

PECONIC LAND TRUST



For immediate release

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PECONIC LAND TRUST ACQUIRES CONSERVATION EASEMENT WITH AFFORDABLE FARMING COVENANT FROM JEFF WHITE ON 20 ACRES OF FARMLAND IN SAGAPONACK

This represents the first time a farmer has voluntarily donated additional restrictions on protected farmland that will guarantee the farmland will be available to farmers in the future.

JULY 22, 2011. SOUTHAMPTON, NEW YORK. John v.H. Halsey, President of the Peconic Land Trust, announced the donation of an Affordable Farming Covenant plus additional restrictions on a 20-acre farmland parcel on Bridge Lane in Sagaponack by Jeff White. The farmland was first protected by a sale of development rights to Southampton Town in 1986. Although the development rights acquired by the Town preclude residential development on the farmland, the restrictions do not assure that the farmland will be available to farmers at an affordable price in the future, nor do they preclude the right of a future owner to screen the entire field with a hedge, thereby altering an iconic vista on Bridge Lane long enjoyed by the public.

“In response to the recent protection of the Hopping farmland on Sagg Main Street, and the resale of that property to Jim and Jennifer Pike with an Affordable Farming Covenant, Jeff White approached the Trust to strengthen the restrictions already in effect

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on his farmland on Bridge Lane," explained John v.H. Halsey, President of the Trust. "This is an incredibly generous and forward-thinking act on the part of Jeff and we are very grateful for his vision and commitment to agriculture on the East End."

In essence, the Affordable Farming Covenant sets the value of the farmland based on the additional restrictions placed on the land. In addition to the prohibition on screening, the Trust has the right to lease the farmland to a farmer if it is fallow for 3 years and is entitled to approve all future sales of the property which are limited to bona fide farmers as determined by the Trust. Future sales of the farmland will be limited to the value of the farmland defined in the Affordable Farming Covenant as adjusted by the Consumer Price Index over time. An additional benefit to Mr. White is the potential reduction in the value of the farmland for federal and state inheritance tax purposes. Given an increasing number of sales of protected farmland to non-farmers in recent years, the appraised value of such land has risen to about \$100,000/acre on the South Fork. Not only does this value represent an added estate tax burden for farmers, but it also may necessitate the sale of protected farmland to non-farmers at a price well beyond the reach of most farmers.

"This piece of property is uniquely positioned to connect farmland protected by the Peconic Land Trust and Southampton Town to the south on the pond and on the horizon to the west," said Jeff White. "It made sense here to strictly limit what was allowed visually as well as agriculturally, while at the same time assuring that it would be used for farming. The Trust is the only local organization that is seeking new ways to conserve land not only for preservation sake but to provide the resource of prime agricultural soil to whoever will be producing food in future generations."

About the Property

In December 1986, the Town of Southampton purchased the development rights on Jeff White's 20-acre Bridge Lane property in Sagaponack. In 2006, the Trust and Southampton Town worked in partnership to purchase the development rights on an adjacent 10 acres of farmland fronting on Sagg Pond owned by the White family. The family sold the development rights at a bargain price. The Town used about \$5 million from its Community Preservation Fund while the Trust raised nearly \$2 million in private funds toward the acquisition. Since December 2009, Jeff White has been adding restrictions to his 20 acres of protected farmland. In April of this year, Mr. White donated the Affordable Farming Covenant that further limits the value of the property and requires that it be sold to a farmer at a set price upon resale.

Affordable Farming Covenant and Resale Restrictions

In recent years, sales of protected farmland to non-farmers have been as high as \$200,000/acre raising the average value of protected farmland to about \$100,000/acre well beyond the reach of the vast majority of farmers. In addition, non-farmer sales at inflated values have dramatically increased the value of protected land of "land rich, cash poor" farmers for estate tax purposes. Through the use of an overlay easement that includes the Affordable Farming Covenant and Resale Restriction, the value of the protected farmland can be lowered to its "agricultural value" due to the following:

- subsequent sales of the further restricted farmland are limited to a predetermined value consistent with comparable sales exclusively to farmers plus appreciation tied to the Consumer Price Index (CPI) and the value of any agricultural improvements added to the property;

- the Trust is the purchaser of last resort if the owner is unable to find a farmer to purchase the restricted farmland;
- the Trust is required to approve all future sales to ensure that the restricted farmland is purchased by a qualified farmer.

In the case of the Jeff White property, the overlay easement further reduces its value through the following:

- equestrian use of the property is prohibited;
- if the farmland is fallow for two years, it must be kept available for agricultural use and managed subject to a Natural Resource Conservation Plan;
- if the farmland is fallow for three years, the Trust has the right to lease it to another farmer to ensure that it remains in agricultural production.

About the Peconic Land Trust

The Peconic Land Trust was established in 1983 to conserve Long Island's working farms and natural lands. Since its inception, the nonprofit Trust has worked conscientiously with landowners, communities, municipalities, partner organizations, and donors, to conserve approximately 10,000 acres of land on Long Island. The Trust's professional staff carries out the necessary research and planning to identify and implement alternatives to outright development. While working to conserve the productive farms, watersheds, woodlands, and beachfront of Long Island, the Trust is also protecting the unique rural heritage and natural resources of the region. The Trust has Stewardship Centers in Cutchogue, Bridgehampton (Bridge Gardens), Southold (Agricultural Center at Charnews Farm and Shellfisher Preserve) and Amagansett (Quail Hill Farm) and its Main Office is in Southampton. *A common misperception,*

however, is that the Peconic Land Trust is the recipient of the monies raised through the Peconic Bay Region Community Preservation Fund (also referred to as the 2% land transfer tax or the Peconic Land Tax). This is NOT the case. The CPF tax is collected by Suffolk County and then redistributed to the five East End towns, the distribution of which is based on the location of the property from which the tax is acquired. For more information about the Peconic Land Trust visit www.peconiclandtrust.org or call 631.283.3195.

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