



# **PRESERVING OUR WARWICK WAY OF LIFE**



## **In Support of the Community Preservation Fund**

The Warwick Smart Growth Alliance  
[www.warwicksga.org](http://www.warwicksga.org) • P.O. Box 992, Warwick, NY. 10990 • 845-986-6003

# Do We Want

**This?**



**Or This?**



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# WARWICK'S BEEN "DISCOVERED"

## **"Discovering" Warwick**

As real estate prices soar in and around New York City, and people search harder and farther from the city for a location that affords a good quality of life, more and more young families have been "discovering" Warwick. Open spaces with picturesque farms, neighborly main streets, highly-regarded school systems and other prime local services – all aspects of our friendly, attractive, rural community so close to the big city – have been drawing a steadily increasing stream of new residents to Warwick.

## **The Pressure's On**

We've built a great town, and we've done it as a community working together. Recent public recognition, including Warwick's high standing in the CNN-TV 2005 contest "Best Places to Live," creates increased demand for more housing and more commercial development. Development in turn places greater pressure on local governmental services: schools, roads, police and other emergency services, refuse management, libraries, and so on. It places greater demands on natural resources such as the water supply. However, development can be guided by our will to preserve the character of our town, our villages, and our hamlets.

## **Smart Growth**

Uncontrolled development can prove disastrous, threatening the very aspects of Warwick that make it a great place to live. We've seen it happen in nearby towns. As a community of neighbors, we must better understand the fragile balance between development and the preservation of our resources. We *can* grow intelligently, maintaining essential natural resources and the tax-funded infrastructure we have all contributed to build, and minimizing the need for additional taxes to boot. Some valuable work has been accomplished, but much is left to do. This informational statement prepared by concerned citizens of Warwick describes what we have already done and what we can do now as a community. In particular, the proposed *Community Preservation Fund* can help us prevent losing what we now treasure about Warwick.

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## **DEVELOPMENT: PRESSING DEMANDS**

### **Population: going up, up....**

In 1990, a little over 27,000 people lived in the Town of Warwick. By 2004, there was an increase of 20%, bringing the population up to almost 33,000. Each new house, each new occupant, places increasing demands on local government for more schools, roads, sewers, water, police and other emergency services. Parts of the town are already facing shortages of water that can only become more critical with added development. At certain times of day, traffic is reminiscent of the suburban communities many residents came to Warwick to escape. And the rate of population growth is increasing.

## Taxes: going up, up...

Each new household adds to the need for more school facilities and other government services. On average, 1.25 additional children join the school system for every new house built. A farm sold for development replaces the one or two families who lived there with 20-40 new families. That means 25-50 new children requiring school facilities, library access, recreational facilities, etc. **For every \$1 farmers pay in taxes locally, they receive an average of 43¢ in government-provided services. In a typical new housing subdivision, for each \$1 paid in taxes, \$1.08 is required in local services, raising taxes for all of us.**<sup>1</sup>

### Increase from 1990 to 2004:

Population:	+20%
School-Age Population:	+40%
Number of Car Trips	
<b>Each Day:</b>	<b>+24,638</b>

Sources: *factfinder.census.gov*; *nylovesbiz.com*; *recordonline.com*; *Warwick Town Planner*

**“... residential property consistently receives more in town and school service expenditures than it contributes in tax revenues. ...**

**“Agricultural land and open space uses can be an important contributor in the local community and economy. The presence of active farms can provide livelihood, aesthetic value and cultural continuity to local communities. This study suggests that important fiscal benefits may be linked to agricultural and open space land uses as well. These fiscal benefits should be considered in assessing the merits of various tools to help shape the town’s future.”**

*- Cost of Community Services Study, prepared for the Town of Warwick, 1998, by Michael R. Hattery, Local Government Program, Cornell University.*

## Farms: an endangered economic engine

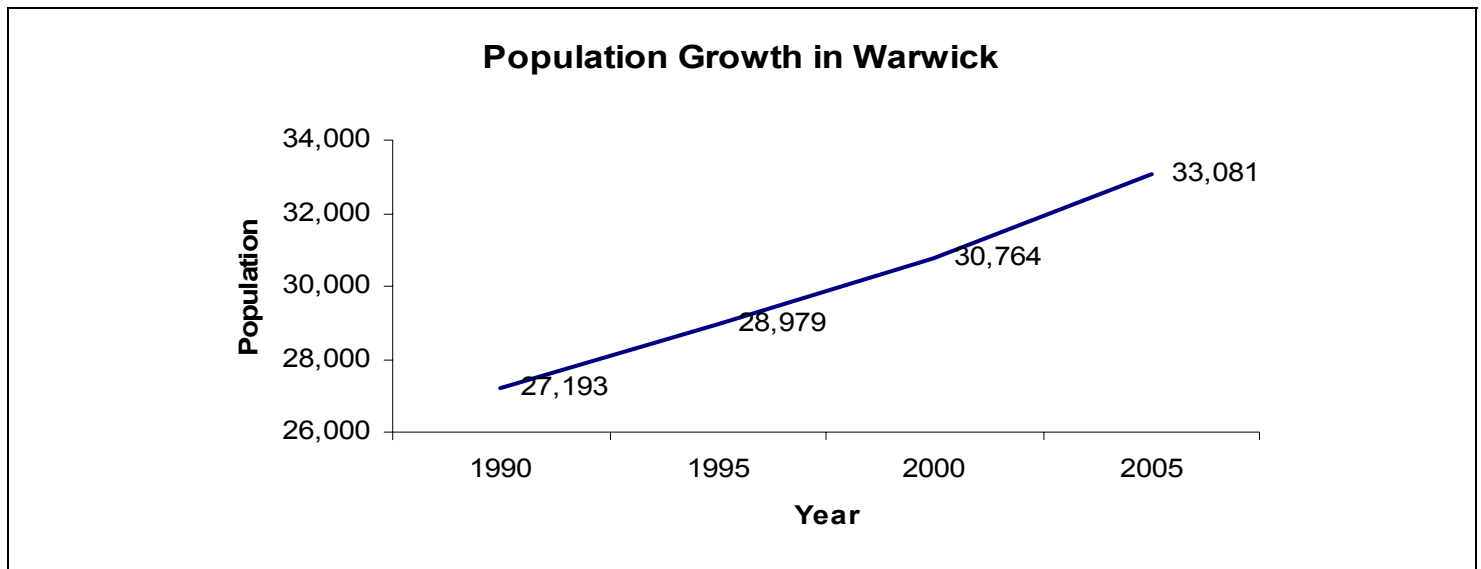
Rampant development threatens farms: usually farmland is the easiest land to use for housing developments. We must remember that farms are prime contributors to the visual beauty of Warwick. They provide the landscape that first attracts outsiders to Warwick. Farms are also prime contributors to the local economy: they create jobs, purchase services, pay taxes, buy supplies, re-circulate income, and serve as an attraction for visitors. Warwick is home to most of Orange County’s vegetable production. It’s estimated that Warwick’s agricultural industry may account for as much as \$35 million per year in sales. Further, income to local farmers is spent locally, re-circulating that income into other local businesses in the community. Thus, the \$35 million farm economy translates into \$87 million injected into our local economy.<sup>2</sup> This doesn’t take into account additional non-agricultural purchases by visitors drawn to the area because of farm-related events such as Applefest and the Farmers’ Markets.

<sup>1</sup>*Cost of Community Services Study, 1998*

<sup>2</sup>*Agricultural Business Retention & Expansion Plan, 2003*

Our agricultural heritage is now at great risk. Low produce prices and the higher costs of doing business near a major metropolitan area put our farmers at a disadvantage. Although most farmers prefer to continue their way of life, economic need is pressuring them to give up farming and sell to developers.

When farmland is turned into housing, two major undesirable changes occur. First, key qualities that make Warwick a special place to live are compromised – open space disappears, roads become clogged, air quality declines, and both water quality and supply are increasingly threatened. Where undeveloped land absorbs 98% of water, and farm land absorbs 95%, paved land absorbs only 2%. The rest becomes run-off that contributes to flooding, and to the pooling of pollutants.<sup>3</sup> Second, taxes are pushed higher for all of us, even as the quality of life declines. This increase in taxes stems from the lower rate at which farms use municipal services when compared with the sprawling new residences that replace farms and other open spaces.



Sources: [factfinder.census.gov](http://factfinder.census.gov); [nylovesbiz.com](http://nylovesbiz.com); [recordonline.com](http://recordonline.com).

### The need for preservation NOW

Bellvale, Amity, New Milford, and Greenwood Lake are among the areas of our town that have been experiencing water quantity or quality problems. Traffic congestion is worsening in the villages and on key roads. Air quality is deteriorating. Farms are disappearing. All of us in Warwick are affected. To curb the problems and preserve our way of life, our farmlands, and our natural heritage, we must begin to act **now**, before the problems become insurmountable. *This does not mean we need to end growth. It means we must make a commitment to **smart growth**.*

### Progress, but not enough

Warwick's residents and leaders haven't been sitting on their hands in the face of rising problems associated with development. We have already taken two important steps forward.

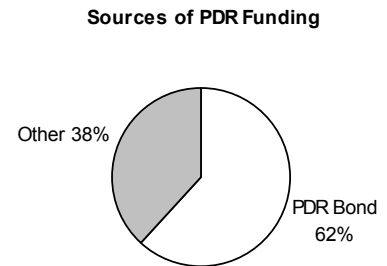
- Zoning code revision: This 2002 revision encourages clustered housing, so that a substantial portion of the property in a new subdivision remains undeveloped. The new zoning code also created agricultural and water conservation districts.

<sup>3</sup>J. Toubman, 2000, *Flooding and Urban Sprawl*.

- Purchase of Development Rights (PDR): This \$9.5 million bond issue was embraced by the voters of Warwick in 2000 to save farmland through the voluntary purchase of the development rights of farm properties and open space: the land remains farmland in perpetuity, farmers receive monies which enable them to modernize their operations, and they don't feel it's necessary to sell to developers to make ends meet. To date, 2200 acres have been or are being preserved, saving over \$3 million in new school taxes per year.

PDR has improved our communities. As of November 2005, almost 1,000 acres were protected through PDR, and another 1200 acres are in the pipeline. The total cost of protecting all this land will be \$15.3 million. Our local cost has been \$9.5 million, while an added 38% has come from federal, state, county, and private foundation grants from:

- State of New York Farmland Protection Program,
- U.S. Department of Agriculture,
- Scenic Hudson Land Trust,
- Orange County Open Space Fund, and
- Orange County Land Trust.



If these 2200+ acres were developed as housing, it could mean 675 additional homes, over 800 new students in our schools, over 3000 more car trips on our roads per day, and approximately \$3 million in additional school taxes per year.

## PDR

The Purchase of Development Rights fund will have preserved about 2200 acres of farmland and undeveloped land, including:

- 113 acres preserved in the Florida school district.
- The Greenwood Lake beach and other recreational areas.

PDR has also generated over \$5 million of outside funding for the preservation of the environment in Warwick.

While new zoning regulations are a step in the right direction, they cannot protect our resources by themselves. PDR has been a great success, preserving 2200 acres of farm and undeveloped land in all sections of the town including the new beach in Greenwood Lake. It's generated additional millions in grants for the town as well – but these funds are now fully committed. We need an on-going mechanism to continue the success of PDR in preserving our open space and controlling the increase in taxes which development brings in its wake.

## SO WHAT CAN WE DO NOW?

The state legislature has offered us a rare opportunity for advancing our community preservation efforts. In 2005, they passed a bill allowing the voters of Warwick to create by referendum an ongoing source of funding for the preservation of open space, called the **Community Preservation Fund**.

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# *PROTECTING OUR FUTURE*

## **THE COMMUNITY PRESERVATION FUND (CPF)**

### **What the Fund Can Do**

The Community Preservation Fund will work to:

- **Maintain the green belts that surround our villages and hamlets.** These green belts make an essential contribution to the character of our local communities.
- **Save our natural beauty.** The Fund will allow us to identify parcels that contribute most significantly to the rural character of Warwick, and negotiate with the property owners to preserve them for all time.
- **Hold down school taxes.** Each new household adds to the tax burden of existing taxpayers in the three Warwick School Districts.
- **Protect our water.** An important goal of the Fund will be the protection of properties essential to our aquifer. It will also reduce problems that result from the increased paving of undeveloped land.
- **Protect our infrastructure.** Reduced development will ease growth pressures on our schools, roads and other government services.
- **Reduce the loss of farms.** Participating farmers receive a large portion of the market value (the development value) of their land while continuing to farm. Estate taxes are reduced, helping farmers pass the land on to their children.
- **Hold down municipal taxes.** Operating farms in Warwick receive an average of 43¢ in municipal services for each dollar of taxes they pay. In contrast, residential subdivisions require \$1.08 in services for each tax dollar they generate.
- **Preserve our wildlife.** The preservation of large tracts of land maintains the separation between wildlife and humans. This is important for the safety of both populations.
- **Enhance property values.** Limiting new housing, while ensuring the preservation of our rural character, will help enhance the value of existing homes.

### **What are the Steps Involved in Setting up a Community Preservation Fund?**

First, the Town Board develops a detailed **Community Preservation Plan**. This plan is open to public input and revision through public hearings. The Plan will specify all uses of the funds, which are restricted to the protection of water and other natural resources; the creation of parks and recreation areas; the preservation of ecologically important areas; the preservation of historic places; and the protection of land from development, including the purchase of development rights from willing farmland owners. Then the residents of Warwick vote in a town-wide referendum to establish a **Community Preservation Fund**. All monies placed in the Fund can only be used to further the projects identified in the Community Preservation Plan.

## **How the CPF Works**

When a house or land is sold in Warwick, the buyer pays a small fee, generally less than the amount charged for title fees in a mortgage's closing costs. The seller pays nothing. This fee is added to a dedicated escrow fund that can only be used for projects identified in the Community Preservation Plan to preserve the community character of Warwick.

## **The CPF Fee**

- The first \$100,000 of a residential sale price is exempt from the buyer's fee.
- The first \$50,000 is exempt on land sales.
- The buyer's fee is  $\frac{3}{4}$  of 1% (0.75%) on the remainder of the sale price.

Less expensive houses and property will bear smaller fees because of the initial exemptions. For a \$250,000 house sale, the fee of 0.75% is applied to \$150,000 (\$250,000 minus \$100,000), equaling \$1125. For the buyer, it can be considered a small contribution toward the use of the roads, schools, and other infrastructure and services already paid for by current residents.

## **Why should property buyers pay into the CPF?**

Existing home owners have paid local taxes for many years to build our infrastructure, including schools, roads and government buildings, and to develop the programs and services we all now enjoy. Existing owners are already paying for the PDR bond passed in 2000. It is new development that places the greatest pressure on the town's rural character and infrastructure, and new development that raises taxes. The CPF will spread the cost for continuing preservation to those who will enjoy the past and current fruits of our labor by contributing to our shared future in a desirable, livable Warwick.

## **Totally exempt from CPF fee**

- Gifts of property
- Tax and bankruptcy sales
- Land which already bears restricted development rights
- Agricultural land that will continue to be used for agriculture.

## **What the CPF Can Bring Us**

Based on home sales alone, over \$750,000 would have been accumulated in a fund for community preservation in the year from July 2004 to June 2005. Since 38% of the money used for PDR came from outside grants, it is reasonable to expect the Community Preservation Fund will draw additional funding to the town. Based on these estimates, the CPF would protect an additional 125 acres every year. This open space translates into 40 fewer houses, 50 fewer new students, lower educational costs, and less need for new taxation.

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# FAQs and FACTS

## Will Warwick be the first town to create a Community Preservation Fund?

No, the five easternmost towns on Long Island were also given special permission by the state legislature to hold similar referendums in 1998. Their bill stipulated a higher fee of 2% of the property sale price after the exemption. Residents in all five towns voted in favor of creating a Community Preservation Fund.

*Residents of these Towns were so satisfied with the results of having a Community Preservation Fund that they **overwhelmingly** voted to extend the funds for an additional 10 years in 2002.*

Since 2000, any municipality in Massachusetts has been permitted to pass a similar law. So far, 100 communities have voted to do so. Several other states have similar types of laws.

## How will it affect my property value?

In the four Long Island towns that have Community Preservation Funds for which statistics are available, property has appreciated at a much higher rate than in the rest of the state.

	Mean Parcel Value		% GAIN
	1999	2003	
<b>Warwick</b>	\$154,923.94	\$239,625.50	55%
<b>Long Island Towns with CPFs</b>			
Riverhead	\$194,122.73	\$330,746.24	70%
Southold	\$221,152.10	\$436,393.01	97%
Southampton	\$337,871.47	\$684,204.21	103%
East Hampton	\$408,646.90	\$647,438.00	58%
<b>State Average</b>	\$228,705.14	\$316,788.33	39%

*Source: New York State Office of Real Property Services.*

Families are drawn to Warwick by its rural character. Buyers will be attracted to a community where that character is assured for the future.

## How will it affect my ability to sell my house?

The CPF fee is less than the average monthly increase in home prices in Warwick over the last 5 years. The fee is a closing cost like any other, and will be treated as such by potential buyers.

## What will it cost me as a seller?

Nothing: the fee is the buyer's responsibility.

## What properties can be preserved through the CPF?

The funds can only be used for the purchase of properties or development rights for properties identified in the Community Preservation Plan as important for the preservation of community character. The property owners must also be willing to participate.

## Who will decide how the CPF is used?

Only projects specified in the Community Preservation Plan can be considered. The Plan will be subject to public hearing before it is adopted. An advisory board of 5-7 town residents will be created by the Town Board to make recommendations concerning the use of CPF funds. CPF advisory board members will not be paid. No more than 10% can be applied to the administrative and maintenance

costs associated with the program. The majority of the board must have a background in land protection, and at least one member must be a local farmer.

**Do we know how people living with similar laws feel about them?**

All five towns on eastern Long Island voted in 1999 to create their CPFs for 10 years. In 2002, voters in all five towns overwhelmingly voted to extend the funds to 2020. To date, not one town that has passed similar legislation has decided to repeal it.

**How will it affect my property taxes?**

The transfer fee will slow the growth of property taxes.

Each new household adds an average of 1.25 new children to the school district, and pays on average \$8,500 in school taxes per year. This produces a cost for existing taxpayers, since the school taxes paid on that house are less than the amount needed to educate those children. These houses on average occupy 3 acres of land. The PDR program has cost about \$7,000 per acre saved, and so far 38% of those costs have been covered by outside grants. Based on these numbers and school district data, we can make the following estimates:

The Cost to Taxpayers for Developing 3 Acres				The Cost to Taxpayers for Preserving 3 Acres	
	Florida	GWL	Warwick		
Cost to educate 1.25 children:	\$16,250	\$22,073	\$18,781	Cost to purchase development rights:	\$21,000
School tax paid:	- \$8,350	- \$8,500	- \$8,500		
State aid:	- \$3,750	- \$5,394	- \$6,761	Less 20% external funding:	- \$4,200
Yearly cost to taxpayers:	\$4,150	\$8,179	\$3,520	Total cost to taxpayers:	\$16,800
Total cost over 10 years:	\$41,500	\$81,790	\$35,200	Total cost over 10 years:	\$16,800

*Sources: factfinder.census.gov; Superintendents' offices for Florida, Greenwood Lake, and Warwick School Districts; Town of Warwick Tax Assessor*

**This means that taxpayers will save substantially over ten years with the Community Preservation Fund.**

This estimate is conservative, because the average cost to local taxpayers per child in the schools will almost certainly continue to increase, especially when new development means building more schools. It also doesn't take into consideration the increased use of municipal services by residences versus farms, as well as the loss of taxes paid by farms and associated businesses. Losing farms means that taxes increase for all of us.

**What if we're not happy with the fee?**

Voters can withdraw the fee at any time in another referendum.

**Any more questions?**

**Contact us:** The Warwick Smart Growth Alliance, P.O. Box 992, Warwick NY 10990  
[www.warwicksga.org](http://www.warwicksga.org) • 845-986-6003

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## WE SUPPORT THE COMMUNITY PRESERVATION FUND

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Village of Warwick

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Bellvale

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**John & Judy Hicks**  
Village of Warwick

**Andrew Hirsch**  
Town of Warwick

**Nancy & Stephen Hoverman**  
Village of Warwick  
*(continued on next page)*

### Who We Are

The Warwick Smart Growth Alliance includes residents of Warwick: community leaders, business people, environmentalists, realtors, builders, and other citizens, who are concerned with the future of our town. The features that make Warwick a desirable place to live—pristine landscapes, woods and streams, and the feeling of a small community—are in danger of being lost. We must act now if we are to assure that Warwick will remain the special place it is today.

The members of the Smart Growth Alliance are committed to four goals:

- **Preserving our rural character.**
- **Conserving our natural resources**
- **Preserving our infrastructure.**
- **Preserving our agricultural economy.**

If these goals are important to you, we hope you will join us. Please visit us today at [www.warwicksga.org](http://www.warwicksga.org).

**Geoffrey & Carole Howard**  
Village of Warwick

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Town of Warwick

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**Warwick Conservancy**  
Town of Warwick

**Warwick Conservation Board**  
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