

Town of Red Hook

Agriculture and Open Space Committee

Minutes of October 29, 2013

Attendance: Co-chairperson Pete Hubbell, Co-chairperson Norman Greig, Richard Biezynski, Ken Migliorelli, Michael Robertson, John Hardeman (7:10 pm), Town Board Councilman William O'Neill (liaison) and Secretary Linda Keeling

Absent: Marina Michahelles and Mary Ann Johnson

Guests: Chris Klose, EDC rep., Robert McKeon, invited speaker

Location: Red Hook Town Hall, meeting room.

Meeting Opened: Co-chairman Pete Hubbell opened the meeting at 7:02 pm.

Minutes: Note: There was no meeting in September. This meeting date was rescheduled. There was a quorum. There were no corrections or additions to the minutes from August 27, 2013.

MOTION: *Norman Greig* motioned to accept the minutes of August 27, 2013, *Ken Migliorelli* seconded and all agreed.

OLDBUSINESS:

1. Harvesting Trust Conference: *Co-chairman Pete Hubbell* indicated he was still interested in attending this conference. It costs \$90 and there is still \$100 in the AOSC budget. Pete Hubbell recused himself from the vote.

Motion: *Norman Greig* motioned to allow Pete Hubbell attend the conference, *Ken Migliorelli* seconded, all agreed.

Robert McKeon added this annual conference is based on the Vermont model with regards to agricultural values.

NEW BUSINESS:

1. Fencing: Bill O'Neil indicated that the Zoning Review Committee will meet November 14th at 7:00 pm to address this issue. They will also address signage issues. It is not necessary to be in attendance.

2. Feller Farm: Pete Hubbell explained Paul Fredricks wants to address the group but he could not attend due to medical issues.

Ken Migliorelli related that the Planning Board and Scenic Hudson are not changing the designation.

John Hardeman said Scenic Hudson doesn't have a problem with combining land from the adjacent parcel to add a building lot to it. Scenic Hudson felt they made a mistake.

Robert McKeon stated it was a substandard lot.

John Hardeman stated it was not substandard for either parcel, just needs a lot line adjustment.

Robert McKeon said originally the Feller house not the homestead was owned by another person.

Ken Migliorelli felt that the AOSC gave our recommendation to the Planning Board and if Scenic Hudson is agreeing then that is a big thing.

John Hardeman stated that Scenic Hudson sent a letter to the Planning Board.

Ken Migliorelli said Paul Hallenback has the real estate listing. It was felt that 16 acres should be subdivided as it is presently one parcel and not separate.

Robert McKeon felt an easement can restrict what can be done with the land. Roads can be challenges for farms.

Ken Migliorelli stated that is why there is a difficulty selling it.

2. Taxes: *Robert McKeon* addressed the group. There is a 2% cap on assessed values. Last Tuesday, the governor signed the legislation. Robert distributed packets of reference material. Soil evaluations doubled. It will be 10% for 2013. It could go down for next year. He felt the issue is still not solved.

Pete Hubbell indicated that corn commodities are worth half now.

Norman Greig noted assessments are driven based on sales revenues.

Ken Migliorelli noted there are new forms which are streamlined. He questioned the Feller 20/30 acres. The whole property receives an Agricultural assessment for the owner operator full amount.

3. Farmer School Tax Credit: Two thirds income credit on land not home. Land underneath the buildings is included. Star farmer's credit could receive a check above and beyond your liability. The check is for when you file your income taxes and you must be the owner operator of the land in order to get it. Robert McKeon said it is 100% for 350 acres, above that 50% on the land. There is a form at the back of the packet.

4. Conservation Easement Credit: In perpetuity you get 25% back on all property taxes for whole year on the land portion. Limit to \$5,000. Most don't pay \$20,000 on their land.

Norman Greig said Jim Greig's assessment is difficult for the 6 parcels some are classified as "rural vacant land" which is ten times the agricultural land assessment.

Ken Migliorelli noted if the tax rate is \$1,000 assessed value, you pay \$30.

Robert McKeon felt agricultural properties are over assessed. We all pay full assessment on the fire tax and that should be addressed. His bill was well over \$1000. The Feller Farm is over assessed at \$1.7 million. He suggested farmers coordinate as there is presently no relationship of Agricultural properties' market sales to the assessment.

Pete Hubbell suggested looking at the 100 class properties in Red Hook and approaching the assessor to show how the agricultural properties are way over assessed. Then he could reevaluate a class as he cannot reevaluate an individual property.

John Hardeman stated his cold storage is on 6 acres with 4 acres in the Village and 162 in the town which was assessed for \$237,000 and went up to \$925,000. He's being assessed \$350,000 on his buildings for a total for \$1.5 million next year. Without the agricultural assessment he could not afford the taxes.

Robert McKeon noted the Steiner farm got \$1.5 million off the assessment. Something needs to be done.

Pete Hubbell felt appropriate evaluations are needed.

Ken Migliorelli suggested bringing in Ag and Markets into the discussion.

Robert McKeon felt AOSC should carbon copy the town board and everyone. It carries more weight if it comes from the group.

Pete Hubbell felt it needs to be presented to the Assessor who works independently. The town board has no authority unless in a legal battle.

Robert McKeon noted the assessment is staggered for renovated old buildings. There is a 10 year exemption for new and you never have to renew.

Rich Biezynski felt it doesn't work well because after the 10 years you are reassessed higher than the building is worth.

Norman Greig said he has seen other communities whereby the farm assessed savings was calculated and added onto the farm barns.

Robert McKeon stated the town gives a 50% exemption for new business but hardly anyone knows about it. Buildings are over assessed.

For about 7 years, he and others have been working on tax reform in NYS. He met with governor Cuomo's Budget Director regarding the "Circuit Breaker". You get over taxed relative to your income. In Vermont if assessed for \$110,000, 5% of income goes toward taxes based on household income. Meaningful tax relief makes it affordable for consumers. The Budget Director hates the term "circuit breaker". He is planning on doing up to \$300 billion in tax relief. It should be phased in. For more information on the Tax Reform and Fairness Commission go to TREND website. www.trendny.org

In the 1970's the rich paid 15 ¾% state taxes and it went down to 8%. Over the 42 years, the tax has been switched to land taxes. During the last 5 years, a Western NY paid 40% of his income for land taxes. If the tax is limited to 5-9%, then it would be more equitable and the savings would be re-circulated into the general economy.

There have been over \$7 billion tax credits over the years, for example in NYC there is tax abatement for condos over 25-30 years in which they are not paying their full worth.

John Hardeman asked if the State will fund education.

Robert McKeon replied that the State supplies 50% funding for education, Red Hook's portion is 40%.

Norman Greig felt the 2% cap is affecting the quality of education.

Robert McKeon state former Gov. Pataki, originator of the Star Program, was appointed to the second state commission. Star Program doesn't apply to income over \$500,000 and doesn't apply to Limited Liability Companies (LLC). This program is good for the politicians but it is not income based.

Ken Migliorelli stated there is no sales tax for tractor sales and Agricultural trucks. It should be expanded to farm structures as it is not putting a burden on the infrastructure of the town.

Rich Biezynski agreed with Robert McKeon that the assessment of barns should be knocked down.

Everyone thanked Robert McKeon for all the work he has done in this area.

Materials distributed to the group included:

1. Summary of Omnibus Bill Circuit Breaker, 3 pages
2. NYS Dept. of Taxation and Finance, Conservation Easement Credit, 3 pages
3. Oct. 22, 2013: Governor Cuomo Signs Legislation Capping Agricultural Land Assessment at 2 Percent per Year, 7 pages
4. NYS DTF, Farm Building Exemption, 6 pages
5. NY DDTF. Pub. 51 (11/97), Q&A on NYS's Farmers' School Tax Credit, 34 pages

Motion to Adjourn: *Norman Greig* motioned to adjourn the meeting and *Rich Biezynski* seconded. All agreed.

Adjournment: The meeting adjourned at 8:16 pm.

Next meeting: The next regular meeting will be the **4th Tuesday, November 26, 2013 at 7:00 pm** but may be cancelled due to being close to the holiday.

Respectfully submitted,

Linda J. Keeling, Secretary

Approved with corrections 1-28-14