

TOWN OF RED HOOK BOARD MEETING

September 4, 2007

PUBLIC HEARINGS

CALL TO ORDER

A meeting of the Town Board of the Town of Red Hook, Dutchess County, New York was convened in public session at the Town Hall, 7340 South Broadway, Red Hook, at 7:30 p.m.

Present: Deputy Supervisor William O'Neill
Councilman James Ross
Councilman Harold Ramsey
Councilwoman Lisa Pullaro
Town Clerk Sue McCann

Absent: Supervisor Marirose Blum Bump
Councilwoman Sue Crane

Also Present: Attorney for the Town Christine Chale

Deputy Supervisor William O'Neill opened the meeting with the Pledge of Allegiance. He announced the Public Hearings for the Agra-Gate Farm, the Anne Hapeman and Charles Blum Farm, the Cornelia McGiver and Greg Blum Farm and the Schachat Farm. He then introduced Mr. Seth McKee, a Land Conservation Director from Scenic Hudson who agreed to preview all four of the projects.

Mr. McKee explained that Scenic Hudson is a conservation organization that has conserved approximately 1400 acres of working farmland in the Town of Red Hook and about 6600 acres throughout the Hudson Valley through conservation easements. He explained that what is at stake here is the permanent conservation of a cluster of farms in the northwestern part of town. It is 237 acres of farmland of which 90% is either prime farmland or state wide significant farmland, meaning those soils are optimal for growing crops. The overall mission of Scenic Hudson is to conserve farmland in the Hudson Valley in what they call "critical masses", or blocks of farms. He referred to a map showing conserved properties. Mr. McKee went on to explain that the landowners would be compensated for putting permanent conservation restrictions on their land. The easements will ensure that the properties can never be developed for residential, commercial, or industrial uses, only agricultural related activities. The land remains in private ownership but the easements transfer from one landowner to the next and will be permanently enforced by either Scenic Hudson and/or the Town. The easements will be monitored annually. All of the proposed purchases were based on independent appraisals of the fair market value of the development rights of the farms. It's a multiple step process. At first they were appraised for their market value without any restrictions, and then the appraiser took a second look at them. What would the value of the farms be as encumbered by the conservation restrictions, then the restricted value is subtracted from the fair market value to get a value of the development rights. The conservation easement is the legal instrument that restricts the land, the purchase of development rights is the action taken by the Town to conserve the lands.

Mr. McKee gave some background information regarding the farms subject to the public hearings. Agra-Gate Farm is 136 acres. It produces cattle and sheep as well as high quality hay mixtures. The cost of its conservation easement is \$838,000 which averages \$6,760 per acre, Schachat Farm is about 24 acres, produces hay and corn and is leased to a local dairy farm in Clermont. The cost of its conservation easement is \$179,000 which is \$7,556 per acre. The Anne and Charles Blum Farm is 43 acres leased to the same dairy farmer for hay and corn production. The cost there is \$381,000 at \$8,883 per acre. The Cornelia and Greg Blum Farm is about 34 acres, leased to the same dairy farmer, the cost is \$247,000 at \$7,308 per acre.

AGRA –GATE FARM PUBLIC HEARING

Deputy Supervisor O'Neill read the public hearing notice regarding the purchase of development rights for the Agra-Gate Farm, at 7:55 p.m. There were no written comments. He then opened the meeting to the public.

Douglas Moat – addressed the Board as a private citizen, not as the Chairman of the Economic Development Committee. His comments were specifically about the Agra-Gate Farm application but the principle for consideration, he believes, applies to all applications. In our community we have been evaluated at 100% of market value for tax purposes. If that's the case, why do we get valuations for a portion of the value of these properties that is in fact substantially in excess of what we consider to be 100% of the market value. Mr. Moat pointed out that the value for just a proportion reflecting this interest is roughly \$6,700 an acre, while the value we placed on it for 100% is \$5,700 an acre. He suggested all farm properties be evaluated equally. He explained that residential taxpayers pay to support the substantial benefits paid to the farmers. In the case of Agra-Gate, 95% of its total valuation is a deduction. It pays taxes on only 5% of its total value. It is primarily with respect to the valuation that is so dramatically different from what we consider to be 100% of full market value.

Pete Hubbell, appraiser responded that he used comparable sales. The values before were a year old. He studied farm lands up and down the valleys in Orange, Dutchess, and Ulster Counties and it all comes back to the sales used in the appraisal and the analysis process.

Paul Fredricks questioned the number of home sites allowed on the lands and if there will be any building allowed on any of the parcels. He understands purchasing the development rights, not buying farmland, but how do we pay some people for their development rights and deny others?

Seth McKee responded it's a question of public policy, where the Town wants to put its money.

Paul Fredricks asked if it was a question of ethics too.

Seth McKee as an "outsider" sees it as a very fair public process that is fully transparent. He doesn't see it as an arbitrary process. They are recommended by two independent bodies of the Town.

Paul Fredricks said we haven't seen any appraisals. Where is it public? When we enacted the law in 2003, he thought it was 50% from the Town and 50% from another sources. Now it is 60% Town, and 40% other. Some people are donating. When he sees higher appraisals, it's easy to donate. The Town is paying more than 50%. The people (farms) are getting a donation deduction from their taxes and we are paying more than 50%.

Seth McKee explained that it's not automatic.

Paul Fredricks feels the people in this Town are making a heck of a contribution to try to protect agriculture and open space. How much more are you going to ask without trying to do it without using our zoning methods.

Robert McKeon thanked the landowners for their patience as well as Scenic Hudson. He explained that farmers pay taxes on their homes and lots, as well as paying taxes on a per acre basis that is regulated by the State of New York and is out of the control of local municipalities.

Francis Donahue has owned property in Red Hook for 40 years. He pays taxes on 100% of his assessment for his .85 acres of land. He pays the same as a farmer with 200 acres of farm land. He sees an attempt to minimize the population of Red Hook, yet planning is attempting to produce high density construction around the Village. It doesn't make sense to him. He referred to the contract and questioned parts of it. Mr. Donahue asked someone to explain the extinguishing clause.

Seth McKee explained the extinguishing clause. In the conservation easement law if something happens in the future that can't be anticipated, an easement can be extinguished by judicial order or eminent domain. An extinguishment can only happen by court order. The clause provides a mechanism for the conservation value to live on even if the easement, in the unlikely event, goes away. In the case of an extinguishment the Town and Scenic Hudson, who have paid charitable and public dollars to protect that land, would be entitled to 70% of the value of that land. The proceeds of extinguishment need to be put back to a conservation purpose. The conservation lives on even in the event of extinguishment. He's never heard of an easement being

extinguished. A lot of communities have decided they want greater density around their Villages and Hamlets (Smart Growth) because it's much easier to expend municipal services.

Doug Moat mentioned that the Community Preservation Act contained exemptions for property easements. The exemptions did not apply to the homestead portion of the property. The easement contracts are not clear that they separate out the application of the easement from the homestead property. He reminded the Board to make sure that the homestead property is in fact subject to the transfer tax of the Community Preservation Act.

Leo Sieverding asked why the Board is considering the PDR of this property when for months they've been discussing changing zoning and proposing the agricultural business district. He would guess that these properties would be on the map of the new agricultural business district. If they are on the map, their development rights would be severely diminished, if non-existent. Maybe the Crane property (Agra-Gate) would be left with some development rights. The others probably wouldn't have any development potential at all. Why consider purchasing the development rights at this point?

Frank Orlando, Assessor, commented that he agrees with Mr. Fredricks that the Town should consider paying half of what is being spent, not appraised.

Trilby Sieverding brought up a conflict of interest because of the relationships of some of the Board members to particular farm owners.

Attorney Chale explained that because a Board member has an interest in Agra-Gate Farm that an application was made in accordance with Article 18 of the General Municipal Law for court approval of the Board's consideration of that property. That approval was obtained in July and so the Board is now in the position to go forward with that application. Councilwoman Crane will recuse herself from consideration of that application but the other Board members can proceed to consider the application. Regarding the Blum properties, that is an individual issue having to do with recusal only, since there is no individual interest as there was with the Crane property.

Deputy Supervisor O'Neill asked if anyone else had a comment regarding the Agra-Gate Farm application.

Jim Crane thanked the taxpayers for funding the project. It's a win-win opportunity for the community and themselves.

Robert McKeon added that Tivoli residents place importance on those properties and care very much about what happens to them.

Harry Colgan, as a resident of Tivoli, seconds what Mr. McKeon said. Residents of Tivoli are anxious to see this gateway area to the Village preserved.

Deputy Supervisor O'Neill closed the public hearing on the Agra-Gate Farm at 8:35 p.m.

ANNE HAPEMAN AND CHARLES BLUM FARM PUBLIC HEARING

Deputy Supervisor O'Neill read the public hearing notice regarding the purchase of development rights for the Anne Hapeman and Charles Blum Farm, at 8:35 p.m. There were no written comments. Deputy Supervisor O'Neill opened the meeting to the public.

Paul Fredricks thinks everyone wants to save open space and farms. He just thinks we need to look into all methods we have, all the procedures, anything we can do, not only for the people who own the land, but for all the people of the Town. He thinks we are taking a very narrow approach. Many senior citizens are experiencing hardships with their taxes going up considerably.

Francis Donahue asked if zoning could take care of reducing density in farm areas and still let them get agricultural exemptions.

Seth McKee responded that we need to find a mix. There are a multitude of tools that a community can use.

Leo Sieverding...you are talking about changing zoning, so why purchase development rights now. Its money misspent.

Robert McKeon said these appraisals were done some time ago and with the zoning that was in place. They are made with no assumptions about what future zoning will be.

Francis Donahue would not like to have someone back in 1877 determine what he could do with his land today. The Constitution is good enough for him. Zoning is flexible this is not.

Charles Blum agreed with Jim Crane. The four properties were once one property and we divided it up. If we were worried about making money we were going in the wrong direction. We are dedicated to preserving the property and he believes the narrow minded are thinking about the dollar. It's far beyond the dollar, it is a way of life. If you want to keep Tivoli and Red Hook rural then we have to look at everything, not just the cost.

Fran Donahue thinks it is about the dollar.

Pete Hubbell speaking as a citizen of the Town, was involved with Scenic Hudson with the conservation easements of Linden Farm, Steiner Farm and others. Red Hook is a popular community. He is committed to farmland preservation, it is money well spent. You pay more money for quality.

Paul Fredricks had to comment that the thing that bothers him is that senior citizens on social security are being ignored. He is concerned that we are paying some people and forcing others out of the community. We have to make the seniors exempt from taxes. He feels that Mr. McKeon is only concerned about the land and not the people.

Frank Stoppenbach spoke to a 79 year old gentleman who was struggling on social security to pay his taxes. He was told that if he can't pay his taxes, move. That is not the attitude to have.

Deputy Supervisor O'Neill closed the public hearing on the Anne Hapeman and Charles Blum Farm at 8:50 p.m.

CORNELIA MCGIVER AND GREG BLUM FARM PUBLIC HEARING

Deputy Supervisor O'Neill read the public hearing notice regarding the purchase of development rights for the Cornelia McGiver and Greg Blum Farm, at 8:55 p.m. There were no written comments. Deputy Supervisor O'Neill opened the meeting to the public.

Paul Fredricks asked for a copy of the appraisals for the properties.

Attorney Chale told Mr. Fredricks to FOIL the Town for the appraisals.

Greg Blum said this process took a lot of effort and time. It's a long process. These are nice pieces of property. We are preserving something special, this is a great program.

Robert McKeon responded he dedicated a good deal of his time, effort and money to ensure that we achieve the goals for our community. He does care very much about people. Caring about people is identifying ways to get equity out of their land so that they can stay in their profession.

Deputy Supervisor O'Neill closed the public hearing on the Cornelia McGiver and Greg Blum Farm at 8:50 p.m.

SCHACHAT FARM PUBLIC HEARING

Deputy Supervisor O'Neill read the public hearing notice regarding the purchase of development rights for the Schachat Farm, at 9:03 p.m. There were no written comments. Deputy Supervisor O'Neill opened the meeting to the public.

Paul Fredricks would like to see the report from Scenic Hudson regarding the financial arrangement for each parcel.

Attorney Chale told Mr. Fredricks to FOIL Town Clerk, Sue McCann.

Leo Sieverding reiterated that the Board should be fiscally responsible and should wait for the zoning changes.

Jane Schachat echoed the sentiments of the previous farm owners, Robert McKeon, and Scenic Hudson.

Leo Sieverding said there are other ways to do this. He and his wife are offering an easement on their property of 33 acres out of 46 acres. It is not costing the Town anything, but in fact it is costing them to place the conservation easement on those 33 acres.

Francis Donahue asked if the Board could postpone final judgment until the zoning and planning presents its issue. He asked if the vote will be by the people in a referendum.

Frank Stoppenbach asked what the schedule is on this vote.

Attorney Chale answered it is the intent of the Board to vote at next Tuesday's meeting after reviewing it.

Deputy Supervisor O'Neill closed the public hearing on the Schachat Farm at 9:12 p.m. He asked if members of the Board had any questions.

Councilwoman Pullaro asked if the properties, known collectively as the Northern Red Hook Farmland Assemblage, would stand on their own under this program and would they be considered individually under the conservation easement purchase of development rights program.

Seth McKee explained that he can't speak for the Town, but Scenic Hudson considers them as a package, Agra-Gate being the largest which they consider the keystone. Their prioritization has nothing to do with the Town's review of the properties.

Councilwoman Pullaro asked if Scenic Hudson would accept these properties individually.

Mr. McKee answered they considered them as a package. They generally don't look for a 20 acre farm by itself, they look for clusters.

Councilwoman Pullaro clarified that Agra-Gate Farm is considered the keystone, and it's the only one of the four that does not have a landowner donation. It appears as though Scenic Hudson is contributing about 31% of the three farms other than Agra-Gate which is 50%. How did you arrive at 31%, what separates Agra-Gate Farm from the others in that some have landowner donations of approximately 19% and Agra-Gate does not.

Seth McKee answered that Scenic Hudson considered Agra-Gate the keystone and they went to the other land owners and told them their land is adding to the whole mix. We never came into Red Hook and said we're with you for 50% of transactions it really depends on the project.

Councilwoman Pullaro said what the Board has to consider in this discussion is if it is an all or nothing proposition or are we discussing these individually.

Attorney Chale answered from the Board's perspective they can consider these as 4 separate applications. She doesn't know what Scenic Hudson's perspective is.

Seth McKee explained that Scenic Hudson's Board approves it as a package all dependant on Agra-Gate going forward.

Councilman Ramsey asked about the Charles Blum Farm having 2 parcels being looked at as one group of 42 acres. Were they assessed as one or two parcels?

Peter Hubbell answered that they were appraised as one economic unit, 42 acres. The two were appraised as one.

Councilman Ramsey asked Mr. Hubbell if there is a difference if appraised them as two.

Mr. Hubbell explained there were two tax parcels but their evaluation was based on the entire property. That's how he recalls it was done. It goes back to the collection of comparable sales.

Councilman Ramsey asked about the significant difference in the appraisal values of the farms. Why is there almost a 40% difference per acre of the rights?

Pete Hubbell explained that Agra-Gate has a lot of road frontage which is valuable, and it's the largest of the four. Typically the larger parcels sell for less per unit but the long road frontage plays into it. One of the characters they look at is the road frontage. Greg Blum's farm has very low road frontage so there is not a whole lot you can use. The big adjustments have to do with the road frontage and size. It probably results in 60% of the total adjusted value.

Councilman Ramsey asked of these farms who actually farms the land and who leases.

Greg Blum leases, Charles Blum leases, Jim Crane farms and leases, Jane Schachat is working to reclaim the farm, part is orchards and part is fields. She is starting to put trees back in.

Leo Sieverding asked Councilman Ramsey to clarify what he means by farming.

Councilman Ramsey's understanding is that the PDR program was put into place to help our farmers who were in dire straits to preserve their farms and keep them farming. He feels we've gone beyond that scope in some of our PDR programs.

Councilman Ross applauded everyone for doing this. It is his job to see that the Town spends their money wisely and he questioned the value of the development rights on properties that are not easy to develop. He questions the deal where the owners of three of the concerned parcels are giving up 25%. That tells him that maybe Scenic Hudson wasn't happy with the appraised value and felt they didn't want to pay that much because they had reservations. He's all for saving but he can't vote to approve anything when the Town is paying more than Scenic Hudson or any other partnering agencies. He feels something isn't right with that and he's not even sure that the Town would be allowed to pay more than 50% of the partnering agency, he's not sure how the original bond is written. He will not be in favor of the Town paying more than 50%. Why wasn't the donation split so that Scenic Hudson gets half and the Town gets half.

Seth McKee explained that Scenic Hudson always saw Agra-Gate as the keystone and they were happy to pay 50% on that one. They saw the other farms as supporting land and in discussion with the owners, Scenic Hudson proposed and they agreed to a partial donation.

Councilman Ross answered that now we are having a discussion with the Town and he will agree if that partial donation is split between Scenic Hudson and the Town, otherwise he won't. That only seems fair to the taxpayers of Red Hook and it's his job to watch out how the Town's money is spent.

Seth McKee said it's the way it was structured from the "get-go". They've been back to Scenic Hudson's Board several times on this project and as he said earlier, they never said they were with the Town of Red Hook for 50% of the value of any of their properties. We've spent more money in Red Hook for farmland preservation than any other community.

Seth McKee wants it on record that Scenic Hudson is taking a risk on having the appraisals done.

Francis Donahue thought the rule was 50% would be paid by the Town. That is how it was presented and he thinks the Town has to abide by that.

Deputy Supervisor O'Neill declared the Public Hearing on the four projects closed.

On a motion of Councilman Ross, seconded by Councilman Ramsey, move to close the Public Hearings.

Adopted	Ayes 3	Ross, Ramsey, Pullaro
	Nays 0	
	Absent 2	Blum Bump, Crane

Deputy Supervisor O'Neill asked when the next meeting was scheduled. The next meeting is on September 11, 2007.

REMOVAL OF A DEAD TREE AT THE INTERSECTION OF BARRYTOWN AND RIVER ROADS

On a motion of Councilman Ross, seconded by Councilman Ramsey, move to have the dead tree removed.

Adopted	Ayes 3	Ross, Ramsey, Pullaro
	Nays 0	
	Absent 2	Blum Bump, Crane

RESOLUTION AUTHORIZING THE DECLARATION OF TWO RECYCLING TRAILERS AS SURPLUS PROPERTY

RESOLUTION 2007 #106

RE: AUTHORIZING THE DECLARATION OF TWO RECYCLING TRAILERS AS SURPLUS PROPERTY

On a motion of Councilman James Ross, seconded by Councilman Harold Ramsey, move to declare the trailers as surplus and sold for scrap.

Adopted	Ayes 3	Ross, Ramsey, Pullaro
	Nays 0	
	Absent 2	Blum Bump, Crane

Copy Attached

DISCUSSION REGARDING CONSERVATION EASEMENT FOR JAMS

Attorney Chale explained that the easement as proposed includes a contribution for monitoring but there isn't a dollar amount. It's something this Board needs to discuss. It's a discussion we should have in a larger context with other conservation easements like this.

Sam Harkins told the Board that the Planning Board wants a conservation easement. They are forcing the Harkins' to have a conservation easement so the Harkins don't think it's fair to pay a monitoring fee.

Councilman Ross agrees that if we force them because simple deed restrictions are felt by our Planning Board not to be adequate to control the situation, it's our responsibility. We shouldn't charge them a monitoring fee.

Attorney Chale suggests there may be other issues the Board will need to address regarding these situations in the future.

Leo Sieverding told the Board that he and his wife offered 33 acres for an easement and Winnakee Land Trust wants them to pay \$6,000 for it.

Attorney Chale suggested the Board discuss this at their business meeting.

Councilman Ross feels we should vote on things at the official business meeting.

REMINDER FOR THE BOARD TO CONSIDER PROPOSALS FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT FOR 2008

Deputy Supervisor O'Neill will find out when it is due.

DISCUSSION REGARDING PROPOSED LOCAL LAW 2007

Deputy Supervisor O'Neill and the Board decided to hold a special meeting on September 13, 2007 at 7:00 p.m. for the discussion regarding the proposed local law.

Councilman Ross would like the following items on next Tuesday's agenda:

- Vote to fill the vacancy on our Planning Board
- Address the Assessor's letter and meet with him in Executive Session
- JAMS discussion

- Community Development Block Grant
- Broader discussion on the easement applications

On a motion of Councilman Ross, seconded by Councilwoman Pullaro, move to adjourn the meeting at 10:15 p.m.

Adopted	Ayes	3	Ross, Ramsey, Pullaro
	Nays	0	
	Absent	2	Blum Bump, Crane

Respectfully submitted,

Sue McCann, Town Clerk