Request for Proposals
13.9Acre Uncle Leos Lane Farm, Water Mill, NY

Background and Information

Peconic Land Trust is selling 13.9066 acres of prime agricultural farmland at Uncle Leos Lane, Water Mill. It is subject to a Town of Southampton Development Rights Easement with Affirmative and Affordable Farming Covenants and Resale Restrictions. This farmland represents an effort by the Peconic Land Trust (Trust) to make farmland affordable and accessible for farmers to grow food.

The property was purchased by the Trust in July of 2014. We worked very closely with the Town of Southampton to draft this Development Rights Easement with Affirmative and Affordable Farming Covenants and Resale Restrictions. The Trust is marketing the property to qualified farmers. As the attached summary states, the Development Rights Easement requires that 80% of the farmland be in food production.

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, the 5 East End 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 residential amenities 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.

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. Additional consequences, include:

- a tremendous increase in federal and state inheritance tax liabilities for farmers that could necessitate the sale of protected farmland at the highest possible price to non-farmers in order to have the resources to pay such taxes;
- even if farmers had the resources to purchase protected farmland at $100,000/acre or more, it would not be cost effective for food production agriculture;
- 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.

Property Description

The parcel is 13.9-acres of cleared, vacant land in agricultural use. It is located in an Agricultural Overlay District as well as the Aquifer Protection Overlay District. For the past 50 years, a single family has cultivated potatoes and corn on the land.

Please review the following enclosed information about the property:

- Location map
- Survey
- Suffolk County Soil & Water Conservation District soil map
- Golden Nematode fact sheet
- USDA NRCS Conservation Plan

Summary of Development Rights Easement with Affirmative Farming Covenant & Affordable Farming Covenant and Resale Restrictions

This property is perpetually subject to the Town’s purchase of the Development Rights Easement. The incorporation of additional restrictions, herein referred to as Affirmative & Affordable Farming Covenants and Resale Restrictions, has limited the value of this protected farmland to its “true agricultural value.” If this farmland is sold in the future, it must be sold to a Qualified Farmer as per the attached Application. In addition, an NRCS Conservation Plan must be reviewed and approved by the Town every 10 years.

The additional restrictions incorporated in the Development Rights Easement include the following:
• 80% of the farmland must be used for the production of food, the remaining 20% can be farmed with supplemental crops as outlined in an approved Conservation Plan;
• Equestrian use is prohibited on the property;
• Vineyards are prohibited on the property;
• 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 protected farmland are limited to its value at the time of the Town’s purchase of the Development Rights Easement ($25,944.29/acre) plus appreciation based on the lower of either the Area Median Income (AMI) or the Consumer Price Index (CPI) not to exceed 3.5% annually, plus the value of any agricultural improvements added to the property by the farmer;
• The Town reviews and approves all future sales to ensure that the restricted farmland is sold to a Qualified Farmer;
• The Trust, or a similar organization, will be the purchaser of last resort if the owner is unable to find a Qualified Farmer to purchase the protected farmland. When purchased under these circumstances, the protected farmland will be offered for sale to Qualified Farmers through a transparent selection process including a “Request for Proposals” and lottery, as necessary;
• Peconic Land Trust has Third Party Enforcement Rights to ensure the Affirmative and Affordable Farming Covenants are upheld; and
• Future owners of the property are required to contact the Town of Southampton’s Land Preservation Department regarding these restrictions.

Price of the Farmland

In order to keep this farmland affordable and in the farming community, the price of this parcel is $360,796.87, not including taxes and other associated closing costs. ($25,944.29 * 13.9066 acres)

The Peconic Land Trust wants to sell this protected farmland to a Qualified Farmer by June 17, 2015.

Proposal Requirements:

Parties interested in making an offer on this property must submit a Proposal, including the information described below, by 5:00 pm on April 1, 2015. All of the information submitted will remain strictly confidential.

1. Cover letter with a written offer in the amount of $360,796.87
   i. Attach documentation that you can finance the purchase price. (Such documentation may include a letter from your banker stating that the bank intends to lend you the necessary capital; a farm business balance sheet; or any combination of such materials that will assure us that you have the financial resources to complete the purchase.)
   ii. Explain why you want to purchase this property;
   iii. Describe your qualifications to successfully execute your business plan;
   iv. Provide strong agricultural references; and
   v. Submit any other relevant information that would support your proposal including your understanding of the restrictions on this farmland.

2. Complete the attached Application. Please address each item listed to assist us in fully understanding your qualifications.
   i. Attach your business and management plan for your proposed farm operation.

3. Send Proposal & related materials to Peconic Land Trust, PO Box 1776, Southampton, NY 11969, Attn: Melanie Cirillo, or email mcirillo@peconiclandtrust.org

Buyer Selection

The Peconic Land Trust will acknowledge receipt of all proposals received by 5PM April 1, 2015.

The Peconic Land Trust will select a buyer with the help of an Advisory Committee that includes knowledge and experience related to agricultural operations. It will be made up of 3 - 5 individuals. The Advisory Committee will review and evaluate proposals to select the best candidate. If there are two or more qualified
applicants with comparable proposals, the Advisory Committee will notify the parties and a lottery will be held.

The Advisory Committee will make its recommendation to the Trust’s Board of Directors at its April Board meeting. The Trust will announce the selected farmer by 5:00 pm on April 17th, 2015 with the expectation to close before June 17th, 2015.

Send Proposal and related materials to Peconic Land Trust, PO Box 1776, Southampton, NY 11969, Attn: Melanie Cirillo, or email mcirillo@peconiclandtrust.org.

If you have any questions about the farmland, the Town’s Development Rights Easement with Affirmative and Affordable Farming Covenants and Resale Restrictions and/or the process, please contact Melanie Cirillo at 631.283.3195, ext. 27 or mcirillo@peconiclandtrust.org.

Enclosures:

- Location map
- Survey of Property
- Suffolk County Soil & Water Conservation District Soil Map
- Golden Nematode fact sheet
- USDA NRCS Conservation Plan
- Application
CONFIDENTIAL

Application for 13.9 Acre Uncle Leo's Lane Farmland Property

Are you a Qualified Farmer? Yes/No

(i) Attach documentation for your existing commercial farm operation with a NRCS Conservation Plan on land currently enrolled in an agriculture district;
(ii) Attach Tax Documents that support you are a Qualified Farmer; and
(iii) Your Business Plan clearly states you will be substantially farming full time?

Explain any variables as necessary:

Have you farmed this Uncle Leo’s Lane farmland in the past? Yes/No

Past and Present Farm Experience: (Describe your farm operation, location(s), acreage, years in business, use of existing farmland (i.e., “home farm”) lease/own ratio)

Have you involuntarily lost use of Agricultural Land in the past 5 years? Yes/No  How much?

Have you bought additional Agricultural Land in the past 5 years? Yes/No  How much?

Describe your track record of using Sustainable Agricultural Practices:

What Food and Food Products will you grow for the Production of Foods? Specify the 80%, 20% ratio):

Provide a Business Plan that demonstrates your need for additional farmland. Please indicate any changes and improvements you envision as a consequence of purchasing this farmland.

Selection Criteria Definitions

1 Qualified Farmer: A person or legal entity that meets all of the following criteria: (i) whose aggregate agricultural operations meet the qualifications necessary to keep the Property enrolled in the NYS Agricultural District and the NYS Agricultural Assessment Program based on those qualification criteria existing at the time that eligibility as a Qualified Farmer is determined; (ii) may reasonably be expected to earn more than one-half of his, her, or its annual adjusted gross income from the “business of farming,” as farming is defined in Treasury Regulation Section 1.175-3 (or any successor regulation); and (iii) expects to devote substantially full-time to farming operations including the Property (in the case of an entity operator, substantially full-time for each of its principal employees).

2 Food and Food Products: All articles of food, drink, confectionary or condiment, whether simple, mixed or compound, used or intended for use by humans or animals, and shall also include all substances and ingredients to be added to food for any purpose as the term is defined by §2 of the New York State Agriculture and Markets Law.

3 Production of Foods: The cultivation, growing, raising, and/or production of Food and Food Products, including but not limited to row crops for consumption as food by livestock for either direct consumption, such as beef cattle, or indirect consumption, such as dairy cows for the production of milk and milk products or chickens for the production of eggs. The cultivation, growing, raising, or production of row crops for consumption as food by livestock that is not used for either direct or indirect food consumption, such as horses, is not within the meaning of Food Production.

4 Sustainable Agriculture: Integrated system of plant and animal production practices having a site-specific application that will, over the long term: satisfy human food and fiber needs; enhance environmental quality and the natural resource base upon which the agricultural economy depends; make the most efficient use of nonrenewable resources and on-farm resources and integrate, where appropriate, natural biological cycles and controls; sustain the economic viability of farm operations; and enhance the quality of life for farmers and society as a whole (USDA, 2007: http://www.nal.usda.gov/afsic/pubs/terms/srb9902.shtml).
Selection Criteria for Danilevsky Farmland  
Subject to Affirmative and Affordable Farming Covenants

All applicants will be considered but preference will be given to those who meet the following criteria:

- Greater than 5 years of farming experience
- Fulfill the definition of a Qualified Farmer
- Currently farm at least 10 acres in Southampton Town
- Grow primarily Food and Food Products and intend to farm at least 80% of the subject property for the Production of Foods

Applicants should also provide supplemental information on the following:

- Sound Business Plan that demonstrates the need for additional farmland
- Strong track record of Sustainable Agricultural Practices
- Use of existing farmland (i.e., “home farm”)—if any—to its full sustainable capacity
- History of actively farming the farmland that is available for sale (i.e. # of years)
- Demonstrated loss of farmland from current farm business
- History of actively purchasing farmland (whether protected or unprotected) in order to expand farm business
- Understanding of the restrictions on this protected farmland

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Food and Food Products: All articles of food, drink, confectionery or condiment, whether simple, mixed or compound, used or intended for use by humans or animals, and shall also include all substances and ingredients to be added to food for any purpose as the term is defined by §2 of the New York State Agriculture and Markets Law.

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Sustainable Agriculture: Integrated system of plant and animal production practices having a site-specific application that will, over the long term: satisfy human food and fiber needs; enhance environmental quality and the natural resource base upon which the agricultural economy depends; make the most efficient use of nonrenewable resources and on-farm resources and integrate, where appropriate, natural biological cycles and controls; sustain the economic viability of farm operations; and enhance the quality of life for farmers and society as a whole (USDA, 2007: http://www.nal.usda.gov/afsic/pubs/terms/srb9902.shtml).