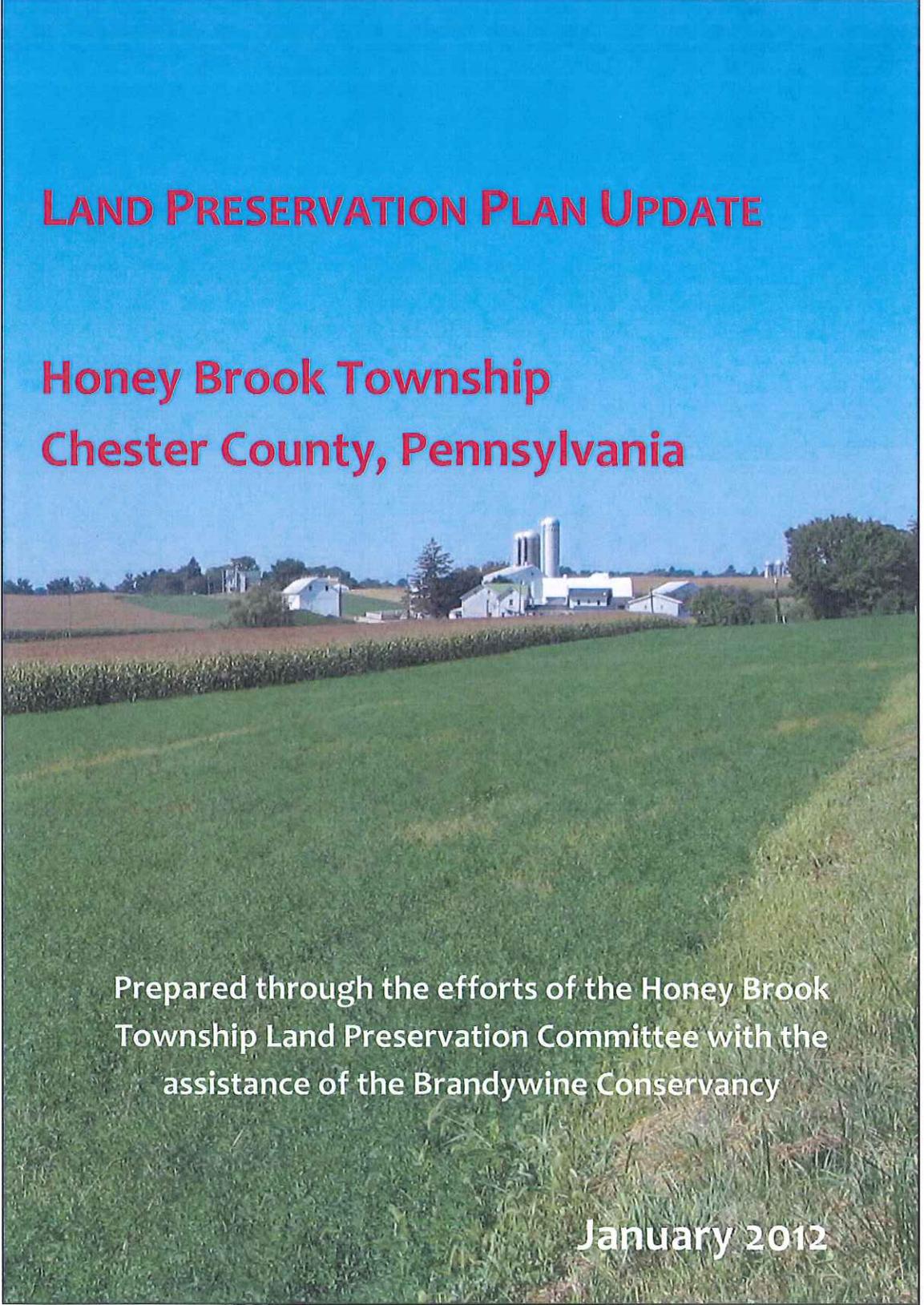


LAND PRESERVATION PLAN UPDATE

**Honey Brook Township
Chester County, Pennsylvania**

January 2012

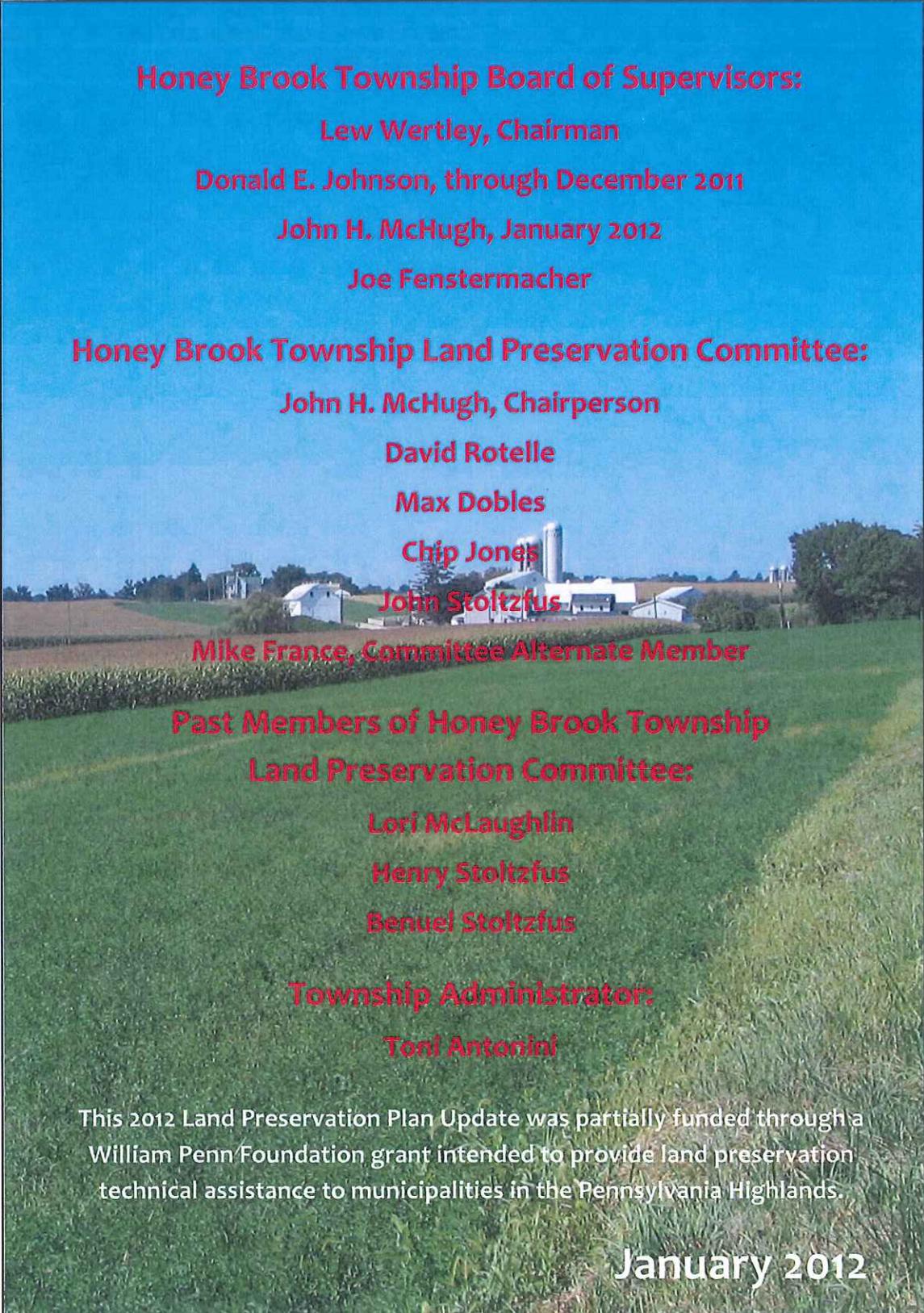


LAND PRESERVATION PLAN UPDATE

Honey Brook Township Chester County, Pennsylvania

Prepared through the efforts of the Honey Brook
Township Land Preservation Committee with the
assistance of the Brandywine Conservancy

January 2012



Honey Brook Township Board of Supervisors:

Lew Wertley, Chairman

Donald E. Johnson, through December 2011

John H. McHugh, January 2012

Joe Fenstermacher

Honey Brook Township Land Preservation Committee:

John H. McHugh, Chairperson

David Rotelle

Max Dobles

Chip Jones

John Stoltzfus

Mike France, Committee Alternate Member

**Past Members of Honey Brook Township
Land Preservation Committee:**

Lori McLaughlin

Henry Stoltzfus

Benuel Stoltzfus

Township Administrator:

Toni Antonini

This 2012 Land Preservation Plan Update was partially funded through a William Penn Foundation grant intended to provide land preservation technical assistance to municipalities in the Pennsylvania Highlands.

January 2012

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Introduction to the Land Preservation Program

October, 2011

This update of the 2007 Honey Brook Land Preservation Plan includes the program achievements over the past five years and provides program projections for the next five years in an effort to ensure that the program is consistent with the needs and desires of the community. The Honey Brook Land Preservation Committee uses this document when making recommendations to the Honey Brook Board of Supervisors concerning the preservation of farmland and natural resource lands.

What we added to this document was a financial summary of the years 2006 through 2011, updated maps and charts as well as a rewritten chapter three with new program recommendations for the next five years. The outline of this document is to answer the question why we have the program in chapter one while the second chapter answers the question what the program accomplishes and chapter three answers the question how the program works.

It is the desire of the Land Preservation Committee and the Honey Brook Board of Supervisors that the program receives continued support and that the community will continue to financially support the program. Funding for this program should be based on the community's ability to support the program.

It must be a practical plan which answers the important question, why do we have this program? Our response is that Honey Brook Township has a land preservation program in order to protect its valuable resources – farmland and natural resource lands.

How much farmland and natural resource lands will be preserved and how much will it cost must be understood by the Land Preservation Committee when making the recommendations, by the BOS when approving the spending on land easements, and by the residents who are paying for the program.

This program started in 2006 and over the past five years much has happened. Our economy is not as strong as it once was and the conditions we faced then are different from what we face now; so, why should we continue the program? The information contained in this document provides several answers.

Land preservation is an investment which ensures our farmland remains in agricultural use for our benefit today and for the benefit of future generations.

Preserving land is something that could have been done years ago and now that land is more expensive it is a reason why the program is expensive for us now. Land Preservation is occurring throughout the county, state and country in an effort to ensure we can feed a growing population. Many Chester County municipalities generate millions of dollars to protect farmland and open space as illustrated in Appendix G of this Plan.

The Land Preservation Committee is not against development. This Plan update is an effort to ensure valuable land remains in agricultural and open space uses while areas planned and zoned for development can be realized. Our community needs to build new homes and create new businesses

and this consideration is taken into account when the LPC makes recommendations on protecting farmland and natural resource lands.

The residents of our community are encouraged to attend the LPC meetings to listen, learn and participate.

After several meetings were conducted in the spring of 2011, Brandywine Conservancy, a consultant to the Township, prepared this update. This document was accepted by the Honey Brook Township Land Preservation Committee, and it will be approved by the Honey Brook Township Board of Supervisors.

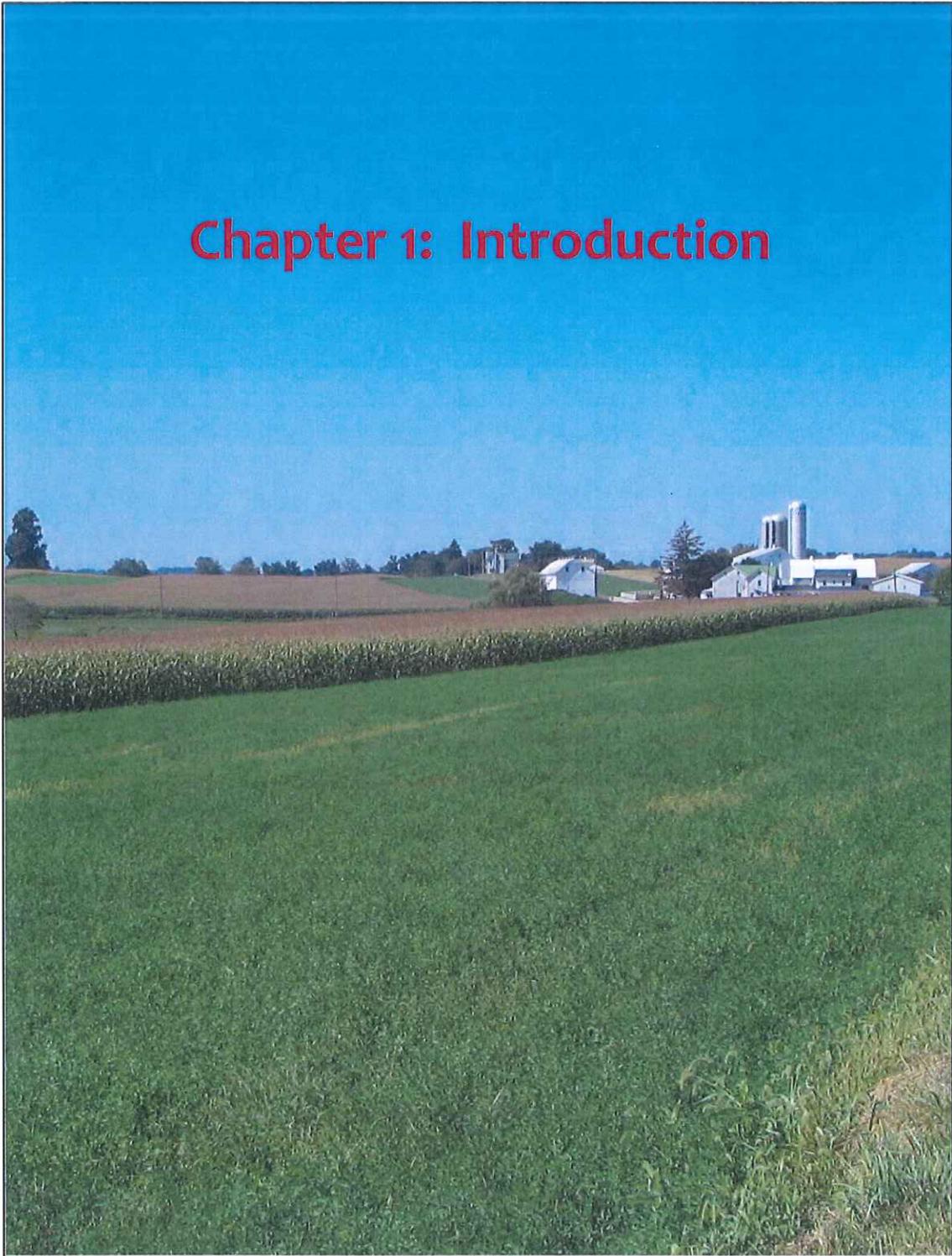
On behalf of the Honey Brook Township Land Preservation Committee, I would like to thank the residents of our community for supporting the land preservation program. In the past five years we have successfully placed permanent conservation easements on 1,243 acres of farmland and open space. We exceeded our projections and expectations, while spending less of the taxpayers' money than anticipated, and many people familiar with our program are impressed with what was done over the past five years. The members of the Land Preservation committee have volunteered their time to make this program successful.

This program will help to ensure that farming will always remain viable and prosperous in Honey Brook Township, and that our natural resources will be better protected from permanent loss.

John McHugh

Chairperson, Honey Brook Township Land Preservation Committee

Chapter 1: Introduction



Chapter 1: Introduction

A. Introduction

The heart and soul – the very identity – of Honey Brook Township lies in its open spaces and farmlands. Indeed, over two-thirds of all the land in the Township is still actively farmed, and close to 70% of all properties (fifty acres or greater in size) contain prime farmland soils on at least half the site. There is no doubt that Honey Brook farmers are making the most of their world-famous soils. Further, it takes only one drive through the Township to see that it is countryside rich not only with fertile soils, but also with meandering streams, expanses of forest, and spectacular views.

Honey Brook residents care a great deal about the rural nature of their township, a fact best exemplified in the mission statement of their Board of Supervisors:

The mission of the Board of Supervisors of Honey Brook Township shall be to provide municipal services related to land use, police protection and public works in order to maintain a community that supports a tranquil and rural way of life.

This mission is further clarified by the Board's vision for the future of Honey Brook Township:

The vision of the Board of Supervisors for the future of Honey Brook Township is that the Township shall remain a predominantly agricultural community that surrounds a population hub offering various commercial and social activities.

The vision includes the establishment of a land preservation program, concentration of non-agricultural uses along specific portions of major arterials, betterment of current low-income housing areas, upgrading of all governmental and quasi-governmental facilities, reduction of non-local truck traffic in congested areas, and exploration of Township and Borough integration.

Contrary to the desires of most Township residents our rural way of life may not remain. As Chester County's population has grown, and development has pushed farther outward from the traditional suburban areas surrounding Philadelphia and Wilmington, these expansion pressures have finally reached Honey Brook's doorstep. In the past decade, 1,369 residents moved into Honey Brook, which is the greatest population increase the Township has absorbed.

As Honey Brook continues to absorb increases in population over the next several decades, estimated to be over 2,000 more people, strong consideration must be given to how we will preserve the Township's farmland and natural resource lands. Honey Brook possesses some of the richest farmland in the country, an asset that truly must be protected. At the same time, new homes will be built, new businesses established, and services and infrastructure will be expanded to accommodate this increase. The Pennsylvania Municipalities Planning Code, the document that governs long-range planning throughout the state, requires that Honey Brook accommodate its "fair share" of future growth. However, the Municipalities Planning Code also provides municipalities, including Honey Brook, the ability to protect valuable open spaces that make up forests, parks, and farmland.

Honey Brook's Board of Supervisors adopted a plan in 2006 that accommodates the Township's fair share of future growth while preserving a rich heritage of farming and natural resources. This plan is the Honey Brook Township Comprehensive Plan (see Section B.). The Comprehensive Plan identified how the Township could preserve its farm- and natural resource lands, fulfilling the mission and vision statements committed to the residents by the Honey Brook Township Board of Supervisors.

The initial Land Preservation Plan of 2007 was an outgrowth of the 2006 Comprehensive Plan. The document you are reading is an update of the 2007 Honey Brook Township Land Preservation Plan. Many things have changed since the original Plan was adopted by the Board. In order to give the Honey Brook Township residents a clear understanding of what the Honey Brook Township Land Preservation Committee will accomplish over the next five years and provide the Board of Supervisors a guide on how to accomplish these goals, this Plan was revised and updated.

B. The Land Preservation Plan as an Outgrowth of the Comprehensive Plan

In 2006, the Honey Brook Township Board of Supervisors adopted a new Comprehensive Plan that charted a course for future land use, resource protection, and the provision of services to Township residents for the next 20 years. This Plan was guided by a task force of Honey Brook residents who recommended that the top priorities for the plan were to conserve farmland/open space and to focus the majority of future growth in a new rural village called "Rocklyn Station" that is now planned and zoned to form over time on the eastern edge of the Township. These recommendations were based on a wide range of data, analysis, and public input, including a Community Values Survey whose results support the Comprehensive Plan's focus on farmland protection and other efforts to protect the Township's rural qualities

(see: <http://www.honeybrooktwp.com/pdf/CompPlan/AppendixDSurveyResults.pdf>).

In an effort to put these major goals of the Comprehensive Plan into action, a number of projects were spawned, including a 2005 ballot initiative to collect additional taxes from Honey Brook residents, to be used for the permanent protection of farmland and open spaces within the Township. This “open space referendum”, which was passed by Township residents and went into effect in 2006, immediately began generating revenues for the purchase of conservation easements and the protection of priority parcels within Honey Brook. (See Appendix A for the Township ordinance that placed the tax question on the ballot.)

Each municipality that passes an open space referendum is required to assemble a citizen advisory group and put together an open space/land preservation plan. The Board of Supervisors, in early 2006, convened a “Land Preservation Committee” that was tasked with the preparation of such a document. The Committee, which is composed of five members, held regular meetings to develop the original Land Preservation Plan (2007). The plan was to be used by the Township to determine which parcels are priorities for protection, how best to expend open space revenues, and how to implement other voluntary and regulatory approaches aimed toward the preservation of Honey Brook’s unique agricultural and natural resources. The Plan that you are now reading is an update of the 2007 Plan, and was prepared by the same five-member Committee and adopted by the Honey Brook Township Board of Supervisors. It continues to reflect the goals and objectives of the 2006 adopted Comprehensive Plan.

It is also important to point out that landowner participation in Township preservation efforts is strictly voluntary, and as a matter of policy the Township shall not coerce participation.

C. Consistency with the Goals, Mission, and Vision of the Board of Supervisors

Everything that guides the Board of Supervisors, including their mission statement and vision, is geared toward preserving the open spaces and rural character of the Township. This also includes the desires of the majority of residents in Honey Brook. To that end, this land preservation plan update is not only consistent with this mission and vision, but – along with the Comprehensive Plan – is the actual conduit through which the greatest desires and dreams for the future of the Township are put into action.

D. Precedents

There are a number of municipalities in Chester County that have undertaken, or are currently undertaking, open space/land preservation plans to help prioritize their lands for

protection. Some of these municipalities, like Honey Brook, have passed open space referenda, are collecting tax revenues, and – as required under Act 153 – have produced a dedicated open space/land preservation plan that identifies parcels for [development right] acquisition. Included among this group are Pocopson, Elk, and East Vincent Townships. Other municipalities, including Lower Oxford Township, are also collecting open space tax revenues, but are using an existing comprehensive plan or a combined open space, recreation, and environmental resource plan, in order to prioritize sites. While municipalities that are preserving open space might differ slightly in their approaches, the important similarity is that they all have a municipally-adopted plan that prioritizes parcels for protection, and thus enables them to spend their open space dollars. Refer to the publication, “Conservation Easements to Protect Open Space” (<http://www.dcnr.state.pa.us/brc/Easements.pdf>) for an explanation of Act 153. Appendix G. provides both a map that shows those Chester County municipalities whose voters have approved an open space tax pursuant to Act 153. This Appendix also includes a chart that shows the type and amount of tax as well as the year it was passed for many of these municipalities.

E. Economic Benefits of Open Space and Farmland Preservation

Honey Brook’s farmland and other open spaces are invaluable for many reasons. A Cost of Community Services Study prepared as part of the 2006 Comprehensive Plan assessed the municipal and educational costs associated with agricultural, residential, commercial and industrial land uses. This study concluded that for every dollar earned in tax revenue from agricultural uses, approximately six cents in governmental services is required. In comparison, for every dollar earned in tax revenue from residential uses, this study documented a dollar seven cents in governmental services is required. From this Study, the Board of Supervisors realized that investing in continued agriculture and other open space uses saves the Township taxpayers money. Every dollar spent now to purchase land or development rights avoids the greater and repeated costs of municipal and school district services in the future.

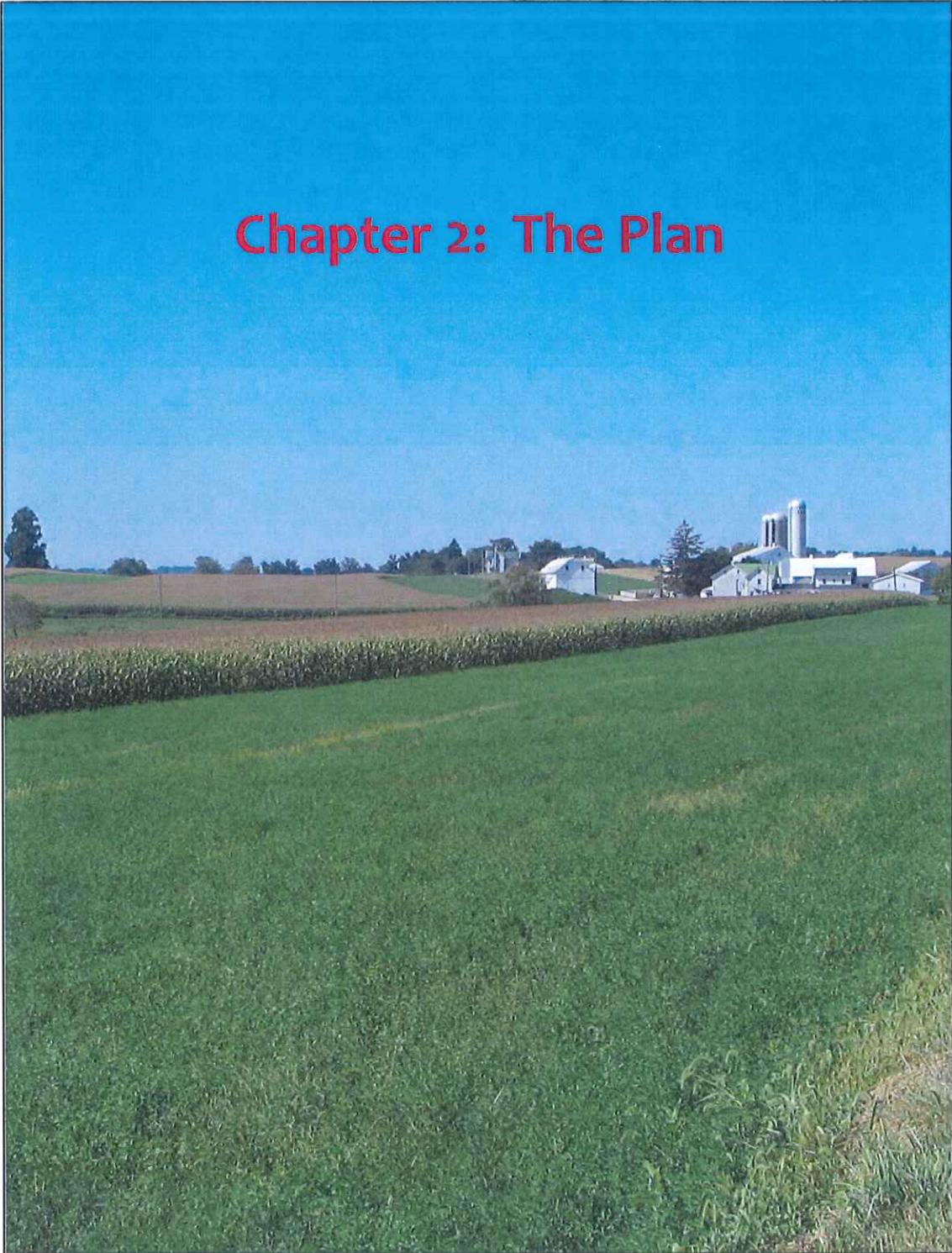
(see: <http://www.honeybrooktwp.com/pdf/CompPlan/AppendixECostCommServices.pdf>).

Similarly, a 2010 study commissioned by the Greenspace Alliance and the Delaware Valley Regional Planning Commission entitled “Return on Environment, the Economic Value of Open Space in southeastern Pennsylvania”, and prepared by the Economy League of Greater Philadelphia, Econsult Corporation, and Keystone Conservation Trust, concluded that farmland and other open spaces are productive assets that generate significant economic value for our region. Some of the conclusions reached by this study more relevant to Honey Brook include:

- Open space creates jobs and attracts people who spend in this region's communities: Economic activity associated with protected open space in southeastern Pennsylvania results in more than 6,900 jobs and \$299 million in annual earnings. \$206 million, or 36%, accounts for agricultural sales associated with preserved farmland over a five-county area; agricultural jobs associated with protected farmland make up 45% of employment related to protected open space in southeastern Pennsylvania, totaling 3,100 jobs.
- Open space adds \$16.3 billion to the value of southeastern Pennsylvania's housing stock.
- Southeastern Pennsylvania realizes nearly \$61 million in annual cost savings from protected open spaces' ability to naturally filter out pollutants and replenish water supply.

Chapter Five of this 2010 study, Economic Activity, includes a case study for Honey Brook Township.

Chapter 2: The Plan



Chapter 2: The Plan

A. Priority Areas for Land Preservation

In targeting specific parcels for preservation and therefore for expenditures of open space revenue, the Land Preservation Committee first selected several overarching priority areas (and goals) within the Township, upon which to focus their efforts and give structure to the plan. (These priority areas are illustrated in Figure 1.) Rather than simply picking and choosing parcels at random, these four areas, each of which is equal in priority to all the others, are intended to help create a plan that has focus, clarity, and a definitive strategy for the permanent protection of Honey Brook's open spaces.

Specifically, the priority areas, and the goals that they accomplish, are described as follows (and are keyed by geographic location to Figure 1):

North:

Create an assemblage of preserved open space north and northeast of Honey Brook Borough in order to:

- Develop a large, contiguous area of permanently protected farmland.
- Protect headwater areas in the foothills of the Welsh Mountains.

East:

Buffer the west side of Rocklyn Station in order to:

- Provide a distinct edge to the future planned development at Rocklyn Station.
- Prevent development from sprawling along the length of Route 322.
- Provide a riparian buffer for the West Branch of Brandywine Creek.

West:

Protect farmland/open space west of Honey Brook Borough in order to:

- Build upon an area where protected lands already exist.
- Protect a major West Branch stream corridor, along with headwater areas.
- Provide a distinct edge to the west side of the Borough and the south side of Route 322.

South:

Protect farmland in the southwest quadrant of the Township in order to:

- Establish an assemblage of protected parcels in this important Township farming area.
- Protect the riparian corridor of the West Branch.

B. Prioritization Plan

Figure 2, the Agricultural and Natural Resource Prioritization Plan, is the heart of the land preservation plan. The map shows all of the parcels in the Township that are priorities for protection, either for their agricultural value (those shown in green - a total of 4,297 acres), their natural resource value (those shown in a red hatch pattern - a total of 4,233 acres), or for both (those shown with an overlapping color/hatch - a total of 1,891 acres). The map also depicts in yellow (a total of 2,451 acres) lands in Honey Brook that are already permanently protected through state ownership, or through agricultural/open space easements.

Priority parcels were selected using the criteria described below; several parcels were also added at the discretion of the Land Preservation Committee (for their proximity to other priority parcels or for intrinsic qualities such as viewshed). The criteria are as follows:

Agricultural Priorities

For the prioritization of agricultural parcels, two separate analyses were used: a macro scale prioritization based on a regionally-produced model, and a micro-scale prioritization (added by the Township's open space planning consultant) that further refined the list of lands for protection.

The regional model, developed by the Greenspace Alliance (www.pagreenways.org) and now widely accepted, examined and prioritized farmlands in Bucks, Chester, Delaware, and Montgomery Counties. Most importantly, this regional analysis shows Honey Brook as one of the truly most productive agricultural areas in all of southeastern Pennsylvania. (Additionally, the use of this regional model for agricultural prioritization in Honey Brook helps to increase opportunities for varied sources of funding for farmland protection in the future.)

The Greenspace Alliance prioritization weighs a number of critical layers of data as follows:

- The presence of prime farmland and soils of statewide importance (35% of total value).
- The presence of agricultural lands defined by Delaware Valley Regional Planning Commission (24% of total value).
- The size of contiguous agricultural soils (18% of total value).
- The proximity to existing protected lands (15% of total value)
- The percent area of each township within Agricultural Security Areas (8% of total value).

Figure 1: General Priority Areas

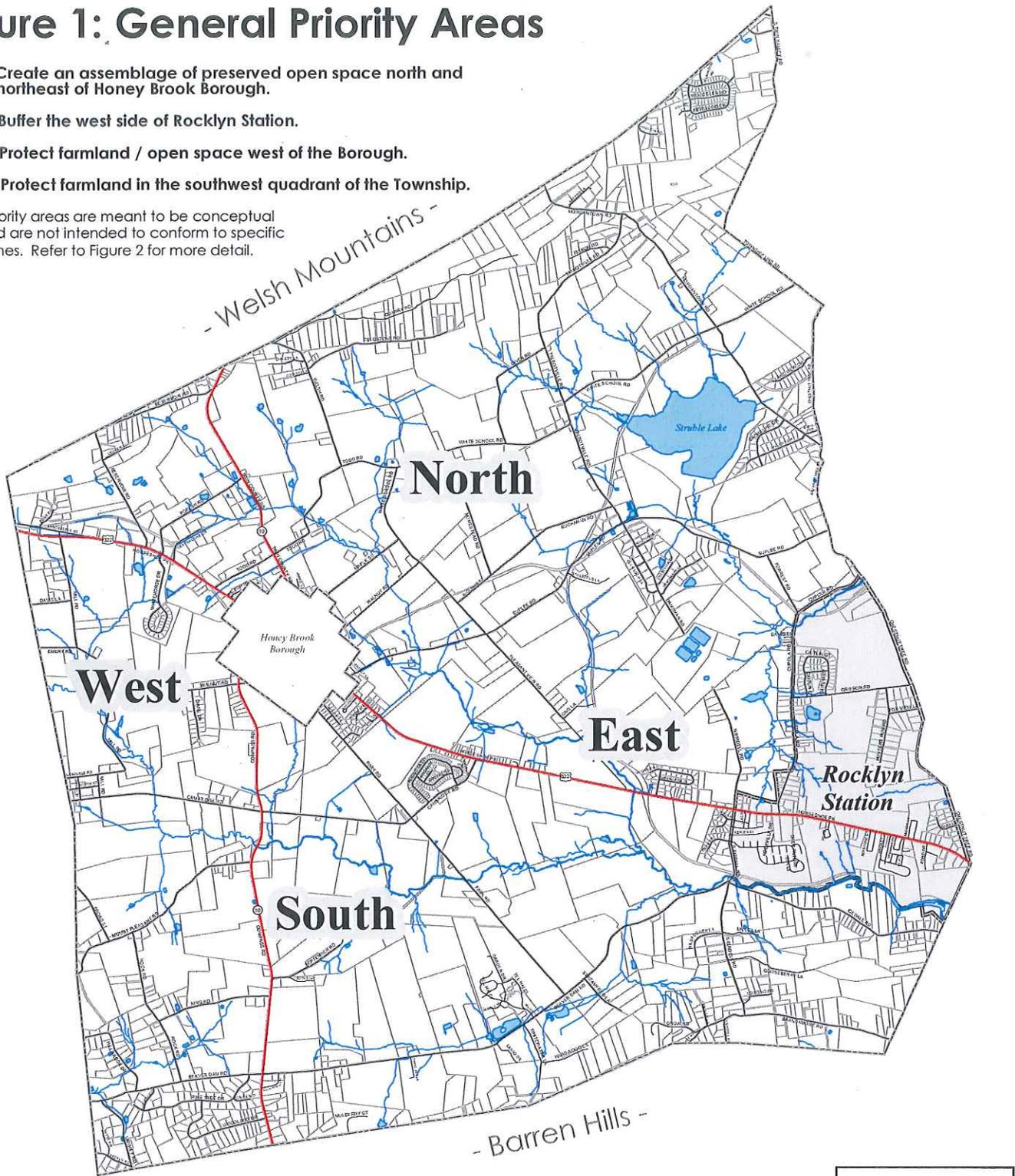
North- Create an assemblage of preserved open space north and northeast of Honey Brook Borough.

East- Buffer the west side of Rocklyn Station.

West- Protect farmland / open space west of the Borough.

South- Protect farmland in the southwest quadrant of the Township.

Note: Priority areas are meant to be conceptual only, and are not intended to conform to specific parcel lines. Refer to Figure 2 for more detail.



| Legend | |
|--------|-------------------|
| | Roads |
| | Major roads |
| | Streams |
| | Tax parcels |
| | Township boundary |
| | Water bodies |

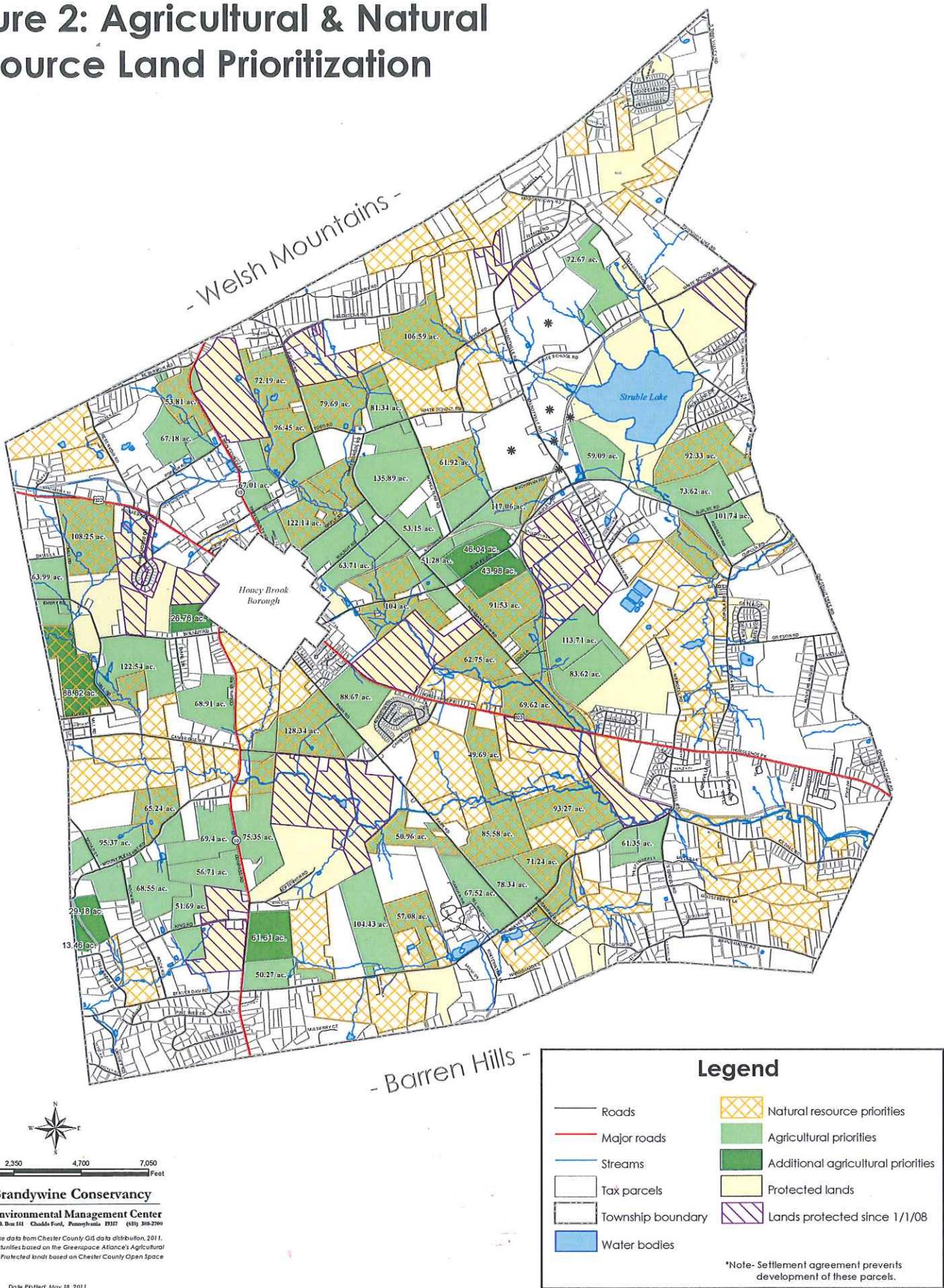


Brandywine Conservancy
 Environmental Management Center
 P.O. Box 141 Chadds Ford, Pennsylvania 19317 (610) 389-2700

DATA SOURCE: Base data from Chester County GIS data distribution, 2011.

Date Plotted: March 10, 2011

Figure 2: Agricultural & Natural Resource Land Prioritization



Brandywine Conservancy
 Environmental Management Center
 P.O. Box 111 Chadds Ford, Pennsylvania 19317 (610) 398-2700

DATA SOURCE: Base data from Chester County GIS data distribution, 2011. Agricultural Opportunities based on the Greenspace Alliance's Agricultural Prioritization, 2005. Protected lands based on Chester County Open Space CD, 2010.

Date Plotted: May 18, 2011
 Last Revised: September 1, 2011

As mentioned previously, a second, micro-scale prioritization was performed, in addition to the Greenspace Alliance analysis, to “fine-tune” the prioritization of Honey Brook’s agricultural lands. This analysis identified tax parcels over 50 acres in size with greater than 50% prime agricultural soils. These percentages allow for a broader threshold than provided by the regional analysis, and the inclusion of more significant parcels for protection.

Natural Resource Priorities

In order to select top parcels for protection based on their natural resource qualities, a basic set of criteria were used, as follows:

- The presence of at least 1,500 feet of stream length, or
- The presence of at least two acres of wetlands, or
- The presence of at least 15 acres of Class 1 (highest value) woodlands, or
- All tax parcels over 15 acres in size containing any forest interior lands.

(Note: Appendix B contains the separate agricultural and natural resource priority maps that were used to derive the single prioritization plan shown in Figure 2. A detailed description of woodland classification is contained in Chapter 5 of the Honey Brook Township Comprehensive Plan.)

C. Using the Prioritization Map

Figure 2 is intended as the first means of parcel selection for permanent conservation efforts by the Township. The parcels are not ranked numerically, but are simply divided into agricultural priorities, natural resource priorities, and those that overlap as both agricultural and natural resource priorities.

Parcels that are both agricultural and natural resource priorities are the optimum lands to target, given their overlapping preservation goals. However, the Land Preservation Committee and Township officials feel confident that acquiring development rights on (and/or protecting by other means) any of the priority parcels highlighted on Figure 2 is a sound decision based on a universally-accepted set of selection criteria. Moreover, all parcels included on Figure 2 have been reviewed by the Land Preservation Committee and consultant staff for accuracy/appropriateness of inclusion. Further, several additional parcels have been added that did not meet the original criteria, but were considered by the Committee, nonetheless, to be priorities for protection.

Consistent with the Honey Brook Township Comprehensive Plan, preservation of planned trail corridors, although not shown on Figure 2, is also considered a priority for expenditure of open space tax revenue.

The Land Preservation Committee shall make an annual report to the Board of Supervisors on their progress with preservation efforts (refer to Appendix H.). The Prioritization Map (Figure 2), however, can be updated as needed to capitalize on preservation opportunities.

D. Responding to Opportunities as They Arise

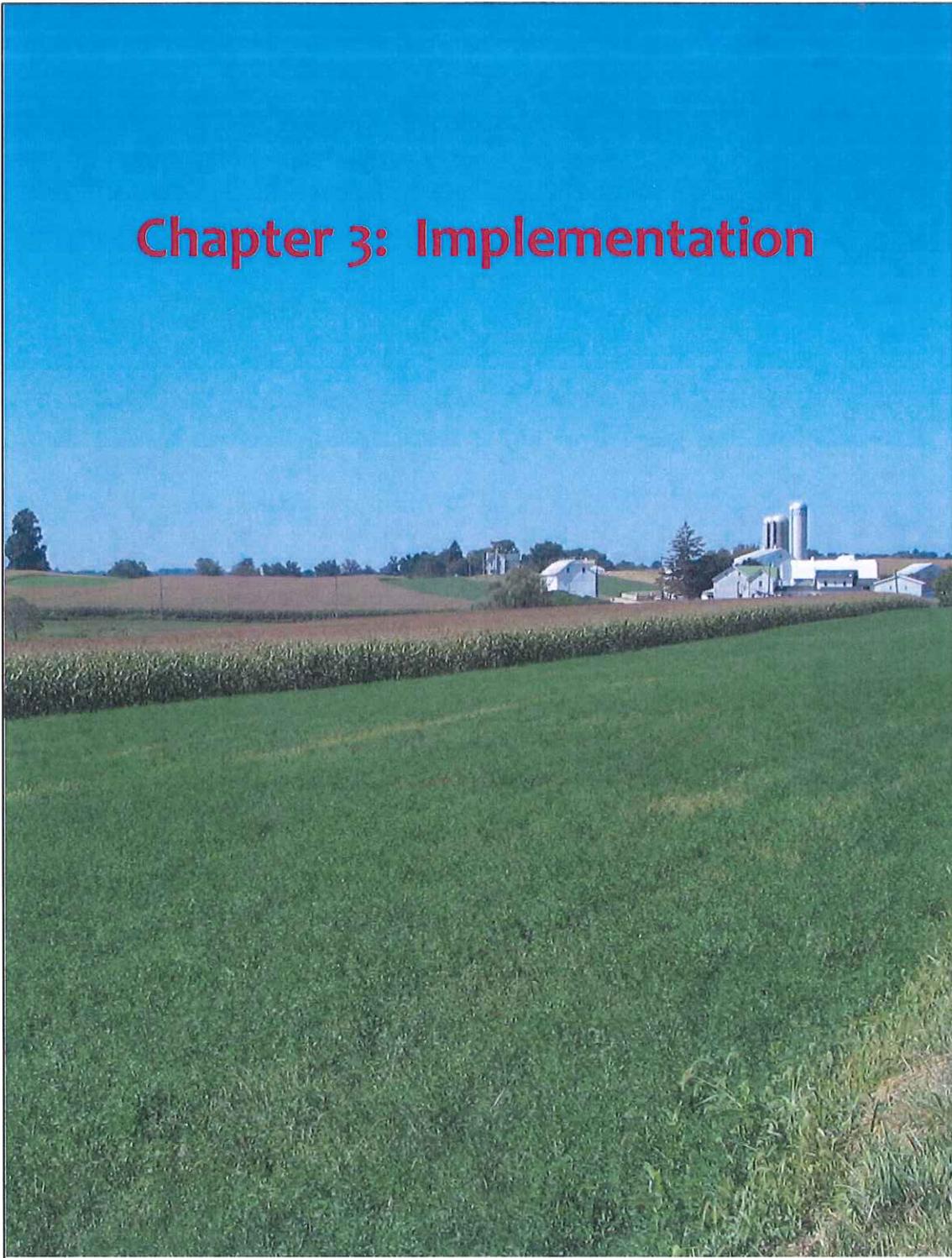
Landowners' decisions to conserve their land through permanent means (the sale of development rights) are purely voluntary; such landowner decisions will not always progress in perfect harmony with the Prioritization Plan (Figure 2). Opportunities will arise when landowners whose properties are not listed on the Prioritization Plan express an interest in selling their development rights and preserving their properties.

In the event a land owner wishes to consider selling their development rights from their property and the area is not currently shown as a priority on the Prioritization Plan, a request for consideration can be made to the Land Preservation Committee against the criteria specified on page 3 and 5. If the site qualifies, it may be added to the Prioritization Plan.

Because the Township has limited uncommitted open space tax revenue to utilize until the year 2016, and must use the dedicated earned income tax in a fair and frugal manner, any additional land where the Township would be asked to participate in the purchase of development rights must meet the specific criteria. Parcels included on the prioritization map will be the only land considered for purchase of development rights using the Township's open space tax revenue.

It is also notable that Township actions to preserve land may not always require the commitment of open space tax revenue. For example, the Township could assist with preservation by seeking financial sources other than its own resources; the City of Wilmington has previously participated in Honey Brook's land preservation efforts since many of the Township's priorities are located within sensitive "source water protection areas" for the City's drinking water supply. Appendix B. includes a map of priority lands for preservation designated in the City of Wilmington's 2010 Source Water Protection Plan.

Chapter 3: Implementation



Chapter 3: Implementation

A. The First Five Years – How Did We Do?

Lands Preserved

Honey Brook Township is blessed with generous landowners, unselfish residents, and forward-thinking municipal officials who together are extremely committed to retaining their rich farmlands, scenic open spaces, and rural way of life. Incredible progress has been made in preserving farmland and other natural resource lands identified as priorities in the Township's 2007 Land Preservation Plan. This progress results from a winning combination of private land stewardship efforts, outreach efforts of the Township's Land Preservation Committee, Township staff efforts, Honey Brook taxpayer contributions, and diverse public, private, and non-profit partnerships who are committed to furthering the Township's land preservation goals.

To date, 2,451.1 acres, or roughly 15 percent, of the Township's total acreage have been preserved. Of these 2,400+ acres, 2,053 acres have been eased by Chester County, the Brandywine Conservancy, Natural Lands Trust, and North American Land Trust; and another 393 acres are comprised of Struble Lake, state lands, and Homeowners Association Lands (HOA).

Appendix J. presents the stakeholders involved with, and the costs to preserve, 1,761 acres of land within Honey Brook Township. Most of these transactions resulted from a financial partnership of the Honey Brook Board of Supervisors and the Chester County Board of Commissioners. Remarkably, over 1,243 of these acres were preserved in the last five years. This recent success can be directly attributed to the Township's aggressive land preservation strategy adopted in 2007, and to many Honey Brook Township residents who generously agreed to contribute a portion of their annual earned income to the Township's dedicated open space fund. This open space tax revenue has enabled the Board of Supervisors to help buy conservation easements from Honey Brook's farmers and other landowners.

It is also important to note that Honey Brook residents' earned income tax contributions have been matched by Chester County's and the Commonwealth of Pennsylvania's investment of over 8 million dollars in local farmland; the Brandywine Conservancy, with over \$300,000 invested in Honey Brook farmland and natural resources preservation; and most recently, the City of Wilmington, Delaware, who contributed \$10,000 toward a conservation easement purchase on valuable Brandywine watershed lands within Honey Brook.

Equally important to the generous Honey Brook taxpayer contributions and outside investment in Honey Brook preservation is that land preservation success would not have

happened without the support of Honey Brook farmers and other landowners. Because of these residents' and businessmen's long-term commitment to agriculture and other open space uses, they were willing to voluntarily apply to Chester County either directly, or through the application assistance efforts of non-profit land trusts, for the sale of conservation easements. By selling a conservation easement to the State and/or County, these landowners have forever forfeited the opportunity to develop their land for uses other than agriculture or open space.

Word of county and non-profit farmland preservation programs and early Township success stories with easement sales spread fairly quickly among many farmers and other landowners. In addition, the Township's Land Preservation Committee actively cultivated landowner and farmer interest in the Township's preservation program, for example, through Township-sponsored farmers' breakfasts held several times each year. At these landowner-focused events, representatives from state, county, and local government, non-profit organizations, and businesses discussed with attendees ways to improve farming practices, explained practical approaches to complying with complicated state and federal regulations, or covered other topics of local interest. In addition, Township staff made effective use of its website, Township newsletters and other publications to update residents on preservation options and success stories. Others, such as the Brandywine Conservancy and the Chester County Conservation District, also helped with landowner inquiries about government and non-profit land preservation options, conservation funding assistance, and other informational needs that might help facilitate land conservation in Honey Brook.

Cost to the Township

The Land Preservation Plan of 2007 included a five-year estimate (2007 to 2011) of preserved farmland in both acres and dollar costs to Honey Brook Township, assuming the farmland was eligible for County easement purchase through their Challenge Grant program (see Appendices E. and I. for an explanation of this program). By 2011, a total of 779.26 acres was estimated to have been preserved at a Township cost of \$4,675,560. In actuality, by 2011, 1,243.172 acres have been preserved at a Township cost of \$4,182,029.61. By partnering with Chester County, non-profit land trusts and others, such as the City of Wilmington, and through private landowner generosity, the Township has preserved nearly twice as much land as estimated, and for less than the original estimated cost!

In preserving the 1,243 acres, the Land Preservation Committee followed their Plan's preferred financial approach. This approach, described below, was "pay-as-you-go", using only available Open Space Tax revenues, and limited borrowing when needed. Landowners interested in preserving their lands were strongly encouraged to participate in the County/State Agricultural Preservation Program and the Chester County Challenge Grant Program. These landowners were also asked to consider a bargain sale (that is, accept less than fair market value for their easement), and accept the Township's portion of the easement sale payment in yearly installments rather than a lump sum. These two

considerations greatly stretched the buying power of the Open Space Tax revenues, and included positive tax implications for the landowner, as explained in Appendix I. of this Plan.

- In Year 1 (2007), the Township used available Open Space Tax revenues to completely cover the (Township's) costs of easement purchases. Installment payments meant that only a portion of existing funds would be spent that year. Residual (unspent) tax revenues were carried over to the following year.
- No easement purchase transactions occurred in Year 2 (2008), although installment payments from Year 1 easement purchases were made. Residual (unspent) tax revenues were carried over to the following year.
- In years 3 (2009) and 4 (2010), the Township again used available Open Space Tax revenues to completely cover the (Township's) costs of new easement purchases for those years, in addition to continuing to make installment payments on Year 1 easement purchases. Also, in Year 4, installment purchase payments were made on Year 3 easement purchases, and any residual funds were carried over to the following year.
- In Year 5 (2011), the Township obtained a bank loan (General Obligation Note) for 1.5 million dollars, the debt-service of which is to be fully paid by the year 2016 using a sizable portion of the Open Space Tax revenues. Loan funds, and available Open Space Tax revenues, were used to cover the Township's costs of new easement purchases plus installment payment obligations. Residual funds will be carried over in the following year, or used to begin payments on the five-year Note.

As noted in Chapter 2, land preservation does not always require a commitment of Township open space revenue. For example, over the past five years, 94 acres of land were preserved through a landowner's generous donation of a conservation easement to a non-profit land trust, 125 acres were preserved by a non-profit land trust upon award of a grant that trust had applied for from Chester County's Preservation Partnership Program, and 63 acres were preserved by Chester County through its County/State Farmland Preservation Program.

B. Following on Our Success – The Next Five Years

Preserving Township Lands through Continued Private Land Stewardship

According to Chester County, by 2010 Honey Brook Township had more farmers than any other municipality applying to sell development rights through the Chester County Farmland Preservation Programs. This is in stark contrast to just a few years ago when Honey Brook farmers rarely participated. As this Update was being prepared, another 1,000 acres of land in Honey Brook Township was proposed for preservation (pending applications for Chester County agricultural conservation easement purchase), with more acreage being considered by various landowners.

Financial Alternatives Available for Preserving Lands

Honey Brook's "pay-as-you-go" financial approach using both Open Space Tax revenues and limited borrowing yielded a significant amount of preserved land over the first five years. The challenge facing the Township for the next five years is determining the financial approach that maintains the excellent land preservation pace now established.

Table 1. presents the Land Preservation Program's projected revenue and expenses for the next five years (2012 – 2016) in order to pay-off debt obligations incurred from the first five years (2007-2011). As this table shows, much of the open space tax revenue collected by Honey Brook each year is committed to paying off debt until the year 2016.

Sharply curtailing the Land Preservation Program, or putting it on hold until existing debt obligations are fully satisfied, would:

- Hurt current and long-term landowner confidence in the Township's preservation program;
- Squander the existing opportunity to preserve significant acreage of priority lands;
- Ignore the very low present value of land;
- Fail to capitalize on leveraging opportunities that not only extend the Township's buying power but may also not be available in the future; and
- Miss-out on very low interest rates currently offered on government loans.

Five preservation financing alternatives are described on the following pages, and are proposed by the Land Preservation Committee for Board of Supervisors consideration in order to maintain Land Preservation Program momentum. The Board may select one or more of these alternatives to utilize over the next five years. In addition, other preservation financing alternatives may evolve in the future which the Land Preservation Committee can quickly evaluate and forward to the Supervisors for their consideration, as appropriate. One such possibility is fund raising. On the opposite side of the Welsh Mountains from Honey Brook, Caernarvon Township, Lancaster County, held its first "Run for the Cows" fund raising event in 2011, the proceeds of which will be directed to that Township's land preservation programs. Another possibility is finding new preservation partners who gain by working cooperatively with the Township. The City of Wilmington's financial investment in land preservation and water quality enhancement projects in Honey Brook Township is an excellent example on which to build new public, quasi-public, or private partnerships.

The Land Preservation Committee will continue to strongly encourage landowner participation in the County/State Agricultural Preservation Program and the Chester County Challenge Grant Program. At the same time, the Committee will continue to encourage landowners to accept less than their full value for development rights (bargain easement

sale), accept the County's portion of the payment in lump sum, and then take yearly installment payments for the Township's portion of the payment rather than lump sum. To date, landowners who have accepted yearly installment payments from the Township have graciously waived interest payments.

Currently the Township generates approximately \$600,000 annually in open space tax revenue. As shown in Table 1, roughly \$474,000 will be committed to paying existing debt obligations in 2012 leaving roughly \$126,000 in uncommitted open space revenue. With the current average easement cost per acre of farmland being \$8,000 and assuming a landowner donation of 10% of that value, and a 50% match from other sources, this leaves approximately \$3,600 per acre to be filled by the Township open space funds.

Table 1. Projected Revenues and Expenses: 2012 - 2016

| | 2012 | 2013 | 2014 | 2015 | 2016 | 5 yr. Total |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|------------------|
| Revenue | | | | | | |
| EIT generates | 600,000 | 600,000 | 600,000 | 600,000 | 600,000 | |
| Total revenue | 600,000 | 600,000 | 600,000 | 600,000 | 600,000 | 3,000,000 |
| Expenses | | | | | | |
| Bank Loan payments (5 yrs.) | 360,000 | 360,000 | 360,000 | 360,000 | 360,000 | |
| Installment Payment 1 | 28,710 | 28,710 | 28,710 | 28,710 | 28,710 | |
| Installment Payment 2 | 19,975 | 19,975 | | | | |
| Installment Payment 3 | 44,960 | 44,960 | 44,960 | 44,960 | 44,960 | |
| Collection fees (annual) | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | |
| Closing costs (one time) | 4,920 | | | | | |
| Total Expenses | 473,565 | 468,645 | 448,670 | 448,670 | 448,670 | 2,288,220 |
| Annual Net revenue | 126,435 | 131,355 | 151,330 | 151,330 | 151,330 | |
| Beginning Fund Balance | 973,015 | 1,099,450 | 1,230,805 | 1,382,135 | 1,533,465 | |
| Ending Fund Balance | 1,099,450 | 1,230,805 | 1,382,135 | 1,533,465 | 1,684,795 | |

Alternative 1.

Assuming the above numbers, in 2012 the Township could purchase easements on roughly 30 acres with a lump sum payment, or 166 acres using installment payments of \$120,000 per year over five years, by utilizing the \$120,000 of uncommitted open space tax revenue. (After 2016, current debt obligations will be satisfied, freeing up additional annual open space tax revenues.)

Pros: Continued participation in Honey Brook's land preservation transactions retains landowner confidence in Honey Brook's land preservation program; maintains Honey Brook as a committed preservation partner with Chester County Board of Commissioners; and continues to place priority lands in permanent land conservation.

Cons: Relying on remaining uncommitted open space tax revenue limits the financial participation of the Township in land preservation transactions depending on a) the number of highly-ranked Honey Brook landowners from the County's Challenge Grant program; and b) the willingness of landowners to accept installment payments versus lump sum purchases; and, commitment of remaining funds may preclude choosing Alternatives 3, 4, and 5.

Alternative 2.

Assuming the above numbers, the Township could purchase easements on roughly 70 acres with a lump sum payment, or 210 acres using installment payments of \$151,200 per year, by adding roughly \$126,000 of open space program surplus funds to the remaining uncommitted open space tax revenues available in 2012.

Pros: In addition to those same advantages listed under Alternative 1, adding some or all of surplus funds to the uncommitted open space tax revenue increases the Township's buying power and places more priority lands in permanent land conservation.

Cons: Use of these funds exhausts the surplus fund – these funds are not annually renewable; and, commitment of surplus funds may preclude choosing Alternatives 3, 4, and 5.

Alternative 3.

Assuming the above numbers, the Township could purchase easements on roughly 190 acres by securing a second five-year loan at 1.75% interest, with closing costs of \$13,000, utilizing the remaining uncommitted open space tax revenues for loan payment and closing costs, and use loan funds to completely cover the costs of conservation easement purchases afforded by the total loan amount.

Pros: In addition to those same advantages listed under Alternative 1, a second loan enables the Board of Supervisors to make larger, lump sum payments to farmers and other landowners who would prefer such over installment payments for the purchase of

their conservation easements; takes advantage of relatively low loan interest rates; increases the Township's buying power.

Cons: *Obtaining a second loan will likely exhaust all remaining uncommitted open space tax funds, limiting the Board's financial participation in subsequent land preservation transactions until the year 2016; and, the Township will be committed to a second loan payment plan for the next five years or more.*

Alternative 4.

Assuming the above numbers, the Township could purchase easements on roughly 590 acres by securing a \$2.3 million dollar municipal bond payable over a 20-year period, and utilize remaining uncommitted open space tax revenues for bond payment. Current interest rates are at 3.50%, with a cost of issue of roughly \$20,000. Monthly bond payments would be \$13,300.28 under this alternative.

Pros: *In addition to those same advantages under Alternative 1, enables Honey Brook to preserve a significant number of priority acres; municipal bonds are currently available with much lower interest rates than bank loans; longer-term loans require smaller annual payments, leaving more dollars for actual easement purchases.*

Cons: *Lenders require most, if not all, of the requested bond funds to be spent in three years from the date of issuance; such action commits the Township to bond payments for the next twenty years, likely requiring the Honey Brook open space tax to remain in effect for the duration of the bond payments; and, this assumes the County also retains its Challenge Grant program for next three years.*

Alternative 5.

Assuming the above numbers, the Township could purchase easements on roughly 1,500 acres by securing a \$7.7 million dollar general obligation municipal bond payable over a 20-year period to significantly increase the Township's buying power. This assumes an interest rate of 4.5%, and an issuance cost of approximately \$160,000. The municipal bond would also be used to pay-off all existing open space debt obligations in addition to the conservation easement purchases. Monthly bond payments would be \$48,532.01 under this alternative. See Appendix K. for a sample bond scenario.

Pros: *In addition to those same advantages under Alternative 1, obtaining a large municipal bond enables the preservation of a significant amount of priority lands over the next three years (2012 – 2015), and takes full advantage of current (low) land values and (low) municipal bond rates by maximizing Honey Brook's buying power.*

Cons: *In addition to those possible disadvantages listed under Alternative 4, such action would require, and largely commit, much of Honey Brook's open space tax revenue for the next twenty years to bond payments (including interest and administration fees); depending on the actual bond amount, this action could potentially exhaust Honey*

Brook's open space tax funds, leaving little opportunity for the Board's financial participation in future land preservation transactions without additional revenue sources; and, this assumes the County retains its Challenge Grant program for next three years, and would be able to meet its share of the match.

Regardless of the alternative or alternatives the Board of Supervisors select(s) for maintaining its land preservation program momentum over the next five years, eventually Honey Brook's financial resources will be exhausted, at least until 2016, when the current debt obligations are met. This Plan promotes the use of both human and financial resources to maximize the amount of Honey Brook priority lands preserved, as long as farmers and other landowners are voluntarily applying for the sale of their development rights.

General Policies with Respect to Purchasing Development Rights

The Township will continue to observe the following general policies with respect to purchasing development rights:

- Applications shall be reviewed by the Land Preservation Committee (LPC) against the Preservation Priorities map (Figure 2).
- Capitalizing on preservation opportunities shall be of higher priority than borrowing cost avoidance, as long as a funding source is available.
- The LPC shall review the Township's financial situation annually, prior to the need to certify financial commitment to the County. The LPC shall recommend to the Board of Supervisors whether or not the Township should increase its cash-on-hand by borrowing after comparing likely applications and projected payouts. This step would not be necessary if Honey Brook secured a general obligation municipal bond of sizable amount in the first or second year.
- Each participating landowner will be asked to donate 10% of the value of their land. Higher priority shall be given to those applications that agree to donate over those that do not, though each application shall be reviewed on a case-by-case basis.
- Each participating landowner will be asked to accept annual installment payments for the Township's share of the payment. For Township total value under \$250,000, the term offered shall be not less than five years. For Township total value between \$251,000 and \$500,000 the term offered shall be not less than ten years. For Township total value exceeding \$501,000, the term offered shall be not less than 15 years. The landowner has the right to accept longer terms if desired. Accepting installment payments is not an automatic qualifier for the Township's participation, nor is "not accepting" an automatic disqualifier. The Township shall not pay interest on the amount owed, unless the total payment (with interest) is less than the Township's cost to borrow (including origination fees. Use of a municipal bank loan, or modest to large general obligation municipal bond would also forgo the need for annual installment payments.

Supporting Actions for the Land Preservation Program

- Continue to use agricultural zoning to compliment the Land Preservation Program. This zoning supports farming practices and also provides on-farm entrepreneurial opportunities to supplement family farm incomes. While agricultural zoning cannot be relied upon to permanently protect Honey Brook's rich agricultural resources, it helps to maintain agricultural land values and keeps land in farming or other open space uses while owners contemplate various land preservation options. This zoning district applies to 10,174 acres of the Township, a large percentage of which is comprised of prime farmland soils. A map of the Township's zoning districts is presented in Appendix I.
- Continue to allow farm- and other landowners the ability to sell Transferable Development Rights (TDRs) as another option for achieving this Plan's land preservation goals. As of this writing, landowners in the agricultural zoning district have obtained Board of Supervisors' certification of 253 TDRs, and 29 of those have been severed and sold, dramatically reducing the development potential on several Township farms. [The twenty-nine severed TDRs have been approved for use in a residential townhouse development in Rocklyn Station (18), and an industrial development near the Morgantown-area turnpike interchange (11).]
- Consider buying remaining TDRs from landowners who have partially severed and sold other TDRs, in order to preserve these farms. The Board of Supervisors is permitted under PA Act 153 to utilize its open space tax revenues to purchase TDRs. The Township can sell purchased TDRs to developers for use in Rocklyn Station and other areas of Honey Brook planned for growth, and can reinvest the sale proceeds in further land preservation. Or, the Board could decide to permanently "retire" purchased TDRs, leaving them forever unused. Consider partnering with private land trusts that may also purchase and sell TDRs in an effort to preserve more of Honey Brook's priority lands.
- Encourage landowners who are severing TDRs from their land to record a conservation easement on that portion used to generate the TDRs. Currently, the Township's zoning ordinance does not require landowners who sever TDRs to restrict their land until all TDRs have been severed from the property. This was intended to encourage landowners to use their TDRs without having to go to the expense of hiring a surveyor or attorney to map out and record a conservation easement. This requirement does have an unintended, negative consequence, however. Chester County's Agricultural Land Preservation Board does not consider a parcel legally "preserved" until a conservation easement exists on that land. This policy has prevented some Honey Brook landowners from improving their "scoring" for easement purchase by being located next to a farm where TDRs have been severed, yet no conservation easement exists. The Township should, as a way of encouraging the use of conservation easements in advance of all TDRs being

severed: a) determine whether it can legally use some of its open space tax revenues to help pay landowner costs for easement recordation, or b) gain the financial support of area land trusts in helping landowners prepare and record such conservation easement documents.

- Request that the Chester County Agricultural Land Preservation Board revise its procedures and convey any TDRs from land where a County conservation easement is being acquired to Honey Brook when the Board of Supervisors has contributed Township funds toward the County conservation easement purchase. These TDRs can be sold by the Board to a developer for use within one of the Township's planning growth areas, such as Rocklyn Station. The proceeds from the TDR sales can be used by Honey Brook for additional land preservation transactions.
- Continue to partner with the City of Wilmington, Delaware on land preservation activities within Honey Brook, a priority headwaters area for the City's public water supply and formal Source Water Protection Program.
- Continue to partner with Chester County and non-profit land trust organizations who have common interests in the preservation of Honey Brook Township farm and forest lands, and who have access to land preservation funding opportunities.

