service, the size of the wildlife areas resulting from the program is twice the size of the National Wildlife Refuge system and all the state programs combined. They report significant increases in varied wildlife populations.

According to the NRCS, the Conservation Reserve Program has helped plant 2.5 million trees and provided vegetative cover for highly erodible and/or environmentally sensitive land. Farmers have also agreed to reduce their use of pesticides and nutrients as a result of the program.

For further information: Contact your local Farm Service Agency or check out their national Web site at <http://www.fsa.usda.gov> or NRCS/USDA at <http://www.nrcs.usda.gov>.

Other Considerations

The earlier referenced Gap report identified agriculture as the single largest land use involving clearing, draining, plowing, cultivation, and altering of wildlife habitat. Agriculture — along with roads, utilities and state agencies — is granted exemptions from Chapter 163, F.S., and Chapter 380, F.S. As such, agriculture is not bound by the same rules as other land uses. This may be the single most important reason for giving emphasis to land acquisition and conservation easements.

Because of the referenced agricultural exemptions, cultural resource surveys to identify significant sites and structures are not conducted for agricultural lands as they often are on lands slated for development. Consequently, many archaeological sites are disturbed, and some are destroyed, by unregulated agricultural practices. On the other hand, many deeply buried sites are only minimally affected by many agricultural practices and, in such cases, agriculture and archaeological preservation may be compatible. The need for economic incentives to encourage landowners to preserve archaeological and historic sites on their own continues.

Agricultural uses are also not inherently incompatible with wildlife protection. In fact, Defenders of Wildlife, a non-profit organization dedicated to the protection of wildlife, maintains that conservation efforts on many private lands have been excellent and solutions like tax breaks, conservation easements and cooperative agreements should be pursued.

Note: Cooperative agreements are arrangements made between a private landowner and governmental agency to set aside certain lands or improve the land for a specified period of time. The farmer may receive a payment as part of the agreement. This arrangement does not keep the land protected in perpetuity.

3. Forestry Programs

Several state and federal programs target the concerns of silviculture and forestry lands.

Florida Stewardship Program

The Florida Stewardship Program is aimed at achieving better management of non-industrial forest land. Landowners interested in increasing the economic and environmental health of their forest lands can seek assistance from state foresters, biologists and private consultants through this program. These experts will help the landowners develop natural resource management plans for protecting forests, conserving wildlife habitats, preventing erosion and otherwise preserving the land resources. Landowners do not have to provide public access under this program.

For information on additional resources:

Florida Department of Agriculture, Division of Forestry: <http://www.fl-ag.com/>

Department of Environmental Protection: <http://www.dep.state.fl.us/>

The Nature Conservancy: <http://www.tncflorida.org/>

Federal Programs

The U.S. Department of Agriculture's Natural Resources Program also includes several programs targeted at protecting forests that are threatened by conversion to non-forest uses and supporting good management practices on private lands.

- **Forest Legacy Program**

The Forest Legacy Program is designed to protect forest lands of national or state importance that are considered to be threatened. The Program offers conservation easements and purchases of land to accomplish these program objectives. Conservation easements are attached to the property to protect the forest in perpetuity. This program supplements state programs that are seeking to acquire donated easements or to purchase partial interests in forest lands. The purchases under this program also may allow for public access.

- **Stewardship Incentive Program**

The Stewardship Incentive Program provides technical and financial assistance for rural lands with forests or land suitable for tree growth. The purpose of the program is to encourage the establishment of more forested lands. The land may be owned by private parties, corporations or

tribes. Landowners must have a Forest Stewardship Plan and own 1,000 or fewer acres of qualifying land. There are some exceptions for larger tracts of up to 5,000 acres.

- **Forestry Incentives Program**

The Forestry Incentives Program is designed to benefit the environment while meeting future needs for timber and wood by-products. This program involves tree planting, timber stand improvement and natural regeneration. It is available only in counties designated by a Forest Service survey. The program will pay up to \$10,000 per person per year with the stipulation that no more than 65 percent of the cost of improvements may be paid. Last year, 733 Florida landowners applied under this program and nearly \$1.2 million of program funds were obligated for some 400 tracts of land. Landowners can check with their local USDA office, State Forester, Conservation District, or Cooperative Extension Office to identify designated counties and to find out if they qualify under the program.

For more information on these programs, contact the U.S. Forest Service, Farm Service Agency, Cooperative Extension Office or Timothy P. Hafner, Water Quality Specialist with the USDA at (352)-338-9516. Also see the Website at <http://www.nrcs.usda.gov> .

4. Wildlife Habitat Incentives Program

The federal Wildlife Habitat Incentives Program is administered by the Natural Resource Conservation Program, U.S. Department of Agriculture. The purpose of the program is to develop habitat for fish and wildlife on private lands. The program also has the benefit of increasing water supply and water quality, as well as preventing land degradation.

The USDA offers a 5-10 year cost-share agreement and participating landowners must agree to implement a wildlife habitat development plan. The USDA provides technical assistance and will pay up to 75% of the cost of installing the wildlife habitat practices. In 1998, 4,600 long-term contracts were entered into involving 672,000 acres nationally at an average of \$4,600 per contract.

Authority for the program is based on the final rule for the Wildlife Habitat Program published in the Federal Register, September 19, 1997. This is also a program under the 1996 Farm Bill Conservation Act.

For additional information or resource questions:

U.S. Fish and Wildlife Service: <http://fws.gov/>

Florida Fish and Wildlife Commission: <http://www.floridaconservation.org/>

Defenders of Wildlife: <http://www.defenders.org>

5. Emergency Conservation and Watershed Protection Programs

The Emergency Conservation Program of the USDA provides financial assistance to farmers and ranchers for the restoration of their land on which farm or ranch operations are impeded by natural disasters. Such assistance also is extended to farmers during periods when water conservation measures are needed. Funds may be used for restoring fences, terraces, irrigation systems and conservation installations damaged during a disaster. This program also could be used to help fund stabilization efforts to avoid erosion of archaeological sites located along river and stream banks or in coastal areas.

Another program of the USDA is the Emergency Watershed Protection Program, which is designed to reduce threats to life and property in the wake of a natural disaster. This program provides technical and cost-sharing assistance. It covers help for developing vegetative cover, gully control, removing debris and sediment, and stabilizing levees, channels and gullies. Other assistance is offered for flood plain easements and protection of homes, businesses, highways and public facilities.

In non-emergency situations, the Small Watershed Program, also a part of USDA, works through local government sponsors who help interested persons solve economic problems associated with watershed protection, flood prevention, erosion and sediment control, water supply, water quality, fish and wildlife enhancement, wetland creation or restoration, and public recreation in watersheds of 250,000 or fewer acres. The program provides both technical and financial assistance.

For more information: contact the Farm Service Agency in your area or check out the following information sources:

Northwest Florida Water Management District: <http://www.state.fl.us/nwfwmd/>
(850) 539-5999

Department of Environmental Protection: <http://www.dep.state.fl.us/>

The Nature Conservancy: <http://www.tncflorida.org/>
(850) 222-0199

Cultural and Historic Resources

Many of the programs discussed in this section also have cultural resource implications. Chapter 267, F.S., the state's primary law related to the protection of cultural resources, requires all state agencies of the Executive Branch to

consider the effects of any state-assisted (i.e., state performed, funded, or permitted) undertaking on significant cultural resources and, if such effects are adverse, then the agencies must demonstrate that there is no prudent or feasible alternative to impacting these resources. The law also vests ownership of archaeological sites and historic properties on state lands (including sovereign submerged lands) with the Florida Department of State's Division of Historical Resources. Chapter 267 gives the Division the authority to provide grants to: survey lands for cultural resources, restore historic buildings, stabilize archaeological sites, develop heritage-based tourism programs and provide educational programs. Designation of Historic Markers in Florida, under Chapter 267, is open to historic properties, individuals, events, and other concerns significant in Florida or American history, architecture, archaeology, or culture.

Section 253.027, F.S., provides for state acquisition of archaeological sites meeting certain criteria of endangerment and significance. One of Florida's strongest archaeological protection laws is Chapter 872, F.S., Offenses Concerning Dead Bodies and Graves. Under its provisions all human remains are accorded equal protection, and a person who willfully and knowingly disturbs the contents of a tomb or grave commits a felony of the second degree. This law applies not only to historical burial sites, but also to Native American cemeteries and burial mounds.

The Department of State's Bureau of Archaeological Research has devoted considerable attention to encouraging the protection and management of archaeological sites on private lands. With support from the Florida Coastal Management Program, a series of pamphlets and brochures has been produced to introduce archaeological stewardship to private land owners as well as public land managers. One example is "Best Management Practices: An Owner's Guide to Protecting Archaeological Sites." These documents are available from the Florida Division of Historical Resources, Bureau of Archaeological Research, R.A. Gray Building, 500 S. Bronough St., Tallahassee, FL 32399-0250. The Bureau may be reached by phone at: (850) 245-6444.

B. PLANNING STRATEGIES

Planning policies and practices have a substantial impact on land use for the near and long term. Highlights relevant to Florida's rural areas appear in this section. In addition, the Florida Legislature conducted a survey of county governments (in March, 2001) regarding their planning practices for rural and agricultural lands. The results are available online at <http://www.onlinesunshine.com> (see section on Legislative Committee on Intergovernmental Relations).

1. Florida's Planning Framework

Planning decisions, policies and approaches at the state, regional and local levels all affect Florida's rural areas. At the state level, the Florida Department of Community Affairs has lead responsibility for planning matters, including implementation of the Growth Management Act adopted by the Legislature in 1985. Responsibility for the State Plan rests with the Governor's Office along with other broad duties in planning and growth management. Eleven Regional Planning Councils develop Strategic Regional Policy Plans, review areawide developments and serve defined regions statewide with planning and technical assistance. Local governments develop and implement local comprehensive plans (pursuant to the Growth Management Act) and local land use regulations. These are among the functions and entities involved with planning for Florida's future.

State Comprehensive Plan

The State Plan is set forth in Chapter 187, Florida Statutes, and includes twenty-five state-level goals plus corresponding policies. It establishes the goal to protect and acquire unique natural habitats and ecological systems, such as wetlands, tropical hardwood hammocks, palm hammocks and virgin longleaf pine forests, and to restore degraded natural systems to a functional condition. Also included is the goal to maintain and strive to expand food, agriculture, ornamental, horticulture, agriculture, forestry, and related industries in order to compete in the national and international marketplace. In addition, it recognizes and supports policies that promote tourism to further support efforts by all areas of the state wishing to develop or expand tourist-related economies.

State / Regional Policies

Chapter 186, F.S., calls for promoting land acquisition programs to provide for natural resource protection, open space needs, urban recreational opportunities and water access. It also provides for coordinated state planning of road, rail, and waterborne transportation facilities and is designed to take the needs of agriculture into consideration.

Regional Planning Councils (RPCs) are authorized under S. 186.507, F.S., to review Developments of Regional Impact (DRIs). The purpose of the DRI program is to address and mitigate areawide impacts of development (those that extend beyond a given local government's jurisdiction) and foster intergovernmental coordination (Chapter 380, F.S.). The review of wildlife and plant resources is codified in Administrative Rule 9J-2.041, as carried out by the DCA.

Local Planning & Zoning

Every county and municipal government in Florida has developed a local comprehensive plan as called for by Chapter 163, F.S. The law requires each such plan to have a future land use element and corresponding map, a conservation element for the conservation and protection of natural resources and a number of other plan elements to help direct land use and growth. The local government comprehensive plans are independently enforceable. Once a local plan is enacted, every development order must be consistent with it (S. 163.3194(1)(a), F.S.).

Comprehensive plans can be used to effectively guide what happens in agricultural areas and other aspects of the rural landscape. They have been used to identify and protect important plant and animal habitats, as well as key agricultural areas. Every county is concerned about having adequate resources to address its infrastructure needs and each must balance the need for land use with the availability of services, both critical aspects of the planning process. Counties can, and some do, work in partnership with municipalities and school boards to set priorities and provide a clear direction for both private and public investment. Comprehensive planning can accomplish even more in conjunction with other tools like conservation easements and Transfer of Development Rights.

In the past, Florida has used zoning to maintain historically lower densities on rural lands in order to protect wildlife habitat and agricultural land. Since the enactment of the Bert J. Harris Private Property Rights Act (S. 70.001, F.S.), and the threat of private property lawsuits, local governments have been much more sensitive about using zoning changes of this type as a means of protecting land. Concerns about property rights have sparked controversy in some areas of the state where differences have occurred over what constitutes appropriate and permissible land uses and protections. Safeguarding property rights is a fundamental American tenet. As population growth occurs, related issues and determinations have become more complex, as the actions of one tend more often to affect others and impacts on neighbors and communities come into play.

Today, some counties are looking for innovative planning measures to encourage cluster development and avoid the proliferation of “five-acre ranchettes across the rural landscape.” Clustered development approaches can be used to facilitate the location of homes and associated buildings on specific portions of a geographic area or site, while leaving the remaining land for agricultural use, natural resource protection or open space. Resource planning must occur early in the process to avoid sprawl and unintended inefficiencies in resource use. Okaloosa County, as one example, will allow certain building densities within cluster developments while controlling the number of rural acres being developed.

Comprehensive plans that include provisions for clustered housing or urban villages must be sensitive to rural community needs, including land use and preservation. Such plans address future projected needs for road expansions, water, and sewer systems, all of which can measurably affect the rural landscape and lifestyle. If, for example, the county or state expands road facilities to accommodate development in rural areas, these expanded roads may create problems for tractors and farm equipment moving from one field to another due to increased traffic, thereby impacting agricultural productivity. Road expansions may pave over productive agricultural land, resulting in even broader effects. Costs to the farmer become an issue where water and sewer interceptors cross farmlands to reach clustered housing developments and urban villages. Typically costs associated with interceptors are borne by the landowners who may not be hooked up to the water and sewer system. As a result, farmers may be forced to incur a financial burden which could ultimately contribute to further conversions of agricultural lands to other uses. Best planning practices should be employed to help address such concerns.

Information on such approaches is available to assist rural communities. For instance, timely resource documents are available through the American Planning Association. The APA sponsors a Small Town and Rural Planning Division along with a newsletter specific to these issues. As cited below, it also features a Planners Advisory Service, including published reports on related topics. The APA adopted a Policy Guide on Agricultural Land Preservation, including background / findings and policy positions. A pertinent sample from the Planning Commissioners Journal, Planners Web (www.plannersweb.com), is entitled "Open Space" Zoning: What It Is and Why It Works, by Randall Arendt. The article includes discussion of the Advantages of Open Space Development and Cluster Design.

Another excellent information source is Tall Timbers Research, Inc., a non-profit organization specializing in ecological research, resource management, conservation and education. Their Web site has valuable information on conservation easements, the role of non-profit land trusts, and other related topics.

For more information, contact the following agencies or organizations:

1000 Friends of Florida: <http://www.1000friendsofflorida.org/>
(850) 222-6277 (Tallahassee)

American Planning Association: <http://www.planning.org>
(202) 872-0611 (Washington, D.C.)

Planners Advisory Service, APA: <http://www.planning.org/pas/pas/html>

Florida Chapter of American Planning Association:
<http://www.floridaplanning.org/>

(850) 222-0808 (Tallahassee)

Department of Community Affairs: <http://dca.state.fl.us/>

Bureau of Local Planning

(850) 487-4545 (Tallahassee)

Florida Association of Counties: <http://www.fl-counties.com/>

links to every county, (850) 922-4300 (Tallahassee)

2. Transfer of Development Rights

Landowners, by law, have certain rights that are associated with their land. For example, a person has development rights, mineral rights, fishing and hunting rights. These rights can be sold in total or conveyed in part to someone else. Farmland protection may be achieved by conveying a portion of a development property right, while retaining others, through a process called the Transfer of Development Rights (TDR). For example, a farmer can sell the right to develop his land to a developer. The developer then is authorized to transfer the development rights to another more suitable property closer to county and municipal services. Usually the newly purchased development rights allow the developer to increase developable density in an area more suitable for such development. The person farming the original land is paid a sum of money for their development rights, thereby foregoing the ability to develop their land in the future. The county and community benefit because the program prevents sprawl and it avoids the requirement for costly infrastructure and public service extensions in the rural area. The developer benefits by getting increases in developable density within the defined receiving area. Receiving areas are made more marketable by offering urban services.

TDRs tend to work better when large tracts of agricultural lands are available and farmers are willing to sell their development rights. Equally important, the receiving area must be a place where developers can build and attract potential homebuyers. Residents of these areas must also be willing to accept the increased densities.

For the TDR approach to work effectively, it must also be coupled with appropriate zoning. For instance, if too much density is allowed in counties as a whole, it diminishes the value and impact of the TDR program.

According to the American Farmland Trust, since 1980, Montgomery County, Maryland has protected 40,583 acres using a TDR program, or 60% of the national total. They report that:

The Montgomery County Planning Board “submitted the Functional Master Plan for the *Preservation of Agricultural & Rural Open Space*, which the Council approved in 1980. The master plan designated this upper one-third of the county as the Agricultural Reserve and rezoned it from the "Rural Zone" to the "Rural Density Transfer (RDT) Zone." In the RDT zone, development is limited to one dwelling per 25 acres.

By this action, the county protects the approximately 90,000 acres of farmland in the Agricultural Reserve. However, the county also wants the farmers to benefit. Consequently, the RDT zone allows owners to sell the development rights from their properties, at a rate of one development right per five acres, to buyers who can apply those rights in areas of the county identified for development.

The results are clear. Fly over the Washington region and you will see a sea of development with an island of green space – the Agricultural Reserve. This is important to maintaining our quality of life.

For further information, consult their Webpage at: <http://www.co.mo.md.us/council/news2001/0618agripres.html>.

As a Florida example, Palm Beach County established a TDR program in 1992 to help preserve agricultural lands. 1000 Friends of Florida has assisted the county with its mandatory TDR program, as contained in the local comprehensive plan. Under the program, to increase density in urbanized areas, developers will “buy” development rights from environmentally sensitive land and farmlands in the Agricultural Reserve, thereby precluding its future intensive development. The TDR program can reduce costs to developers in certain instances, allowing them to obtain density increases without having to seek an amendment to the comprehensive plan.

According to the American Farmland Trust, TDR programs can be complex and require planning staff time and resources to properly develop. Public education is an important element to ensuring their success. Support for a TDR program from the residents in the receiving and sending areas is essential if a market is going to work. Finally, the private market will ultimately determine the speed and success of the program by creating the demand for credits.

3. Rural Land Stewardship Areas

In 1995, the Legislature created a section of state law dealing with “innovative planning and development strategies” (S. 163.3177, F.S.). That law was expanded in the 2001 Legislative Session to provide for the designation of Rural Land Stewardship Areas. Under this program, the Florida Department of Community Affairs is authorized to test a new concept involving clustering

development in rural areas and using the purchase of development and density rights to preserve the land around the development. The method referred to in the legislation involves the use of *transferable rural land use credits*. These credits can only exist inside a designated Rural Land Stewardship Area.

A local government may apply to the Department of Community Affairs for the establishment of Rural Land Stewardship Areas. Five such areas are authorized to be designated under this pilot program. Those approved will be subject to a joint agreement between the DCA and the local government. According to the law, a stewardship area shall not be less than 50,000 acres and shall not exceed 250,000 acres in size. Designation of the receiving areas will take place by way of Local Comprehensive Plan amendments which will also be reviewed by the Department of Community Affairs.

Transferable rural land use credits may be assigned different ratios of credits per acre, with the highest number of credits being given to preserve environmentally valuable land. Each receiving area will buy credits from the designated preservation areas. If the price is too high for the credits, then developers may be reluctant to buy them. Developers will also need to sell the property in the receiving area in order to justify buying more credits.

Agencies are being asked to encourage land stewardship agreements by offering incentives, such as landowners being allowed to accumulate extended permit agreements, recreational leases, payment for land management services on public land and options to sell land to the government if certain conservation objectives are achieved.

One of the stated purposes of this legislation is to acknowledge the problem inherent with scattered development by attempting to use both innovative planning tools and transferable development rights to stop sprawl or spot development. The pilot is further aimed at exploring the potential for protecting environmentally sensitive lands and better preserving agricultural areas through this approach. The market will in large measure determine how successful it may be from a land preservation standpoint.

Among the unknowns of this new concept is what effect existing federal or state land conservation programs will have on the stewardship areas. No county has requested such a designation at this time.

C. ECONOMIC DEVELOPMENT TOOLS

Many rural areas have faced difficulties in maintaining viable local economies. Examples of tools and opportunities for achieving economic development for rural Florida are provided in this section. A comprehensive review of state

statutes and programs affecting rural areas is provided in the earlier referenced legislative report on Development of a State Rural Policy.¹⁷

Nature/Heritage Tourism

The 1999 Legislature created Visit Florida as a program of the Florida Commission on Tourism. The purpose of this program includes promoting natural, coastal, historical and cultural tourism assets of the state. Nature-based tourism offers land owners another method of generating revenues from their land. It also creates an incentive for farmers to retain certain habitats in their natural condition; for instance, preserving upland forests and cypress wetlands for nature-based tourism rather than clear-cutting or neglecting a pristine swamp. As part of its charge, Visit Florida is assigned a responsibility to promote travel experiences to nature-based and heritage-based sites.

Visit Florida published a May 1999 survey that contained the following conclusions:

- Florida is an extremely popular state for planned nature-based activities compared to other states.
- Two out of three (64%) Americans who vacationed in Florida included nature-based activities. This is much higher than the incidence level for other vacation areas outside of Florida.
- The most important nature-based tourism draws to the state by those who participated were: Visiting Parks 61%, Exploring a Preserved Area 52%, Wildlife Viewing (non-bird) 48%, Hiking 37%, Nature Trails in Ecosystems 31%, Explored Major Protected Swamp 23%, Unique Natural Places 23%, Biking 22%, Environmental Education 20%, and Bird Watching 20%.
- Exploring a preserved area and exploring a major protected swamp are the two standout nature activities that nature vacationers are more likely to do in Florida compared to other states.¹⁸

Coupled with the fact that tourism also pays higher wages than other rural businesses, nature-based tourism and heritage-based tourism can significantly help local economies, adding to the value of land in the process. Although not applicable for every farmer, eco-tourism is a significant economic tool for rural communities, while keeping the land in a more natural state.

Main Street Program

Florida Main Street is a technical assistance program of the Florida Department of State geared to promoting the revitalization of historic downtown commercial centers in small towns across Florida. It follows the model developed by the National Trust for Historic Preservation in 1985. The benefits to farmers and ranchers is that a renewed downtown attracts new industry, businesses and

service and retail job markets thus creating more opportunities for farmers to market local produce. Florida Main Street preserves an important part of the community heritage while fostering local economic development. The program helps stabilize and improve the tax base and protects downtown infrastructure rather than promoting sprawl. In 1998, there were 70 Florida Main Street Programs in 32 counties. In North Florida there are programs in Marianna, Crestview, Milton, and Panama City.

Other Rural Assistance

- **Rural Economic Development Initiative (REDI).** Is a program within the Governor's Office of Tourism, Trade and Economic Development (OTTED). Among the responsibilities assigned under REDI (pursuant to S. 288.0656, F.S.) are coordinating and focusing the efforts and resources of state and regional agencies on the fiscal, economic and social viability of Florida's economically distressed rural communities, working with local governments, community-based organizations, and private organizations that have an interest in the growth and development of these communities to find ways to balance environmental and growth management issues with local needs.
- **Rural Community Development Revolving Loan Fund.** Establishes a program within OTTED to provide local governments with financial assistance to support and promote the economic bases of rural communities.
- **Florida Rural Economic Development Strategy Grants.** Defines "rural community" for these purposes, authorizes OTTED to provide grants to assist rural communities to develop and implement strategic economic development plans, and assigns certain responsibilities to Enterprise Florida, Inc. and VISIT Florida.
- **Regional Rural Development Grants Program.** Provides for OTTED to establish a matching grant program to provide funding to regionally based economic development organizations representing rural counties and communities for the purpose of building the professional capacity of their organizations.
- **Rural Infrastructure Fund.** In 1999, the Florida Legislature created the Rural Infrastructure Fund. (S. 288.00655, F.S.) The program provides statutory authority for grants that can be matched with federal funds for the purpose of building infrastructure in rural areas. The program is administered by OTTED. It is funded at a level of \$4 million for fiscal year 2001-2002. Three communities have been selected for funding thus far. The City of Chipley received a \$56,236 grant through the program this year to expand its water and sewer lines. Applications for funding may be submitted to Enterprise Florida, Inc. Contact Dee Poka at (850) 922-8748 (Tallahassee) or DPoka@floridabusiness.com.
- **Agricultural Economic Development Program.** Program within the Department of Agriculture and Consumer Services to promote and coordinate

efficient and beneficial agricultural economic development within agriculturally depressed areas of the state. Responsibilities include facilitating economic growth through the development of new agribusinesses such as value-added enterprises using raw materials produced in the state, providing technical assistance, reviewing business plans, coordinating with other state agencies on agriculture programs, administering program funds, and identifying and secure additional funding where available.

For more information, contact:

Office of Tourism, Trade & Economic Development, (850) 487-2568

Enterprise Florida, Inc., (850) 488-6300

Florida Economic Development Councils Association, (850) 222-3000

Visit Florida, (850) 488-5607

Florida Property Appraisers Association, (850) 681-2770

Division of Historic Preservation in the Florida Department of State, (850) 487-2333 or http://dhr.dos.state.fl.us/bhp/main_st/index.cfm

A collaborative planning initiative was undertaken in Florida in 2001 to focus on the management of small rural holdings from a joint environmental-economic perspective. A Small Farm Source Book was published and further information is available through the University of Florida. The ultimate goals of the project, and related future research, are to assist small farmers to improve production and marketing of traditional and alternative agricultural and rural commodities, to improve awareness and communication between the concerned groups, and to generate greater choices for consumers.¹⁹

D. TAX POLICY

Whether at the state, federal or local levels, tax structure has a significant effect on local economies. Tax collections pay for government programs and services. Incentives are used for achieving targeted goals such as supporting a particular industry or encouraging a certain societal outcome. Tax policy is also used to create disincentives to unwanted conduct and outcomes. Examples of tax policies relevant to rural Florida follow.

Differential Assessment

This tax program allows farmers to be assessed at their agricultural value rather than at true market value. Farmers pay less taxes than other property owners. This common method of tax relief, in Florida and nationwide, is also known as current use assessment, current use valuation, farm use valuation, or use assessment. Since rural farm lands require less government services and farmers typically pay more in taxes than they receive in services, this form of tax

relief is a way to make up for the inequity. Every state except Michigan uses some form of this tax policy.

Enterprise Zones

The Legislature has established areas of specific communities, called Enterprise Zones*, whereby the State wants to encourage economic growth through various tax incentives. Any business within an enterprise zone which employs one or more employees is eligible for a tax credit against the sales, rental or storage use taxes (s. 212.096, F.S.). Florida has also established a “Rural Job Tax Credit Program” that provides tax credits to new businesses or businesses which are expanding within an enterprise zone (s. 212.098 (1) and (2)c. F.S.).

Florida has created additional state tax incentives for businesses in enterprise zones: the enterprise zone job tax credit (corporate income tax) which allows businesses in enterprise zones to take an income tax credit against new employees who are also residents of enterprise zones (s.220.181, F.S.); the enterprise zone property tax credit (corporate income tax) which allows a new or expanded business in an enterprise zone to take a credit on its corporate income tax equal to 96 percent of ad valorem taxes paid on new or improved property (s.220.182, F.S.); and a business located in an enterprise zone can also take sales tax exemptions for the purchase of business equipment, as well as deductions on telecommunication company tariff rates (s.366.02 (1) and s.364.01(7), F.S.).

State Targeted Businesses

A tax refund program is created under s. 288.106(2)(k)(r),(t), and (4)(b)1, F.S., for qualified targeted industry businesses. The statute defines a “local financial support exemption option” as the option to exercise an exemption from the local financial support requirement available to any applicant whose project is located in a county designated by REDI. An exemption from meeting certain wage levels is provided if the business is located in a rural city or county (or enterprise zone) and only when the merits of the individual project or circumstance of the community warrant such action.

Small County Surtax

*Note: State law provides that an area designated as a rural empowerment zone or rural enterprise community pursuant to federal law (Title XIII of the U.S. Omnibus Budget Reconciliation Act of 1993) shall be designated a state enterprise zone by OTTED upon completion of the strategic plan and creation of an enterprise zone development agency pursuant to s. 290.0056. All areas designated as enterprise zones must be categorized by population.

The surtax allows small counties to levy sales taxes to help pay for indigent health care. Improved health care means better services for farm employees. Florida's Small County Surtax authorizes the governing authority in each county with a population of 50,000 or less to levy a discretionary sales tax surcharge of .05 or 1 percent. The small counties, pursuant to an extraordinary vote, are also authorized to pass a tax of .05 percent for the purpose of indigent health care (s. 212.055 (3) (6), F.S.). These funds can help small counties improve services to rural residents.

Inheritance Tax

For years, farmers and ranchers have had to sell off the family farms and ranches to pay for estate taxes. Last year the Economic Growth and Tax Relief Reconciliation Act of 2001 was passed by the Congress. It was signed into law and contains several provisions of interest to farmers and ranchers. Some of those provisions include an increase in the estate tax exclusion beginning with \$800,000 this year going up to \$3.5 million in 2009. The Act repeals the Estate Tax in 2010. In addition, it provides for the removal of geographic limitations for donated conservation easements eligible for estate tax benefits. For 2001 tax returns, exemptions are allowed of \$400,000 for conservation easements.

Proper estate planning can help farmers and ranchers maximize these new tax benefits as well as properly transfer ownership and management of the operation and land. Many of these recent changes will benefit family farms; however, farmers and ranchers should check with their accountants or tax advisors concerning these changes and issues involving farm transfer and estate planning. The Act also contains a sunset provision, which means that after the year 2010 the law will expire unless otherwise reenacted. For more information, contact you local Internal Revenue Service office or go to www.irs.gov. Select the IRS publication Form 706.

CONCLUSION

The needs of rural Florida are many and varied. The growth that Florida is experiencing poses both challenges and opportunities of significant proportions. Timely action is needed to ensure that rural interests are protected, in the overall interest of rural residents, local economies and the state as a whole. Coordination and collaboration by stakeholders at all levels can help facilitate the sharing of support resources and strategies, while better defining and, ultimately, achieving individual and community outcomes. Following are a series of questions to assist in a continuing dialogue toward this end:

- Can conservationists, farmers, public officials, planners, developers and land trust representatives reach a consensus on criteria for identifying and protecting strategic natural areas within farmland, rangeland, and forests?

- How could Florida take more steps to protect important farmland, grazing lands, and forests?
- Is a county or statewide inventory and tracking system needed for strategic farmland to drive policy and programs? Should a land inventory and analysis of development trends in each county be conducted? Should full cost accounting or fiscal impact analysis be utilized to merge natural resource information with projections of future development and the fiscal consequences? Will an analysis aid in a us better understanding of how to use Florida's land resources more efficiently? Is it particularly important to focus on rapidly growing counties since counties with the most rapid increase in population use the most land, or should the focus be on the most strategic natural resource areas in less populated areas?
- Is better enforcement needed of the State Comprehensive Plan? Are state policies needed to assist counties in Comprehensive Plan changes that specifically address both natural areas and farmland?
- Should the State provide technical and financial assistance to local communities in important farming and ranching areas? Should this include funding the Rural and Family Protection Act to purchase lands for agricultural conservation?
- Should the State take a more active role in helping counties use conservation easements or take better advantage of the federal, state, county, or private partnership opportunities? Should the State be further helping communities with TDR programs? How can land trusts be supported in spreading the word on voluntary easements and tax benefits?
- Should research and analysis be done in each community to assess the tax consequences of promoting a differential tax relief for farmers or ranchers who keep natural resource areas maintained and protected? If so, should a more incentive-based tax structure be sought that includes differential tax relief as well as sales tax incentives for equipment used to manage conservation areas?
- Should a policy "audit" analysis be undertaken of the adequacy of existing policies and zoning that are meant to protect strategic farmland and recommend policy improvements, if needed?
- Is more funding needed for the Rural Infrastructure Fund and rural enterprise zones? If so, how much and what are the funding priorities?
- How active should the State be in helping small farmers improve profitability through direct marketing, u-pick operations, roadside stands, value added products, organic farming, or other global marketing strategies?
- Should greater support be provided for agricultural tourism, heritage tourism, and nature-based tourism?

THESE ARE SOME OF THE QUESTIONS WORTH ADDRESSING AS PART OF A REVIEW OF RURAL CONCERNS AND ISSUES. INPUT IS WELCOME AND ENCOURAGED ON OTHERS AND ON FURTHER TOPICS OR INFORMATION FOR PURPOSES OF FUTURE EDITIONS OF THIS WHITE PAPER.