

PECONIC LAND TRUST



For immediate release

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PECONIC LAND TRUST ANNOUNCES

SALE OF 19.2 ACRES OF THE DANILEVSKY FARMLAND

IN WATER MILL TO FARMER HANK KRASZEWSKI, III

The Peconic Land Trust issued a Request for Proposals for purchase of the Water Mill farmland on Head of Pond Road in Water Mill in the summer of 2014.

Hank Kraszewski, III, is a third-generation Southampton farmer.

JANUARY 29, 2015. SOUTHAMPTON, NEW YORK. Peconic Land Trust President John v.H. Halsey is pleased to announce the sale of 19.2 acres of prime agricultural land in Water Mill, NY to Hank Kraszewski, III, of Kraszewski Farms. A third-generation farmer, Hank plans to grow vegetables on the farmland and open a retail farmstand there during the 2015 season.

The Trust acquired the farmland in July 2014 in a landmark conservation effort with the Town of Southampton. The Town purchased development restrictions from the Trust – including, for the first time, additional restrictions that ensure that the land will be actively farmed, primarily in food production. In August 2014, the Trust issued a Request for Proposals (RFP) in order to sell the protected farmland to qualified farmers under its Farms for the Future Initiative.

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The sale of the property to Hank Kraszewski, III, is the result of the successful conclusion of the RFP process. The Trust anticipates announcing the buyer of the second parcel in the coming months.

“Through our Farms for the Future Initiative, the Trust is committed to ensuring that the prime agricultural soils of Eastern Long Island remain accessible to farmers – and when appropriate in the hands of farmers producing food,” said John v.H. Halsey, President, Peconic Land Trust. “We are pleased to be able to put the farmland back into the hands of an active farmer – and especially one who represents the next generation of farming here on the South Fork.”

“This is a great step forward. Through the addition of enhanced rights we are protecting farmland, open spaces and community character as well as encouraging young farmers to farm here in Southampton Town,” said Southampton Town Supervisor Anna Throne-Holst. “We appreciate the efforts of the Peconic Land Trust and look forward to working together on this and future conservation opportunities.”

“I am so pleased we were able to work with the Trust to make this happen,” said Southampton Town Councilwoman Christine Scalera. “The enhanced rights purchased provided such a great opportunity for the Town of Southampton to be able to participate in the facilitation of expanding and continued farming for food production here in the Town.”

“I love everything about farming, there’s nothing I don’t like. I’m looking forward to working with my family – my mother and father – and to growing the business

alongside my dad. Buying this farmland is important for the future of our family farm – we know that this is land that we will never lose and have forever,” said Hank Kraszewski, III.

On December 23, 2014, Hank Kraszewski, III, purchased 19.2 acres on Head of Pond Road, just northwest of the intersection at Scuttlehole Road in Water Mill. This parcel, part of the Trust’s acquisition of 33 acres of farmland from the estate of Charlotte Danilevsky in July 2014, is adjacent to 34 acres of protected farmland currently in equestrian use and 60 acres of protected farmland that is out of production.

Hank III is a third generation farmer on Long Island and has worked in his family’s farming business, Kraszewski Farms, since he was seven years old. His great-grandfather immigrated to the United States from Poland and started a small potato farm on the East End. Today, the family’s farming operation includes Hank’s Pumpkintown in Water Mill and Hank’s Farmstand in Southampton. Hank III recently graduated from Delaware Valley College in Doylestown, PA, where he studied commercial crop production in the School of Agriculture and Environmental Sciences. The Kraszewski’s farm 450 acres on the East End – but own only 150 of those acres. “One of the things I think about is what will the farm be like when I’m my dad’s age. Owning farmland is an important part of assuring that our family will be farming into the next generation,” said Hank.

Danilevsky Farmland Parcels

In July 2014, the Peconic Land Trust purchased the two parcels (19.2 acres and 13.9 acres, for a total of 33 acres) for \$12,025,000 in July 2014, with the Town of Southampton

purchasing the new, enhanced restrictions from the Trust for approximately \$11.167 million. Consequently, the restricted value of this newly protected farmland is approximately \$26,000 an acre, a price far more affordable to food production farmers than protected farmland with lesser restrictions that sells for as much as \$200,000 an acre. Both Danilevsky parcels are subject to Affirmative & Affordable Farming Covenants and Resale Restrictions (*see details below*). The Trust currently holds similar restrictions on about 60 acres of farmland in Sagaponack, NY. Southampton Town is the first municipality in New York State to purchase enhanced restrictions on farmland, a remarkable milestone.

Affirmative & Affordable Farming Covenants and Resale Restrictions

In recent years, sales of protected farmland on Long Island's South Fork to non-farmers have been as high as \$200,000/acre, raising the average value of protected farmland to over \$100,000/acre—values well beyond the reach of the vast majority of farmers who grow food. However, through the use Affirmative & Affordable Farming Covenants and Resale Restrictions, the value of the protected farmland can be lowered to its “true agricultural value” for food production. The Danilevsky farmland parcels include the following restrictions:

- 80 percent of the farmland must be used for the production of food.
- equestrian use of the property is prohibited;
- horticultural specialties that result in the removal of soil from the property are prohibited;
- if the farmland is fallow for one year, it must be kept available for agricultural use and managed subject to a Natural Resource Conservation Plan;

- if the farmland is fallow for 2 years, the Town has the right to lease it to another farmer to ensure that it remains in agricultural production.
- future sales of the additionally restricted farmland are limited to its value at the time of the Town's purchase of development rights (about \$26,000/acre) plus the value of any agricultural improvements added to the property by the farmer. The land's appreciation is limited to the lower of either the Area Median Income (AMI) or the Consumer Price Index (CPI) not to exceed 3.5% annually;
- the Town reviews and approves all future sales to ensure that the restricted farmland is purchased by a qualified farmer;
- the Trust, or a similar organization, will be the purchaser of last resort if the owner is unable to find a farmer to purchase the restricted farmland. When purchased under these circumstances, the protected farmland would be offered for sale to qualified farmers through a transparent selection process including a "request for proposals" and lottery, if necessary.

Why is this Important?

Landmark efforts to protect farms and farming in Suffolk County that began in the 1970s are unraveling. In total, about 12,000 of 34,000 acres of farmland in Suffolk County have been protected from residential or commercial development through development restrictions held by Suffolk County, Towns, and the Peconic Land Trust. For the most part, these restrictions protect the resource but do not assure that protected farmland will be farmed. This has led to the dramatic increase in the number of non-farmers purchasing protected farmland for lawns and other amenities to development as well as for equestrian purposes, especially in Southampton Town. As a consequence, agriculture as we know it, including the production of local food, may very well

disappear on Long Island, perhaps within a generation on the South Fork, unless aggressive actions are taken.

Not only has this new trend driven up the value of protected farmland to over \$100,000/acre on the South Fork, but also has additional consequences, including:

- a tremendous increase in federal and state inheritance tax liabilities for farmers, which will necessitate the sale of protected farmland at the highest possible price, primarily to non-farmers;
- an inability for most farmers who produce food to purchase protected farmland at \$100,000/acre or more (the maximum they can afford is \$20,000 - \$30,000/acre);
- without working farms that provide fresh, locally-produced food to residents and visitors alike, we will lose an extraordinary facet of our community character and an important component of our local economy.

About Farms for the Future Initiative

The Peconic Land Trust's Farms for the Future Initiative includes farmland leases, incubator programs, and sales of protected farmland, some with additional restrictions that limit non-agricultural activities, designed to assure access and affordability for farmers in the future. The majority of the lessees operate on protected farmland owned by the Trust either at the Agricultural Center at Charnews Farm in Southold or at the Deborah Light Preserve in Amagansett, home of the Trust's Quail Hill Farm.

Objectives of the Farms for the Future Initiative:

- Keep conserved agricultural land actively farmed

- Create opportunities for farmers to start-up and/or expand their agricultural operations
- Promote the diversity of farming and farmers on Long Island
- Encourage food production farming
- Ensure that farmland is available and affordable to farmers

To learn more about this program, please contact Luke McKay, Project Manager, at 631.283.3195 or LMcKay@PeconicLandTrust.org.

About the Peconic Land Trust

Founded in 1983, Peconic Land Trust conserves Long Island's working farms, natural lands, and heritage. Since its inception, the nonprofit Trust has worked conscientiously with landowners, communities, municipalities, partner organizations, and donors, to conserve over 11,000 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. *The Trust depends primarily upon private donations to support its conservation work. A common misperception, however, is that the Peconic Land Trust collects and distributes the monies raised through the Peconic Bay Region Community Preservation Fund (the CPF is also referred to as the 2% land transfer tax or the Peconic Land Tax). This is NOT the case. The CPF is a public program*

managed by each of the five East End Towns for the protection of farmland, open space, and community character. For more information about the Peconic Land Trust visit www.peconiclandtrust.org or call 631.283.3195.

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