

PECONIC LAND TRUST



For immediate release

Contact: Yvette DeBow-Salsedo
631.283.3195

PECONIC LAND TRUST ANNOUNCES CLOSING ON THE HOPPING FARMLAND, HOME TO THE PIKE FARM STAND

The Peconic Land Trust, Suffolk County, and Southampton Town have closed on the purchase of the Hopping farmland. The Trust now owns the Sagaponack farmland, which is home to the Pike Farm Stand, while the County and Town hold the development rights. Under the terms of the purchase, the Trust will make a final installment payment of \$700,000 to the Hopping family in March 2011.

MARCH 4, 2010. SOUTHAMPTON, NEW YORK. Peconic Land Trust President John v.H. Halsey announced the purchase of the Hopping family's 7.8 acres of farmland on Sagg Main Street in Sagaponack.

The farmland is home to the Pike Farm Stand, operated by Jim and Jennifer Pike for more than 20 years. Under the terms of the contract, the Trust purchased the property for \$6 million. At the closing on March 2nd, the Trust simultaneously sold the development rights on the property to Suffolk County and the Town of Southampton for about \$4.3 million, under a 70/30 split. The Trust, with donations from over 300 contributors and The Pew Charitable Trust's Northeast Land Trust Consortium, brought an additional \$1 million to the closing. The Hopping family has agreed to a second and final installment payment post-closing from the Trust of \$700,000 by March 15, 2011. In the meantime, the Pikes will lease the land from the Trust.

"This day has been nearly 3 years in the making," said Trust President Halsey. "And its

-- next --

success is attributable to the perseverance of many, the patience of the Hopping family, the willing participation of the County and the Town to protect a working farm, and the community, whose generosity both in time and funding, have made it possible for the Trust to conserve this land; but we're not done yet."

"In spite of the fact that we still have additional funds to raise, the closing represents a key milestone in the effort to conserve this land as an active farm forever more. Our thanks as well to The Pew Charitable Trusts and its challenge grant provided through its Northeast Land Trust Consortium. For larger gifts, this program has matched \$1 for every \$5 raised, and it will continue through the end of March 2010 in order to assist us in raising the outstanding balance."

When the final installment is paid to the Hoppings, the Trust intends to sell the restricted farmland to Jim and Jennifer Pike with additional safeguards to ensure that this land will always remain available to farmers for agricultural production. To this end, the Trust will sell the land subject to an overlay conservation easement with preemptive right. These additional restrictions will enable the Trust to sell the restricted farmland to the Pikes at a price that they can afford.

In recent years, sales of protected farmland to non-farmers have driven up restricted land values to as much as \$100,000 per acre making it impossible for farmers to purchase. In addition, non-farmer sales at inflated values have dramatically increased the value of protected land within the taxable estates of land rich, cash poor farmers. By including a preemptive right within the overlay easement, the value of the restricted

farmland is lowered to its “agricultural value” due to the following:

- subsequent sales of the restricted farmland are limited to family members of the owner or other farmers at a price consistent with comparable sales exclusively to farmers;
- 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 review all prospective sales to ensure that the guidelines of the preemptive right are fulfilled.

In the case of the Hopping property, an overlay easement will further reduce the value of the restricted farmland to about \$20,000/acre given these additional restrictions:

- at least 60% of the farmland must be in food production;
- up to 40% of the farmland can be in non-food crops;
- equestrian use of the property will be 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.

“The Hopping property provides the Trust with the opportunity to apply tools used in other states to ensure that protected farmland remains in agricultural production and affordable to farmers in the future. Preemptive rights and overlay easements may also be invaluable as farmland owners seek to reduce the value of their land for estate tax purposes. If we don’t think outside the box, we may not only lose the farmland, but the farmers themselves,” said Halsey.

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 and Amagansett 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.

#####