



N.C. Department of Agriculture & Consumer Services
N.C. ADFP Trust Fund
*Application Guidelines for
Local Agricultural Growth Zones (AGZs)*



Overview

Purpose

North Carolina faces one of the highest rates of farmland loss in the nation. The American Farmland Trust estimates that more than 732,000 acres were converted between 2001 and 2016 and projects the state will lose the second-most farmland in the country by 2040.

Local Agricultural Growth Zones (AGZs) are local or regional areas of concentrated agricultural conservation easements that permanently protect working lands from development, creating a physical buffer between urban and suburban growth while preserving the rural character and long-term viability of agricultural communities.

The North Carolina Agricultural Development and Farmland Preservation (ADFP) Trust Fund provides competitive grants to preserve qualifying agricultural, horticultural, and forestlands and foster the growth, development, and sustainability of family farms.

The purpose of the Local Agricultural Growth Zones (AGZs) application is to provide matching funds to counties and nonprofit conservation organizations for the acquisition of agricultural conservation easements that strengthen locally coordinated farmland preservation efforts.

Local AGZ grants achieve the following objectives:

- Leverage state funding to local communities for agricultural conservation easement projects
- Encourage local and private investments for farmland preservation efforts
- Provide funding pools for agricultural conservation easements that are directed at the local level

Once awarded, the contracted entity may submit agricultural conservation easement projects to the ADFP Trust Fund for review on a rolling basis throughout the three-year MOA term. Each proposed project must meet all ADFP Trust Fund eligibility requirements and comply with the terms of the MOA and project subcontract. After property eligibility is verified by the ADFP Trust Fund, a subcontract will be executed with a subcontracted county government or private nonprofit conservation organization serving as the easement holder.

For additional application resources, go to

<https://www.ncagr.gov/divisions/farmland-preservation/applicants>

Eligibility

- Eligible applicants must be a nonprofit conservation organization or county government (G.S.106-744) and current grantees are subject to the Grantee Risk Assessment Guide.

- Eligible subcontractor(s) must be a nonprofit conservation organization or county government (G.S.106-744) that will be responsible for agricultural conservation easement deliverables and serve as the easement-holding entity. Current grantees remain subject to the Grantee Risk Assessment Guide, including when serving as subcontractors.

NOTE: Farmers, landowners, and others interested in applying must partner with a nonprofit conservation organization or county government to participate in an ADFP Trust Fund grant proposal and subcontract.

- Eligible applications must:
 - Propose a new Local AGZ
 - Existing Local AGZs eligible for renewal must apply through the Local AGZ Renewal application.
 - Be limited to the boundaries of a single county. Applications may be countywide or focused on priority zones within the county.

Application Format and Documentation Requirements

Application Summary

The Local AGZ application is an interview-driven proposal in which applicants detail how county governments and nonprofit conservation organizations can strategically focus conservation funding for agricultural conservation easements in rural communities.

Application Structure

The ADFP Trust Fund staff reviews each application. The Local AGZ application process consists of two parts, each with its own deadline. After all parts of the application have been received in full, the applicant will receive a request for interview. Each eligible application must complete the interview process to be considered for a grant award. Presentations are required for the interview. Additional details or documentation may be requested during the interview. After the interview is conducted and all documentation is received, the application package will be ranked by ADFP staff. Once an application form is submitted, it cannot be edited or resubmitted. Late submissions, or failure to complete either part by its deadline, will result in the application being deemed ineligible. All application documentation must be included at the time of submission. Emailed documentation will not be accepted, unless with prior approval from ADFP Trust Fund Grant Specialist.

Part 1

- Opens: First Business Day of August
- Closes: Last Business Day of August at 5PM ET
- Purpose: This short form confirms basic programmatic eligibility.

Part 2

- Opens: Second Monday of September
- Closes: Last Monday before Christmas at 5PM ET
- Purpose: This form captures details on the implementation behind the proposed plan.

After Part 1 closes, eligible applicants must participate in either a virtual meeting with the Farmland Preservation Division Director or a webinar hosted by the Farmland Preservation Division before Part 2 opens. The meeting format will be determined based on the number of eligible applicants. The session provides an overview of the program, explains applicant expectations, and allows time for questions. Participation is required to be considered for a grant award.

Scoring

Local AGZ scores are based on two components: the budget (100 points) and the interview (125 points), for a total possible score of 225. The application is used to determine eligibility and essential information. The paneled interview portion of the application process is an opportunity for reviewers to assess the proposal and gather additional information related to the Local AGZ implementation.

After scores are finalized, the Commissioner of Agriculture, in consultation with the ADFP Trust Fund Advisory Committee, determines which applicants will receive ADFP Trust Fund grants.

Budget

Grant Request Maximum

The maximum grant request per Local AGZ application is \$2,000,000.

In the event there are not sufficient funds to cover all the requests, ADFP Trust Fund staff reserve the right to award additional funds up to a certain percentage of the request

Budget Instructions

In the Local AGZ application, applicants must provide grant request budget information in both the AGZ Budget Worksheet and the application fields. **Please complete an AGZ Budget Worksheet for each Local AGZ application. This worksheet is found in the Local AGZ section of the ADFP Trust Fund website.**

Grant Request Budget

On the AGZ Budget Worksheet, fill out the line items with grant fund requests. The “Totals” row and column auto-calculates the totals of each row and column. Below are additional details related to the budget request:

- Transactional costs to complete the agricultural conservation easements may be requested and are limited to 10 percent of the total Local AGZ request.
- Each line item is capped at the maximum cost average for the region (see current region cost averages on the ADFP Trust Fund website).

The requested budget line items and totals must be entered consistently in both the AGZ Budget Worksheet and the Local AGZ application.

Matching Funds

On the AGZ Budget Worksheet, include secured (committed in writing) and unsecured matching funds from cash and in-kind sources. Each line item should include a total of secured and unsecured funds. If no match is available for a line item, enter “0” in the field.

- Cash match is a cash purchase for the project that is not reimbursed by the ADFP Trust Fund.
- In-kind match is a non-cash donation made to the project.

Below is an example of matching fund types and line item types:

Line Item	ADFPTF Grant Request	Secured Cash Match	Secured In-Kind Match
Easement Purchase	\$900,000.00	\$900,000.00	-
Stewardship Endowment	\$27,000.00	\$27,000.00	-
Appraisal	n/a	\$40,000.00	-
Transactional and Due Diligence Costs	\$73,000.00	-	\$20,000.00
TOTAL	\$1,000,000.00	\$967,000.00	\$20,000.00

The secured and unsecured matching funds, including match types, amounts, and totals, must be entered consistently in both the AGZ Budget Worksheet and the Local AGZ application. Applicants must also upload documentation in the Local AGZ application to support all secured funding.

- Each source of matching funds must have a letter of commitment from the matching fund’s source to be considered secured.
- Letters of commitment must have the following information:
 - Name of Source of Matching Funds Entity (agency or organization)
 - Contact Name and Information for Matching Funds Entity
 - Dollar Amount/Value of Match
 - Identification of Match as a Cash or In-Kind Source
 - Brief Description of Match
 - Signature of Authorized Matching Funds Source Contact

Note: All match that does not have a signed letter of commitment uploaded in the appropriate matching funds narrative section will be considered unsecured.

Required Matching Funds

Local AGZ applications must include a **cash** contribution for agricultural conservation easement purchase equal to or greater than the ADFP Trust Fund grant request for agricultural conservation easement purchase.

Upon award, each Local AGZ grant contract must identify the source of cash contributions for agricultural conservation easement purchase. Cash contributions may be provided by:

- Local governments
- Conservation nonprofit organizations
- Private funding
- A combination of these sources

NOTE: Federal, state, or in-kind sources of funding are ineligible.

If a Local AGZ grant contract does not have secured cash contributions for agricultural conservation easement purchase, no grant funds may be expended until those funds are secured.

Grantees are limited to the start of the next fiscal year after the execution of a Local AGZ MOA to secure cash contributions for agricultural conservation easement purchase via a letter of commitment. If cash contributions for agricultural conservation easement purchase are not secured during this time period, the grant contract will be canceled.

Example: If a Local AGZ MOA is awarded on October 1, 2027, the contracted entity has until July 1, 2028, to secure matching funds. The secured funds may be in whole or in part, but the maximum grant expenditures are limited to the secured matching funds.

- Grant requests with more secured match will result in higher scores in the budget category.
- Public funds from the State of North Carolina **will not be considered for any match** requirements.
- Documentation of match will be required in the reporting process.
- Statutory match requirements must be expended during the grant contract period. Match expended before the execution of the grant contract will not be considered.
- Federal funding for agricultural conservation easement acquisition may not supplant or replace dedicated funding as identified in the Local AGZ grant contract.
- If federal funds are secured for an agricultural conservation easement project approved under a Local AGZ grant, the funding from the local source and the ADFP Trust Fund must be reduced proportionally. External funding and ADFP Local AGZ funding must maintain a 1:1 ratio.
- Future projections for cash contributions for agricultural conservation easement purchase may be considered.

Budget Scoring

Budget points are awarded based on the amount of secured match as a percentage of the Local AGZ grant request for easement purchase.

For example, secured easement purchase funds of \$250,000 for a Local AGZ grant request of \$500,000 in easement purchase funds is 50 points.

Non-Allowable Costs:

- Personnel/Administrative Services
- Appraisals
- Alcoholic beverages
- Bad debts

- Contingency provisions
- Contributions and donations
- Entertainment costs
- Fines, penalties, damages, and other settlements
- Fundraising and investment management costs
- General costs of government
- Goods or services for personal use
- Lobbying
- Losses on other awards or contracts
- Organization costs
- Selling and marketing costs
- Student activity costs
- Telecommunication costs

Expenditures of State financial assistance by any recipient or sub-recipient shall be in accordance with the cost principles outlined in the Code of Federal Regulations, 2 CFR, Part 200. Please see <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200> for more information.

If there are questions about allowable costs or match, please email Allison Rodriguez at Allison.rodriguez@ncagr.gov.

Funding Periods and Extensions

AGZ MOAs awarded during Cycle 20 will expire on **September 30, 2030**. Any request for an extension must be submitted no **fewer than 60 days** prior to the contract's expiration date to be considered for approval.

For more information on Local AGZs, please email Evan Davis at Evan.Davis@ncagr.gov.