Why would landowners want to preserve their land?

- Financial Incentive
- Business Expansion

Business Expansion
Hess Family Farms
Two farms preserved in 1991 & 1995
Expansion took place 1995-97
Why would landowners want to preserve their land?

• Financial Incentive
• Business Expansion
• Estate Planning

The Lobaugh Family

Application #1 (Guy) 159 acres
Application #2 (Dean) 80 acres
Donation (Vince) 47 acres
Why would landowners want to preserve their land?

• Financial Incentive
• Business Expansion
• Estate Planning
• Debt Repayment

Debt Repayment
Easement sold in 1993 = $1,464/acre
Farmland Value (1993) = $1,334/acre
Sold in 2003 to repay debt = $4,690/acre*
(with easement in place)

* This figure represents subtracting $30,000 for the value of the buildings

Rhoades Dairy Farm
Why would landowners want to preserve their land?

• Financial Incentive
• Business Expansion
• Estate Planning
• Debt Repayment
• Bankruptcy

Bankruptcy Sale
Easement sold in 1998 = $ 1,297/acre
Farmland Value (1998) = $ 1,035/acre
Public Sale in 2000 = $ 1,630/acre *

• This figure represents subtracting $80,000 for the value of the buildings

Hartlaub Farm
What is the value of the land “After the Fact”? 

Sales of Preserved Farms
Adams County, PA
Example #1

<table>
<thead>
<tr>
<th>Easement (9-21-99)</th>
<th>Resale (2-1-00)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Easement = $218,356)</td>
<td></td>
</tr>
<tr>
<td>Ag Land Value: $1,645/acre x 127 acres</td>
<td>Sold for: $3,886/acre x 127 acres</td>
</tr>
<tr>
<td>$208,915</td>
<td>$493,522</td>
</tr>
<tr>
<td>+ $383,056 *</td>
<td></td>
</tr>
<tr>
<td>$591,971</td>
<td>(&quot;Loss&quot; of $775/acre)</td>
</tr>
</tbody>
</table>

* Value of buildings at time of easement

Notes: Farm set up for horses – sold to Hanover Shoe Farms
Easement + Sale = $711,878 ($5,605/acre)
Sales of Preserved Farms
Adams County, PA
Example #2

Easement (6-13-95)        Resale (6-19-00)
(Easement = $ 77,118)

Ag Land Value: $ 1,200/acre  x  33 acres  Sold for: $ 2,671/acre  x  33 acres
$ 39,600  $ 88,143

+ $ 0 *  (Gain of $1,471/acre)
$ 39,600

* No buildings
Note: Public (Estate) Sale & was a part of land restricted by NPS

Is an easement right for you?

This decision needs to be based on 2 things:

1 – Is it a good business decision?

2 – Do you truly believe in preserving your land?