

# GREENWAYS

Newsletter of  
Delaware & Raritan Greenway, Inc.  
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## In Perpetuity

### Old Mill Road Farm: Anatomy of a Conservation "Deal"

*Preserving an important conservation property often entails complex and protracted negotiations similar to those of real estate development. The five years of commitment, persistence, and creativity that D&R Greenway devoted to this project were as integral to preserving the property as the public funds dedicated to its purchase.*

The gently sloping fields of Old Mill Road Farm are a familiar panorama from the Pennington-Rocky Hill Road and Elm Ridge Road. Three pointed cupolas of the unusual Pennsylvania Barn peek above trees at the edge of soybean, rye, and corn fields. The historic village of Pennington lies just beyond the farm that is so identified with its setting.

With little effort a passer-by can imagine the plowed and pastured fields transformed into a dense modern settlement of houses, cul-de-sacs, driveways and lawns. Recent history bears witness to this vision: New Jersey has lost hundreds of thousands of farm acres to development in the past 30 years, and Mercer County alone has lost over 10,000 acres. Concerned that it would soon be sold for development, D&R Greenway designated the farm as a critical preservation project in 1989.

The 127-acre farmland is a key element of the Stony Brook Greenway and the cornerstone property of the Greenway's middle section which begins at the Stony Brook-Millstone Watershed Association in Pennington and continues about 4 miles downstream to the Transco property in Lawrence Township. It ties into a network of nearly 3,000 acres of planned and protected open space.

D&R Greenway first approached the State Agricultural Development Committee (SADC) which purchases the development rights to important agricultural lands. The SADC was considering fee simple purchases—buying land outright—in South and North Jersey, as an opportunity to test the resale values of deed restricted land in the market. We suggested that the purchase of farmland in Hopewell Township would provide the agency with an opportunity to undertake a similar project in central New Jersey.

Next D&R Greenway approached the owners, Mill Road Associates, a group of speculative investors, who expressed an interest in selling the property. We conducted a preliminary appraisal, and then secured an option to purchase the land, or convey the right to buy it to the SADC or another agency.

The SADC, however, was not interested in purchasing wetlands. We then invited county officials to participate; Mercer County agreed to purchase 34 acres of wetlands and floodplain along the stream corridor adjoining Rosedale Park, using funds obtained from a Green Acres grant/loan package.



Trout Lily  
(*Erythronium americanum*)

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- Upcoming Marsh Events

### D&R Greenway's New Executive Director

Peggy McNutt brings State government expertise, a public policy background, and a commitment to conservation to her new role as D&R Greenway's executive director. She will be leading D&R Greenway as we expand our efforts in land preservation. More inside.

### Open Space Funding Nears Final Approval

An appropriation from the "Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992" allocating \$16.2 million to the Green Acres nonprofit matching grants program was recently passed by the Senate. Governor Whitman signed the bill into law on June 9.

This funding has helped convince people that conservation is a viable option; owners can sell quickly and with minimal hassle and municipal taxpayers no longer carry the tax burden of development. We will soon be able to move forward in the five project areas for which we received grant approval up to \$2.5 million to purchase land and easements worth \$5 million.

### We're Looking for a New Home

Our building, sadly, will soon be razed as part of Route 1 construction, and D&R Greenway must relocate by early fall. We are seeking 800 to 1,000 square feet of office space in the greater Princeton area, with three offices, a small reception area, and access to a conference room. If you know of inexpensive and available space, please call us at (609) 452-1441.

## Field Notes

### Peggy McNutt: D&R Greenway's New Executive Director

We are pleased to welcome Peggy McNutt, who has joined Delaware & Raritan Greenway, Inc. as Executive Director. She takes the place of Maude Backes Snyder, who headed D&R Greenway since 1987, and who left in order to stay at home with her young children.

Chairman Bob Johnston says that with Peggy's leadership "we will expand our efforts to acquire and preserve sensitive stream corridor properties, to promote our vision of the Delaware & Raritan Greenway to state, county and local governments, and to provide technical expertise to local groups working to preserve lands in their communities."

Peggy brings a wealth of experience from her twelve years working in State government, most

recently as Executive Director/ Associate Treasurer of the New Jersey Department of Treasury. There she worked with the Treasurer and Deputy Treasurer to manage the 4,700 employee, \$350 million department. Prior to her position in the Treasury Department, Peggy was an assistant to former Governor Florio, and from 1982-1990 she served as Senior Research Associate with the Office of Legislative Services.

In addition to her professional experience, Peggy has a long-standing commitment to conservation. She currently chairs the Central Jersey group of the Sierra Club, and is the former chair of its membership committee. ♣

### Land Saving Actions

Nearly forty-five acres of pin oaks,

wild flowers, and wetlands along the Stony Brook have come a step closer to preservation since we signed an agreement to purchase the land from its owner, Penn View Heights, Inc. Located on Penn View Drive between Kunkle Park and the Baldwin Lake Wildlife Management Area, the land is an important link in the Stony Brook Greenway, D&R Greenway's project to create a band of preserved open space along the 21-mile stream corridor. A trail on the property would add to a footpath which is hoped to one day connect Pennington Borough with the Stony Brook-Millstone Watershed Association.

We are also working to preserve Woods Brook, a 30-acre property along the Stony Brook at Route 31 in Hopewell Township. A new project, the property is a beautiful wooded site which adds to the growing open space network leading from Hopewell Township (via Pennington) to Lawrence Township. ♣

## Conservation Options

### Repeal of the AMT

There are many ecological and historical benefits to preserving land, yet for some landowners it is the possibility of tax advantages which encourages them to act to protect their property. A recent change in the tax laws has substantially increased the number of land donations being made to land trusts across the country: the repeal of the Alternative Minimum Tax.

According to the Land Trust Alliance, a national association of land trusts, the repeal of the AMT is "tipping the balance for many landowners to the side of choosing protection for their property." We always recommend that you ask your tax advisor or attorney for specific information if you are interested in learning about how current tax laws affect you. To give you an idea of how the change in the AMT law works, we offer this excerpt from

Law Update, a column in the Land Trust Alliance's Newsletter *Exchange*, written by tax attorney Stephen J. Small:

As *Preserving Family Lands* [a guide to the tax benefits of land preservation] points out, many landowners who have made charitable gifts of land or of conservation easements have worried about the alternative minimum tax (AMT). If the donated land or easement was "appreciated property," the effect of the AMT often was to reduce the landowner's income tax savings from the charitable gift. "Appreciated property," generally speaking, is property that has increased in value since the owner acquired it.

The 1993 tax bill repealed this AMT rule, and as a result there has been a lot of celebrating in the land conservation community and among

tax-exempt organizations generally.

Repeal of the AMT rule means more income tax savings from many charitable gifts. For donors with high income tax rates the income tax savings from the charitable gift can be dramatic, and charitable giving can be even more beneficial to the giver when income tax rates are high.

Depending on individual variations in income and deductions, the tax savings from charitable giving will be quite different. It is difficult to provide generalized tax planning advice that will be useful in individual situations. With the repeal of the AMT rule and with the other tax law changes included in the 1993 tax bill, it is important to run through the each situation individually. ♣

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If you would like a free copy of *Preserving Family Lands*, with a complete copy of the article excerpted, please call the D&R Greenway office at (609) 452-1441.

## In Perpetuity

Continued from page 1

It seemed the project would soon be stamped "completed!"

Instead it took until March 1994 to finalize: the result of a complicated financial arrangement, multiple purchasers, sale price disagreements, an array of logistics and a declining market. Negotiations threatened to break down on several occasions. At those times D&R Greenway stepped in: encouraging the owners, meeting with State Senators and Assemblymen, publicizing the project, making presentations to the SADC, and smoothing out differences. This role as "catalyst" was critical to the ultimate success of the project.

The passing months prompted a myriad of other obstacles: changes in SADC membership; loss of momentum when D&R Greenway's grassroots efforts were supplanted by those of the public agencies; higher priority SADC projects eclipsing the Old Mill Road Farm purchase. The SADC decided to omit the project from their 1992 appropriation package. This hurdle was political: gaining support for, and approval of, a single measure appropriations bill to purchase the property. Recognition of the project's importance was bi-partisan, and supporters included Senators Bill Schluter and Gerald Stockman, and Assemblymen Leonard Lance and John Watson.

When a last minute, deal-threatening disagreement about the purchase price arose in November 1992 the SADC's commitment to the project deteriorated. D&R Greenway staff and trustees again convinced the agency that the importance of preserving the land outweighed the problems encountered. Once again negotiations were rejuvenated.

Finally, a \$1,040,000 purchase price was negotiated. Mercer County purchased the wooded wetlands for \$82,970 with a Green Acres grant/loan package, and also contributed \$100,000 from its Open Space Preservation Trust Fund to the SADC, which paid \$968,155 for the 92 acres of higher value agricultural lands.

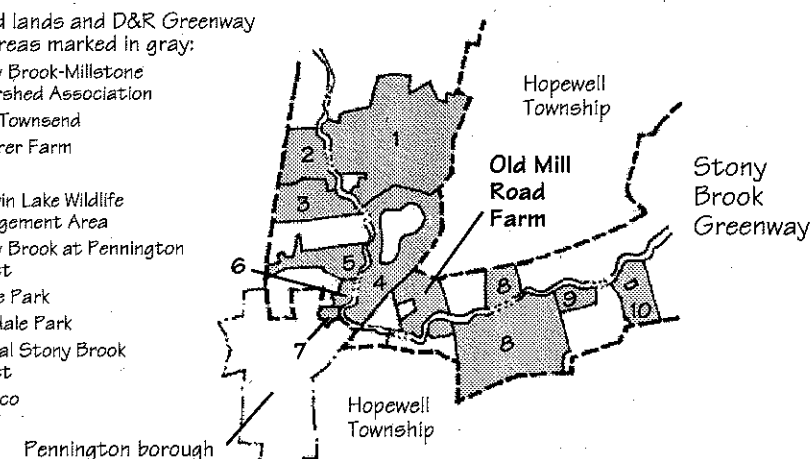
The SADC placed a development restriction on the farmland, and scheduled a public auction for June 2, 1994. With a minimum bid price of \$2,500 per acre, compared to the original \$10,500 per acre sales price, the farmland became far more affordable to those who intend to farm it. At auction the land sold for \$2,625 per acre. The SADC returned the land to private ownership for agricultural use—in perpetuity.

By working with county and state agencies to preserve the Old Mill Road Farm, D&R Greenway has successfully championed a piece of central New Jersey's rural history. Preserving this and other productive farmlands will help support a diminishing, but still important, agricultural resource base.

For now Old Mill Road Farm provides an opportunity for farming at the edge of suburbia. It will also endure as a vital landmark in our rural landscape. ♣

Preserved lands and D&R Greenway project areas marked in gray:

- 1 Stony Brook-Millstone Watershed Association
- 2 Hart/Townsend
- 3 Niederer Farm
- 4 Mobil
- 5 Baldwin Lake Wildlife Management Area
- 6 Stony Brook at Pennington project
- 7 Kunkle Park
- 8 Rosedale Park
- 9 Central Stony Brook project
- 10 Traneco



## Volunteer for Open Space

Are you curious about how a land conservation organization works? Do you have talents you'd like to use in community service?

We invite you to join D&R Greenway's efforts to save land throughout central New Jersey. Opportunities range from outdoor activities, such as preserve clean-ups and trail maintenance, to public relations, program assistance (including developing materials and coordinating events), and that all-inclusive office support. We will also need help preparing for our upcoming office move.

Call us today—we welcome your participation and appreciate your support!

## You can play an important role...

in preserving vital stream corridor lands throughout the region by joining D&R Greenway's growing network of supporters.

**Yes! I want to help create greenways!** Enclosed is my gift in support of D&R Greenway's work:

- \$35  \$50\*  \$100  \$250  
 \$500  \$1,000  \$2,500  
 other \$ \_\_\_\_\_

\*Contributors of \$50 and more will receive a set of Stony Brook Greenway wildflower notecards designed by Heather Lovett. †

Also enclosed is a gift to the:

- Land Acquisition Fund \$ \_\_\_\_\_  
 Management & Monitoring Fund \$ \_\_\_\_\_

I'd also like information about:

- volunteer opportunities  
 preserving my stream corridor lands  
 D&R Greenway footpaths  
 Hamilton/Trenton Marsh

Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 City, State, Zip code \_\_\_\_\_  
 Phone \_\_\_\_\_  
**Clip and mail to:**  
 Delaware & Raritan Greenway, Inc.  
 621 Alexander Road  
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†According to IRS rules, the value of this gift, \$6.00, must be subtracted when calculating the tax deductibility of your contribution.

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Delaware & Raritan Greenway, Inc., is a regional, 501(c)(3) nonprofit land conservancy dedicated to the preservation of a continuous open-space network enveloping central New Jersey's waterways and unified by the Delaware and Raritan Canal State Park.

D&R Greenway began in 1987 as an alliance of regional nonprofit groups, and was incorporated in 1989.

## Our thanks to...

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