

THE RURAL LANDS STEWARDSHIP PROGRAM: A NEW APPROACH TO LAND USE PLANNING

OVERVIEW

THE RURAL LANDS STEWARDSHIP PROGRAM (chapter 163.3177(11)(d), Florida Statutes) was established in state law by the Florida Legislature, first as a pilot program in 2001, and again in 2004 as a specifically "encouraged" land use strategy.

Goal: The goal of the Rural Lands Stewardship Program (RLSP) is to provide rural landowners with economic incentives for the stewardship of rural lands, both to protect environmental features and beneficial agricultural uses and to allow development in appropriate settings.

What it is: The RLSP sets up a mechanism whereby natural resource values on a property are assigned a market value that allows them to compete effectively with other types of land uses. Moreover, the RLSP provides landowners with a means of obtaining this enhanced value from market place transactions in return for protecting natural resources and transferring certain rights of use and entitlements to another parcel of property where development can take place.

Traditional Regulatory Approach: The traditional regulatory approach to rural land use has severe limitations. By regulating the use of land, landowners with certain types of land are discriminated against. Because conservation and development are viewed as opposing forces, landowners are placed in competition with each other, with some becoming winners and others being losers. The winners enjoy great economic gain by the ability to serve the needs of a growing population, while the losers are locked out of the gain by holding land that the public deems too valuable for its ecosystem benefits to allow conversion to other uses. Even setting aside the issues of fairness, the creation of winners and losers by regulation has the following adverse effects:

- Entitlements tend to be used prematurely to avoid risking their loss through a change in regulations;
- Natural resources tend to be degraded through the use of regulatory loopholes, especially if there is a perceived opportunity for vesting entitlements later;
- The things we value as a society - like protection of endangered species - are feared by the individual landowner because of the disproportionate burden placed on those lands harboring an endangered species; and
- Fear of regulation and the creation of winners and losers destroy the incentive to cooperate to meet collective goals.

RLSP Approach: By contrast, the RSLP uses a planning process that is not limited by current economic values that are based solely on maximum allowable densities. In addition, it provides economic value for natural ecosystems, farmlands and open space as well. A *limited trading program* is created within the stewardship area that provides an owner of valuable natural ecosystems with credits for these amenities. In order to build, developers must purchase a specific number of credits per unit. This allows owners of natural amenities to participate in the economic development of the land suitable for conversion. In fact, the more valuable the natural ecosystem is - or can be restored to be - the more the owner of that land can participate in the economic benefits of development.

Advantages of RLSP

The RLSP:

- Is voluntary; landowners opt in when they feel an incentive to do so;
- Utilizes market rewards as incentives to protect environmentally sensitive lands;
- Provides greater certainty about the value of rural lands;
- Does not create winners and losers among landowners - the burden of environmental protection is shared among landowners, as is the gain of development;
- Removes the incentive for premature development;
- Removes the incentive to degrade natural resources using regulatory loopholes; and
- Maintains the "rural character" of an area by concentrating development and preserving the surrounding agricultural and environmental land.



Illustration by Peter Spyke

The Rural Lands Stewardship Program provides market place incentives to promote innovative planning, more compact settlement patterns, and the use of "green technologies" to reduce environmental impacts. It also offers creative ways to generate revenues in return for maintaining natural ecosystems and open space.

THE RLSP: A NEW APPROACH TO LAND DEVELOPMENT & CONSERVATION

The Rural Lands Stewardship Program is unique because it:

- Resolves conflict between development and preservation, so development and preservation are not pitted against one another;
- Accommodates development, yet prevents sprawl;
- Directs development into discreet, clustered settlement patterns surrounded by extensive areas of farms and open space;
- Allows for preservation without interfering with or undermining local property tax revenues and economic growth;
- Uses development to pay for natural resource protection, and for land uses that allow for the continuation of farm, ranch and timber land operations;
- Creates new sources of revenue to maintain viability of agricultural operations;
- Promotes best management practices, agriculture economic development and smart growth;
- Involves multiple landowners all at one time through a single, coordinated effort; and
- Extends protection over entire regions (even up to several hundred square miles), rather than protecting land on a piecemeal, parcel-by-parcel basis.

HOW VALUES ARE ASSIGNED

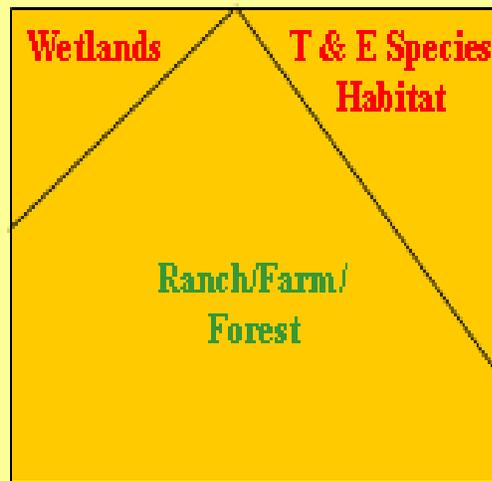
- The Rural Lands Stewardship Program starts by separating the land uses that are allowed on a property by current zoning and future land use maps - each of which has a dollar value in the market place, such as residential, commercial, mining and excavation, recreational, agricultural, etc. - into a series of layers.
- Each land use layer is given a base credit value; these values reflect the percentage of value each land use layer contributes to the current market value of the property.
- Each natural resource, each "public benefit" and each "public value" that is found on the property is identified through satellite imagery, field surveys and other documented data sources; each is then portrayed on an overlay map; and each is assigned a multiplier value based on its importance to the local community, as determined through a priority-setting workshop composed of local stakeholders.
- These multiplier values are then used to increase the market value of each land use layer on each part of the property where one or more natural resources and public values are found (for example, the presence of an endangered species could be assigned a multiplier value that increases the property's value 1.5 times - or more - over its normal market value).
- While a conservation easement or transfer of development rights program gives value for one layer - residential land use - the RLSP provides landowners with values for all land use layers, each of which increases in value if one or more natural resources or public values are present.

HOW THE RLSP WORKS

Instead of using public dollars to purchase land or development rights, the RLSP uses market forces to fund conservation and total infrastructure development in tandem, while creating efficient settlement patterns.

Here's How it Works:

Example:



- 200 acres
- \$2,000,000 offer from developer (\$10,000 ac)
- RSLP approach with public value credits results in overall **1.5X conservation multiplier** for parcel = \$3,000,000
- Owner keeps land, and can transfer credits for development elsewhere

Illustration by Stewardship America, Inc.

Through the RLSP, a landowner with a property that has one or more features that provide a benefit to the public is given a series of choices:

- Do nothing and keep the property as is,
- Sell the property and all rights of use in the property for its current market value, or
- Keep the property, agree to retain the features that provide a benefit to the public, use the property in such a way that will ensure that these features will continue to provide a benefit to the public, and reap the reward of an increased dollar value for the property.

The increased value is derived by selling or pledging the public value credits assigned to these features to another property owner who needs these credits to satisfy the criteria necessary to allow development on another parcel.

Hence, the owner of a parcel with features that provide a benefit to the public stands to make more money by keeping the property and agreeing to retain the features that provide value to the public than the owner would make by selling the property for development. Moreover, the same market incentives work to direct development to more suitable locations.

Development is actively encouraged and welcomed under the RLSP on land parcels with the fewest environmental features.

Development also is less costly and easier to carry out on these parcels. This is because the number of requirements necessary to mitigate for, accommodate or protect environmental features is reduced. In addition, land prices are lower, and capital and carrying costs are lower. This is because land is not entitled with its full development potential, since the credits

necessary to develop at the full potential allowed under the RLSP must be purchased from adjoining landowners.

Since credits only can be purchased from surrounding landowners, these landowners automatically become partners in the development process. A developer interested in building houses must have a package of credits before the development is approved - in addition to houses, the development must include all necessary infrastructure and services, which may necessitate as many as eight credits for each housing unit that is to be built.

The result of the RLSP is to create a small town with residential neighborhoods, corner stores and a town center with shops, town offices and professional services surrounded by farms and open space.

The Opposite of Sprawl is Cluster

What sets this program apart from other land conservation programs is its holistic scope - **conservation and development are planned together** and with the input of private landowners so that small towns, with all necessary infrastructure and services, are developed within the context of a rural landscape of private agricultural lands.

This is accomplished by requiring developers to have a minimum number of credits in order to break ground

The RLSP gives a market value to the uses and features of a property that are deemed to be of value to the public, but which currently have no saleable value in the market economy. These features include the presence of wetlands, endangered species, recharge areas for underground aquifers that provide drinking water, flight paths for commercial aircraft and military training exercises, scenic viewsheds, open space, etc.

BENEFITS OF THE RLSP

The RLSP provides several benefits to developers. These include:

- Reduced up-front capital and carrying costs for development;
- Increased certainty that development proposals will be approved if the RLSP's development criteria are followed; and
- Reduced time and costs in obtaining necessary permits and approvals if all of the RLSP's development criteria are met.

The RLSP provides several benefits to private landowners. These include:

- Environmental and regulatory liabilities - such as the presence of wetlands or an endangered species - are turned into assets that actually MULTIPLY the market value of a property;
- Handicaps of location are overcome;
- Competition and conflicts of interest between individual property owners are reduced;
- All owners are offered opportunities for future appreciation and revenues from development, even if development does not occur on their property; and
- Property lines are erased in the planning phase so that developments can be situated in the best locations and assets from multiple landowners can be pooled, without competition and conflicts, and without the interests of one landowner causing costs or liabilities for another landowner.

The RLSP also provides several benefits to the public. These include:

- Funds are provided to protect natural ecosystems and features important to the public, WITH VIRTUALLY NO COST TO THE PUBLIC and without drawing on funds from public land acquisition programs;
- Large, contiguous tracts of land, water and environmentally sensitive areas can be protected all at one time and at a public cost of as little as \$2 to \$3 per acre, since the only public cost incurred is in planning assistance;
- As much as 5-10 acres of land is left in open space for every one acre that is developed.
- The RLSP results in settlement patterns that:
 - ✓ Reduce the costs of impact fees,
 - ✓ Reduce the level of assessments required for property tax rates,
 - ✓ Reduce environmental impacts, and
 - ✓ Reduce costs for necessary infrastructure.

Because the RLSP encourages compact mixed use developments, it creates settlement patterns that generate a surplus in revenues for municipal operations and schools.