

Council Bill 60-2026 Fiscal Analysis

Introduced: October 5, 2026

Fiscal Manager: Yusef Ibrahim

Legislative Intent: Council Bill 60-2026 approves a multi-year Installment Purchase Agreement (IPA) for the County to acquire an agricultural preservation easement on approximately 62.98 acres at 2698 Jennings Chapel Road in Woodbine.

ANALYSIS

Fiscal Impact:

The fiscal impact of this legislation is approximately \$2,767,781 in expenditures from the County's Agricultural Land Preservation Program Fund (the Fund) over the next 15 years. The cost and payment structure of the IPA are as follows:

IPA Component	\$ Amount
Purchase price (62.98 acres × \$37,520/acre) ¹	\$2,363,100
Down payment at settlement (10%)	\$236,310
Deferred balance	\$2,126,790
Annual principal installments (15)	\$141,786
Interest rate	2.5%
Total cost (price plus interest)	\$2,767,781

The easement price is set by the Agricultural Land Preservation Program's Price Formula Worksheet, which scores the property in points rather than appraising it. This property's score is 938 points (900 base points, 10 points for relinquishing one tenant house right, and 28 points awarded by the Agricultural Preservation Board). At \$40 per point, the price is \$37,520 per acre, which is below the \$40,000 per acre maximum.

The Fund is financed by the portion of the local Transfer Tax dedicated to the Agricultural Land Preservation Program (20% of the 1.25% Transfer Tax). The Transfer Tax rate equals 1.25% of the value of property that is being sold in the County. According to the Administration, the pre-audited Transfer Tax revenue for FY 2026 was approximately \$9 million, and \$7.8 million is projected for FY 2027. The Fund's current Cash Flow Analysis (Attachment B) includes the Jennings Chapel Road IPA and projects an ending balance of \$16.8 million at the end of FY 2026.

¹ See Attachment A for the property's Price Formula Worksheet

In addition, an Agricultural Property Tax Credit is available to owners of land under a permanent agricultural preservation easement. The credit equals 75 percent of the County Property Tax on the land covered by the easement. According to the Administration, the current assessed value of the subject property is \$380,000 and the estimated annual credit is \$2,975. The credit reduces County Property Tax revenue.

Budget Implications:

According to the amortization schedule attached to the Administration's testimony (Attachment C), settlement is estimated for January 5, 2027, in FY 2027, when the \$236,310 down payment is due. Principal installments are paid each August 15 from FY 2028 through FY 2042. Interest is paid semi-annually, each February 15 and August 15. Annual debt service begins at \$199,091 in FY 2028 and declines to \$143,558 in FY 2042.

Other Notes:

None



Howard County Agricultural Land Preservation Program

2024 PRICE FORMULA WORKSHEET

Owner Eugene Freeze Tax Map 13 Parcel(s) 303, Lots 3 &9
Farm Address 2698 Jennings Chapel Rd Acres 62.98

POINTS

- 1. Parcel Size Relative to Average Acreage of Remaining Uncommitted Land (40 acres)** **Maximum 150 points** 150
- | | | |
|------------------------|-----------------|------------|
| 40 acres or more | <u>63.4</u> | 150 points |
| 35 acres to 39.9 acres | <u> </u> | 125 points |
| 30 acres to 34.9 acres | <u> </u> | 100 points |
| 25 acres to 29.9 acres | <u> </u> | 75 points |
| 20 acres to 24.9 acres | <u> </u> | 50 points |
- 2. Soil Capability – Percentage of Class I, II and III Soils Relative to Property Total** **Maximum 150 points** 150
- | | | |
|--|-----------------|------------|
| 90% or greater Class I, II and III Soils | <u>99%</u> | 150 points |
| 80% to 89% Class I, II and III Soils | <u> </u> | 125 points |
| 70% to 79% Class I, II and III Soils | <u> </u> | 100 points |
| 60% to 69% Class I, II and III Soils | <u> </u> | 75 points |
| Less than 60% Class I, II and III Soils | <u> </u> | 50 points |
- 3. Soil Productivity as Measured by Land Evaluation Score** **Maximum 150 points** 150
- | | | |
|-------------------------------------|-----------------|------------|
| 90 or greater Land Evaluation Score | <u>91</u> | 150 points |
| 80-89 Land Evaluation Score | <u> </u> | 125 points |
| 70-79 Land Evaluation Score | <u> </u> | 100 points |
| 60-69 Land Evaluation Score | <u> </u> | 75 points |
| Less than 60 Land Evaluation Score | <u> </u> | 50 points |
- 4. Adjacency to Preserved Land** **Maximum 125 points** 100
- | | | |
|--|-----------------|------------|
| 75 to 100% perimeter adjacent to preserved land | <u> </u> | 125 points |
| 50 to 74% perimeter adjacent to preserved land | <u>53%</u> | 100 points |
| 25 to 49% perimeter adjacent to preserved land | <u> </u> | 75 points |
| Less than 25% perimeter adjacent to preserved land | <u> </u> | 50 points |
- 5. Concentration of Preserved Lands** **Maximum 125 points** 125
- | | | |
|---|-----------------|------------|
| More than 600 acres of preserved land within 3/4 mile | <u>1400</u> | 125 points |
| 400-599 acres of preserved land within 3/4 mile | <u> </u> | 100 points |
| 200-399 acres of preserved land within 3/4 mile | <u> </u> | 75 points |
| Less than 200 acres of preserved land within 3/4 mile | <u> </u> | 50 points |
- 6. Current Land Use** **Maximum 150 points** 75
- | | | |
|--|-----------------|------------|
| 90% or greater of property in agricultural use | <u> </u> | 150 points |
| 80% to 89% of property in agricultural use | <u> </u> | 125 points |
| 70% to 79% of property in agricultural use | <u> </u> | 100 points |
| 60% to 69% of property in agricultural use | <u>67%</u> | 75 points |
| Less than 60% of property in agricultural use | <u> </u> | 50 points |
- 7. Soil Conservation and Water Quality Plan (SCWQP)/Best Management Practices (BMPs)** **Maximum 100 points** 100
- | | | |
|--|-----------------|------------|
| Longstanding landowner relationship with SCD, and SCWQP on the property is predominantly implemented with no major resource concerns | <u>X</u> | 100 points |
| Landowner has relationship with SCD and has made considerable efforts to implement SCWQP on this property or another property, or landowner has implemented considerable BMPs on their own | <u> </u> | 75 points |
| New relationship with SCD and has made efforts to implement SCWQP on this property or another property, or landowner has implemented BMPs on their own | <u> </u> | 50 points |
| New SCWQP with no conservation or BMP activity | <u> </u> | 0 points |

POINTS

8. Ownership and Operation

Owner operated	<u> X </u>
Non-owner operated	<u> </u>
No current operation	<u> </u>

Maximum 50 points50

50 points
25 points
0 points

SUBTOTAL POINTS**Maximum 1000 points**900**PRELIMINARY PRICE CALCULATION - Maximum \$40,000 per acre**

900 points x \$40/point = \$36,000

Additional Points - Maximum 100 points**1. Relinquishment of Tenant House Rights, if applicable****Maximum 50 points**10

2 Number of tenant houses allowed by right at 1 per 25 acres
1 Tenant house rights relinquished x 10 points per house

2. Optional APB Points**Maximum +/- 50 points**28

See separate scoring sheet - points may be added or subtracted

TOTAL POINTS**Maximum 1000 points**938**FINAL PRICE CALCULATION - Maximum \$40,000 per acre**

938 points x \$40/point = \$37,520

TOTAL PRICE OFFER

62.98 acres x \$37,520 per acre =

\$2,363,010

Howard County Maryland															
Agricultural Land Preservation Program (Fund 2025)															
Cash Flow Analysis (10% Down, 2.5% Interest, 15-years)															
Revenues (Fund 2020)						Expenses									
		Acct 485200		Acct 401550	Acct 409930		Existing Debt Service					Cost of			
	Beginning	Interest on Cash	Acct 432490	State Ag	Transfer Tax							Zero Coupon	Admin		
Fiscal	Fund	Balance Only +	& 489900	Transfer	Receipts	Total	Through	Treasury Strip		Projected	NET DEBT	Bonds or Cash	Costs	Total	Ending
Year	Balance	0.05%	Miscellaneous	Tax		Revenues	Batch 22	Income	Net	Enrollments ⁽²⁾	SERVICE	or 5% Down ⁽¹⁾	Expenses		Balance
2021*	11,644,190	26,342	97,698	223,293	11,129,962	11,477,295	21,292,147	(14,481,000)	6,811,147		6,811,147	50,580	1,400,601	8,262,328	14,859,157
2022*	14,859,157	(69,240)	26,620	48,591	12,678,631	12,684,602	9,509,764	(3,695,000)	5,814,764		5,814,764	371,055	2,143,795	8,329,614	19,214,145
2023*	19,214,145	471,455	611	73,575	8,398,087	8,943,728	5,940,250	5,940,250	5,940,250		5,940,250	39,525	2,315,888	8,295,663	19,862,209
2024*	19,862,209	1,333,409	730	20,678	7,713,451	9,068,268	16,131,310	(10,250,000)	5,881,310		5,881,310	219,160	2,637,566	8,738,036	20,192,441
2025	20,192,441	1,005,935	13,040	52,719	8,335,195	9,406,888	5,253,493	(20,000)	5,233,493		5,233,493	290,540	4,998,859	10,522,892	19,076,438
2026	19,076,438	9,538		20,000	7,800,000	7,829,538	5,951,949	(581,000)	5,370,949		5,370,949	230,440	4,500,000	10,101,389	16,804,587
2027	16,804,587	8,402		100,000	7,800,000	7,908,402	10,507,981	(5,245,000)	5,262,981		5,262,981	1,464,300	4,785,000	11,512,281	13,200,708
2028	13,200,708	6,600		100,000	8,000,000	8,106,600	7,140,404	(2,158,000)	4,982,404	1,029,586	6,011,990		5,048,175	11,060,165	10,247,144
2029	10,247,144	5,124		100,000	8,300,000	8,405,124	4,743,486		4,743,486	1,186,083	5,929,569		5,325,825	11,255,393	7,396,874
2030	7,396,874	3,698		100,000	8,600,000	8,703,698	4,233,157		4,233,157	1,164,119	5,397,276		5,618,745	11,016,021	5,084,552
2031	5,084,552	2,542		100,000	9,000,000	9,102,542	4,143,585		4,143,585	1,142,154	5,285,739		5,927,776	11,213,515	2,973,580
2032	2,973,580	1,487		100,000	9,200,000	9,301,487	2,147,692		2,147,692	1,120,190	3,267,882		6,253,804	9,521,685	2,753,381
2033	2,753,381	1,377		100,000	9,400,000	9,501,377	1,845,664		1,845,664	1,098,225	2,943,889		6,597,763	9,541,651	2,713,107
2034	2,713,107	1,357		100,000	9,600,000	9,701,357	1,813,716		1,813,716	1,076,261	2,889,976		6,960,640	9,850,616	2,563,847
2035	2,563,847	1,282		100,000	9,900,000	10,001,282	1,673,466		1,673,466	1,054,296	2,727,762		7,343,475	10,071,237	2,493,892
2036	2,493,892	1,247		100,000	10,100,000	10,201,247	1,404,265		1,404,265	1,032,332	2,436,596		7,747,366	10,183,962	2,511,177
2037	2,511,177	1,256		100,000	10,400,000	10,501,256	1,380,008		1,380,008	1,010,367	2,390,375		8,173,471	10,563,846	2,448,586
2038	2,448,586	1,224		100,000	10,600,000	10,701,224	1,133,141		1,133,141	988,403	2,121,544		8,623,012	10,744,556	2,405,255
2039	2,405,255	1,203		100,000	10,900,000	11,001,203	960,736		960,736	966,438	1,927,174		9,097,278	11,024,452	2,382,005
2040	2,382,005	1,191		100,000	11,200,000	11,301,191	814,960		814,960	944,474	1,759,434		9,597,628	11,357,062	2,326,135
2041	2,326,135	1,163		100,000	11,500,000	11,601,163	630,179		630,179	922,509	1,552,688		10,125,498	11,678,186	2,249,112
2042	2,249,112	1,125		100,000	11,700,000	11,801,125	437,314		437,314	900,545	1,337,859		10,682,400	12,020,259	2,029,978
2043	2,029,978	1,015		100,000	12,000,000	12,101,015	82,233		82,233		82,233		11,269,932	11,352,165	2,778,828
2044	2,778,828	1,389		100,000	12,300,000	12,401,389							11,889,778	11,889,778	3,290,439
2045	3,290,439	1,645		100,000	12,600,000	12,701,645							12,543,716	12,543,716	3,448,368
Total		14,094,001	644,940	17,602,963	425,623,285		287,828,914	(59,070,200)	228,758,714	15,635,978	244,394,692	24,103,666	192,372,757	460,871,115	

Howard County, Maryland
Agricultural Land Preservation Program
Installment Purchase Amortization Schedule

Landowner:	Freeze 15 Year Amortization - 10% Down	Acres:	62.98
		Price per acre:	\$37,520.00
		Total price:	\$2,363,100.00
		Down Payment	
Interest Rate:	2.5000%	Interest:	404,680.95
Settlement:	January 5, 2027	Total payments:	\$2,767,780.95
		Estimated - subject to change	

Date	Principal Amount	Interest	Semi-annual Debt Service	Annual Debt Service	Balance
					\$2,126,790.00
August 15, 2027	141,786.00	32,492.63	174,278.63		1,985,004.00
February 15, 2028		24,812.55	24,812.55	199,091.18	1,985,004.00
August 15, 2028	141,786.00	24,812.55	166,598.55		1,843,218.00
February 15, 2029		23,040.23	23,040.23	189,638.78	1,843,218.00
August 15, 2029	141,786.00	23,040.23	164,826.23		1,701,432.00
February 15, 2030		21,267.90	21,267.90	186,094.13	1,701,432.00
August 15, 2030	141,786.00	21,267.90	163,053.90		1,559,646.00
February 15, 2031		19,495.58	19,495.58	182,549.48	1,559,646.00
August 15, 2031	141,786.00	19,495.58	161,281.58		1,417,860.00
February 15, 2032		17,723.25	17,723.25	179,004.83	1,417,860.00
August 15, 2032	141,786.00	17,723.25	159,509.25		1,276,074.00
February 15, 2033		15,950.93	15,950.93	175,460.18	1,276,074.00
August 15, 2033	141,786.00	15,950.93	157,736.93		1,134,288.00
February 15, 2034		14,178.60	14,178.60	171,915.53	1,134,288.00
August 15, 2034	141,786.00	14,178.60	155,964.60		992,502.00
February 15, 2035		12,406.28	12,406.28	168,370.88	992,502.00
August 15, 2035	141,786.00	12,406.28	154,192.28		850,716.00
February 15, 2036		10,633.95	10,633.95	164,826.23	850,716.00
August 15, 2036	141,786.00	10,633.95	152,419.95		708,930.00
February 15, 2037		8,861.63	8,861.63	161,281.58	708,930.00
August 15, 2037	141,786.00	8,861.63	150,647.63		567,144.00
February 15, 2038		7,089.30	7,089.30	157,736.93	567,144.00
August 15, 2038	141,786.00	7,089.30	148,875.30		425,358.00
February 15, 2039		5,316.98	5,316.98	154,192.28	425,358.00
August 15, 2039	141,786.00	5,316.98	147,102.98		283,572.00
February 15, 2040		3,544.65	3,544.65	150,647.63	283,572.00
August 15, 2040	141,786.00	3,544.65	145,330.65		141,786.00
February 15, 2041		1,772.33	1,772.33	147,102.98	141,786.00
August 15, 2041	141,786.00	1,772.33	143,558.33	143,558.33	0.00
	\$ 2,126,790.00	\$ 404,680.95	\$ 2,531,470.95	\$ 2,531,470.95	