

PETER SHUMLIN  
Governor



State of Vermont  
OFFICE OF THE GOVERNOR

March 20, 2012

*Ross, Seelig, Gill*  
Dear Secretary Ross, Mr. Seelig, and Mr. Livingston,

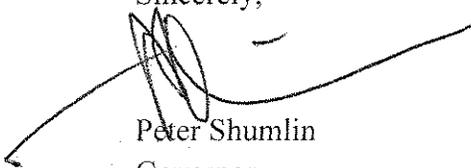
Over the last few months I have reviewed, and approved, the State's purchase of a number of agricultural conservation easements and options to purchase at agricultural value from individual farmers. I appreciate that the State's purchase of these rights helps to preserve our rural landscape while also supporting Vermont farmers. Parts of these transactions concern me, however.

First, I need to better understand why each transaction costs between \$22,500 - \$24,500 regardless of the size of the easement. My understanding is that this figure does not include the costs of the relevant appraisals, but does include a fee to whichever organization brings the property into the conservation program, as well \$7,000 in stewardship endowment costs, and \$8,000 or more in closing costs. These strike me as high transaction costs.

Second, the per acre value of some of these easements and options to purchase seems high in some cases. The last easement and OPAV I approved was valued at over \$5300/acre, which was close to, and sometimes higher than, the per acre value of the land listed in a number of the appraiser's comparables for outright sales. I want to better understand why the appraised per acre value of these easements is comparable to the per acre value of outright sales.

I greatly appreciate that Agency of Agriculture staff has taken the time to provide me with appraisals and municipal assessments that I have requested. These materials have been helpful. They have also led to more questions than answers in some cases. I would like to discuss these issues with you before the State enters into more of these transactions.

Sincerely,

  
Peter Shumlin  
Governor

PS/sl