

Milestones in the Application Process

Page 1

APPLICATION MILESTONE:

Landowners review the [Application Guidance and Resource Booklet](#) for information about a variety of [Key Issues for Consideration](#) when deciding to preserve a farm. Preservation coordinators at local nonprofits, the municipality, county and/or SADC are available to answer questions and explain the nuances of the preservation process.



**Preliminary
Approval**



**Appraisals
Ordered**

PRELIMINARY APPROVAL MILESTONE:

- Once an application is received, computer mapping and reports are generated and reviewed to ensure the property meets all [Minimum Eligibility](#) criteria. The application is also reviewed to ensure that considerations have been made for existing conditions on the property related to the agricultural operation, local zoning and other relevant regulations, [Residential Information & Improvements](#), [Exception Areas](#), and [Nonagricultural Uses](#). Suggestions regarding the application configuration may be made and any conditions are discussed with the landowners.
- The SADC issues a preliminary or “green light” approval that serves as the basis for the appraisal process. In addition, the [Statewide Formula](#) factors are generated, providing an indication of what percentage of the full market value might be offered to preserve the farm.
- Landowners may be asked to sign an option agreement that includes limited permissions and restrictions during the time the property is appraised, and an offer is made for preservation.



**Value Certification &
Easement Offer**



VALUE CERTIFICATION & EASEMENT OFFER MILESTONE:

- Two independent State Certified General Real Estate Appraisers are hired to value the property. The SADC will review the reports, ensure they are done to the appropriate standards and issue ‘certified values’ for any of the [Methods of Valuation](#) the property and landowner are eligible for.
- The highest of these values will be the most you can be paid and used as the basis of negotiations for the preservation of the property. The offer is usually made per acre, which is finalized by the surveyed acreage.
- Once an easement offer is made, it is important to review the [Deed of Easement](#) which is the document that outlines the permissions and restrictions on the farm once preserved.

Milestones in the Application Process

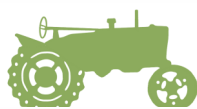
Page 2

Landowners may want to meet with accountants, attorneys, financial planners, realtors or others to help guide their decision making.

Mortgage companies should also be consulted, if any, regarding payoff or subordination requirements.



**Final
Approval**



**Due Diligence
Title & Survey**

FINAL APPROVAL MILESTONE:

- If the landowners accept the easement offer, the municipality, county and/or SADC must pass a resolution of 'final approval,' which authorizes the funding and commitment to the transaction. In most cases the landowner will be asked to sign a Contract to commit to the preservation of the farm.

DUE DILIGENCE:

- A title search is performed to review the property's ownership history, identify any liens, encumbrances or other restrictions that impact the property. The title is reviewed in conjunction with a survey that delineates the outbounds of the property, easement area and any exception areas within.
- The SADC real estate specialists and attorneys will work cooperatively with landowners and their representatives, where possible, to resolve all necessary title and survey issues.
- The landowner is paid per acre on the entire easement area unless there are areas of unclear title, encroachment, or other restrictions that conflict with the Deed of Easement or agricultural use of the property.

PRESERVATION MILESTONE:

- Before closing, a farm site visit is coordinated with the landowner to photograph and document the property conditions at the time of closing. This sets the 'baseline' that is used for annual monitoring.
- Once any and all issues are resolved, a closing date will be set and facilitated by the title company in a location and manner agreeable to all parties.



Closing!



**Baseline
Site Visit**

NEW JERSEY
State Agriculture Development Committee
P.O. Box 330
Trenton, NJ 08625-0330

phone: 609-984-2504
email: sadc@ag.nj.gov
web: www.nj.gov/agriculture/sadc