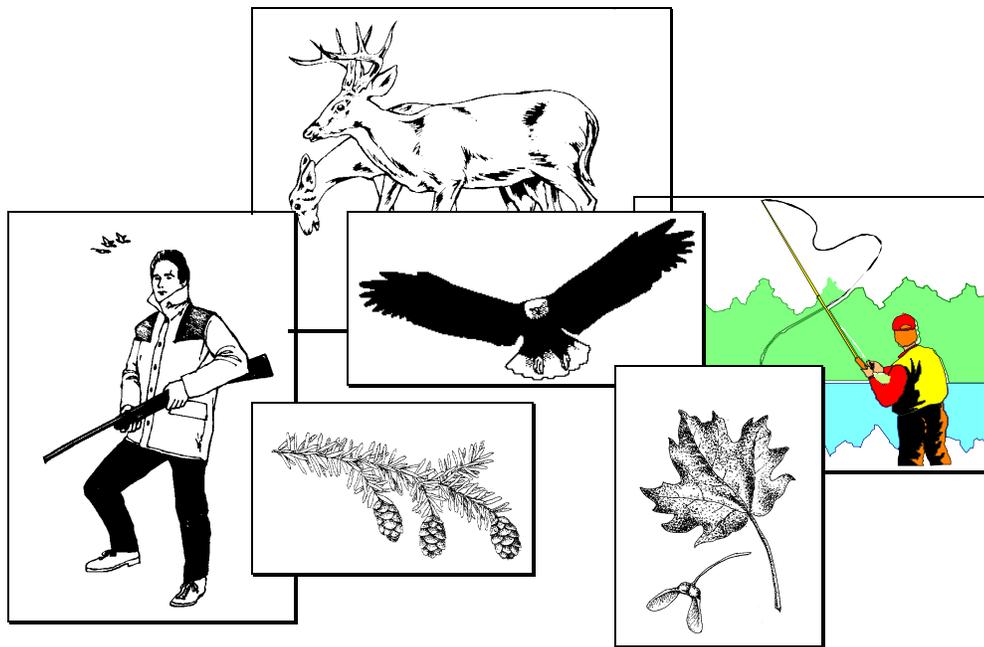


# **Tug Hill's Eastern Core Forest: Recommendations for the Protection of Jobs, the Environment and Traditional Uses**



*East Branch of Fish Creek Working Group  
April 22, 1997*

# The East Branch of Fish Creek Working Group

Three years ago, sportsman groups requested help from the Tug Hill Commission to find a way to protect Tug Hill's eastern core forest. The East Branch of Fish Creek Working Group was formed to assess how this could be accomplished. The following is a list of participating organizations and their representatives, many of whom are core forest landowners.

Adirondack Mountain Club  
**Lee Brenning**  
**Dale Richards**

Berry Brothers Lumber  
**Gary Berry**

City of Rome  
**Terry Card**  
**Rich Greggains**

Cooperative Tug Hill Council  
**Jane Jones**

Hancock Timber Resources Group  
**Henry Whittemore**

Lewis County Industrial Development Association  
**Jim Munroe**

Lewis County Planning  
**Kathy Piper**

Lewis County Snowmobile Association  
**Scott Matthews**

Oneida County Environmental Mgmt Council  
**Brian Dam**

Lyons Falls Pulp and Paper Company  
**Mike Virga**

Oneida County Planning  
**Steve Olney**  
**Mike Gapin**

The Nature Conservancy  
**Jim Howe**

New York Rivers United  
**Bruce Carpenter**

NYS Conservation Fund Advisory Board  
**Dave Pierce**

NYS Dept. of Environmental Conservation  
**Bernie Davies**  
**Dave Smith**

Northern Oneida County Council of Governments  
**Steve Hunter**

North Shore Council of Governments/ Salmon  
River Local Government Service Cooperative  
**Paul Baxter**

Town of Lewis  
**Jerry King**, Supervisor  
**Ron Service**, Councilman

Town of Martinsburg  
**Don Ingersoll**, Supervisor

Town of Montague  
**James McIntosh**, Supervisor

Town of Osceola  
**J. Hugh Quinn**, Supervisor

Town of Turin  
**Roger Maciejko**, Supervisor

Town of West Turin  
**Tim LeVan**, Supervisor  
**William McGovern**, Councilman

Tug Hill Sporting Association  
**Ernie Tyler**  
**Don Edwards**  
**Ed Russell**  
**Rich Walton**

Tug Hill Tomorrow, Inc.  
**Paul Miller**

Wagner Forest Mgmt. Ltd.  
**Tom Colgan**  
**Greg Frohn**

## **Working Group Staff Support:**

**Bob Quinn** - NYS Tug Hill Commission  
**Linda Gibbs** - Tug Hill Tomorrow, Inc.  
**Tom Duffus** - Adirondack Land Trust  
**Ramona Salmon** - Lewis Cty. Real Property  
Tax Service Agency

## *East Branch of Fish Creek Working Group Findings and Recommendations*

- Economic forces have resulted in the repeated sale of forest lands over the past 20 years with steadily increasing frequency. Unless deliberate action is taken, these economic trends are likely to leave private landowners with no choice but to subdivide and sell their large parcels of forest land, which comprise most of the eastern core forest of Tug Hill.. The remote, undeveloped headwaters of the East Branch of Fish Creek are contained within the eastern core forest.
- It is probable that the breaking up of private forest holdings will result in further development and posting of properties, leading to reduced hunting, fishing, and timber harvesting opportunities. These traditional uses are vital to both the Tug Hill and New York State economies.
- The fragmentation of private forest holdings may also lead to reduced environmental quality, especially the water quality of the East Branch of Fish Creek which supplies drinking water for the City of Rome. The East Branch of Fish Creek also contributes a significant amount of clean water to Oneida Lake (the largest lake wholly within New York State) and Lake Ontario.
- The actions that could avoid the fragmentation of private lands are: purchase of “working forest” conservation easements *from willing sellers on a voluntary basis only* by New York State; additional local land use controls (enacted by local governments); and State purchase of a limited number of key parcels *from willing sellers on a voluntary basis only*.
- Conservation easements seem to be the most appropriate tool for protecting forest lands while encouraging active, responsible management of private forests for watershed protection, timber production, hunting and fishing (via lease agreement), and public recreation (*on specified trails or in specified areas only*). \_
- *Before conservation easements are used in Tug Hill’s eastern core forest, state law must be changed to require that the State pay the portion of local property taxes associated with the value of any conservation easement it holds in the Tug Hill region.* The change in law would allow protection of the land without shifting property taxes to local taxpayers in the area’s sparsely populated towns.

## ***Concerns for the Future of Tug Hill's Eastern Core Forest: An Issue Summary***

The changing ownership of lands in Tug Hill's eastern core forest, particularly those most recently sold by Lyons Falls Pulp and Paper to John Hancock Timber Resource Group, and the possibility of their subdivision and development have caused numerous periods of local concern over the years. Concern over the sale of these forest lands surfaced once again in 1994. In response, area landowners, sportsmen, recreationists, environmentalists and local government officials began meeting together to find common ground and brainstorm ideas for providing some lasting protection in the face of repeated land sales. The group chose to call itself the East Branch of Fish Creek Working Group.

What is contained in this report is based on more than a dozen meetings of the Working Group during 1995, 1996 and early 1997, as well as *Tug Hill's Eastern Core Forest: Options For Sustaining Our Environment, Economy and Way of Life*, prepared by the Working Group in June of 1996 as a discussion item for the area's summer and fall town board meetings.

### **Keeping the Forest Intact Protects Local, Statewide, Multi-State Benefits: Clean Water, Clean Air, Jobs & Recreation**

The groups and individuals that comprise the East Branch of Fish Creek Working Group have agreed that the remote sections of the headwaters of the East Branch of Fish Creek need to be maintained essentially as undeveloped forest land. As undeveloped forest, these lands are crucial to the future of Tug Hill, New York State, and the Northeast because they: provide drinking water to thousands; supply timber that is essential to the state's economy; support hunting, fishing and trapping opportunities that are a key part of the lifestyle cherished by those who live and visit here; provide unparalleled recreational opportunities important to the region's economy and to a local way of life; are an important portion of the wild lands that provide animal habitat and support a traditional way of life throughout the Northern Forest, stretching from Tug Hill to northern Maine.

### **Protecting Large Landholdings: Easements and Property Taxes**

The East Branch of Fish Creek headwaters are predominantly in private ownership today, as they have been for generations. They supply the host of benefits described above primarily because they have stayed undeveloped in relatively large parcels. These lands should stay in private ownership for the most part, with the most important parcels permanently protected from break-up through conservation easements purchased from willing landowners on a voluntary basis by the State of New York.

Where public access ought to be increased, it should be done through specific, permanent trail easements, or through state land acquisition. Easements and state land purchases will help supplement the significant land use controls already put in place by the towns in the

East Branch of Fish Creek watershed. Changes in state law that curtail any shift in property taxes to local residents must occur before easements or state



## **Core Forest Vital to Tug Hill Economy and Way of Life**

Tug Hill's forests make an unusual contribution to New York State's economy because of: 1) the extent of privately-owned, actively-managed, large forest land holdings, 2) the diversity of its forest-based manufacturing, and 3) the extent to which its lands are used for hunting, fishing, trapping, and recreation.

The region comprises the westernmost portion of the Northern Forest, which stretches from Tug Hill through the states of Vermont and New Hampshire, and into the northern reaches of Maine. The core forest of Tug Hill remains intact because of traditional ownership patterns: privately-owned, large parcels of forest. Only 12% of Tug Hill is publicly owned forest land. More than 225,000 acres consist of holdings in parcels of 400 acres or more.

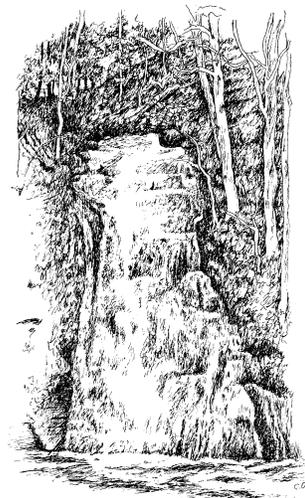
The region's forest manufacturing industry is unusually diverse. Paper, pallets, firewood, and some of the world's finest furniture are some of the region's major forest industry products. These and other wood industries depend on a healthy, sustainably managed forest. About half of the region's some 1,500 jobs in the forest industry are directly tied to Tug Hill's forest lands.

Hundreds of other jobs in Tug Hill's rural economy are tied to recreation: snowmobiling, hunting, fishing, trapping, skiing, and more. Snowmobiling in Lewis County alone (heavily dependent on the trails and snows of the eastern core forest) generates over \$4,000,000 annually and supports some 350 jobs.

Probably as important, but less measurable, is the contribution of Tug Hill's vast forest lands to the region's way of life. Together, the forest and its related jobs and recreational activities are a vital quality inherent to life on Tug Hill - a quality cherished by the region's residents and visitors alike. Tug Hill's way of life rests firmly on a rich heritage of outdoor living and respect for the environment.

## **Core Forest Supports High Quality Watershed**

Tug Hill's core forest encompasses nearly 200,000 acres of forest, swamp, marsh, and remote rivers and streams. It contains two watersheds that are treasures for the state and nation. The western core forest holds the Salmon River and Mad River watersheds which supply the lower Salmon River, a premiere fishing and recreational resource of national importance.

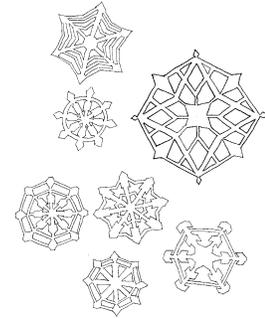


The eastern core forest, about 100,000 acres in size, holds the headwaters of the East Branch of Fish Creek - the drinking water supply for the City of Rome (see Figure 1). The area is broken by



a sparse network of private woods roads, logging trails, and only a few public roads. Its snows are among the heaviest east of the Rocky Mountains (averaging about 20 feet a year), adding to its remoteness and providing for an immense water supply. These headwaters are also the source of the purest waters flowing into Oneida Lake -- the largest lake located completely within

New York State and a rich environmental and recreational treasure in itself. The New York State Department of Environmental Conservation includes the East Branch of Fish Creek watershed as one of the top five priority areas needing protection in the New York State open space plan.



## **History of Private Ownership Kept Most Lands Intact**

About half of the East Branch of Fish Creek watershed, close to 50,000 acres, is owned by one landowner: John Hancock Timber Resource Group. Hancock bought the lands from Lyons Falls Pulp and Paper in February of 1996. The eastern and southern edges of the eastern core forests are more accessible, and are divided into smaller, more developed parcels. Private ownership over the past two centuries has kept the majority of the watershed undeveloped yet productive, sustaining jobs in the forest industry and supplying a significant portion of the tax base in the eastern core forest's six rural towns of Lewis, Montague, Martinsburg, Osceola, Turin and West Turin.



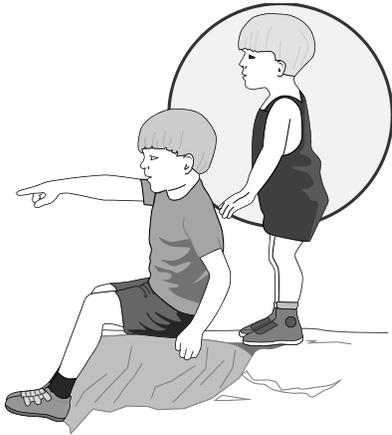
## **Impending Sale of Large Parcels Spurred Local Action and Development of Land Use Policies**

About 25 years ago, a third of the Tug Hill's core forest was on the brink of sale for second home development. Local people called for assistance in protecting these lands through local action, leading to the creation of the Tug Hill Commission. Since that time, many local and state policy statements have reiterated the wish to keep these forest lands healthy and in productive use. Key policy statements include:

- The 1976 *Resource Management Plan* prepared by the core forest towns.
- The 1991 *Planning Accord for Tug Hill Local Reserve Plan* prepared by the 14-town Cooperative Tug Hill Council.
- The 1992 *New York State Tug Hill Reserve Act*.
- The local land use controls of towns in the core forest that almost uniformly call for only forest compatible uses of these lands.



- New York State’s open space plan, *Conserving Open Space in New York State*, that lists the core forest of Tug Hill as one of the state’s nine “major resource areas” (see Figure 2).
- The U.S. Forest Service’s *Northern Forest Lands Study* of 1990, and the 1994 report of the 4-state Northern Forest Lands Council, *Finding Common Ground* (see Figure 3).



## Local Concerns Over Potential Damage to Forest Health and Loss of Its Benefits for Our Children’s Children

Residents and local officials of the towns that comprise the eastern core forest share deep concerns about the environmental and economic health of the eastern core forest. In numerous public forums sponsored by the Tug Hill Commission over the past two decades, local residents and officials have expressed their wish to keep core lands forested because of the environmental and economic health they provide to the region: clean water; good hunting, fishing and trapping; and jobs in the forest industry. These lands are key to their very way of life. “Keep it the way it is,” they said, not meaning “no change ever”, but calling for maintaining the environmental and economic health they enjoy and treasure - for them, for their children, and for their children’s children.

Local people also need the economic value of the property taxes provided by these lands. Most of the six towns of the eastern core forest and East Branch of Fish Creek watershed have small tax bases and populations of just several hundred. Montague, for example, has a population of only 47 spread over its 65 square miles -- the lowest population of any town in New York State. Most of the towns have very little taxable development, so these forest lands are vital in maintaining the balance of the tax burden for residents who, for the most part, have incomes much lower than the state average.

## Landowners and Sportsmen Join Forces

In 1994, the Tug Hill Sporting Association approached the Tug Hill Commission and Tug Hill Tomorrow, Inc. about helping to find a way to permanently protect the area’s natural resources. The Tug Hill Sporting Association membership includes over 30 hunting and fishing clubs, with a total membership of over 750 individual and family members who own or lease lands in the eastern core forest of Tug Hill and a small portion of the western Adirondacks. In addition, the Sporting Association membership includes 25 individual local landowners with holdings in or near the watershed.

The area's major landowner, Lyons Falls Pulp and Paper, had tried to sell a large portion of the forest a year or two earlier. Sportsmen feared a new owner would break up land holdings in the area, jeopardizing the future use of the remote core forest for hunting, fishing, trapping, and timber production, and threatening the supply of high quality water. Within several months, sportsmen and Lyons Falls Pulp and Paper agreed that each had an interest in somehow guiding future development in the eastern core forest area, probably through the sale of conservation easements and long-term lease agreements for the provision of sporting rights (hunting, fishing, trapping and various recreational activities).

It soon became clear to both parties that additional groups would be impacted by any protection agreements that might be forged. Area landowners, recreationists, environmentalists, and local government officials were contacted. All were invited to begin meeting together to find common ground and brainstorm ideas for providing some lasting forest protection in the face of repeated land sales. The group chose to call itself the East Branch of Fish Creek Working Group. When John Hancock Timber Resource Group bought all of Lyons Falls Pulp and Paper lands in 1996, Hancock joined the Working Group and expressed a great interest in conservation easements on at least some portion of their lands.

## **Shared Goals Could Be Achieved Using A Combination of Approaches**

About halfway through their work, members of the Working Group developed and agreed to a set of goals (see sidebar) concerning protection of the eastern core forest. These shared goals led to an agreement within the diverse group that a combination of actions seemed most appropriate for local protection of the watershed.

In March 1997, the members of the East Branch of Fish Creek Working Group reached agreement that the following mix of actions are needed to keep the portion of Tug Hill's core forest that encompasses the headwaters of the East Branch of Fish Creek available for water supply, timber, hunting and fishing, and recreation:

### **Shared Goals of the East Branch of Fish Creek Working Group**

1. To maintain a high-quality, sustainable environment for the health, safety and enjoyment of our children, our children's children, and successive generations.
2. To provide for the protection of the core forest's long-term timber productivity, water quality, and overall natural resource and habitat health, as well as traditional hunting, trapping, fishing and recreational uses.
3. To provide for resource protection in a way that avoids a shift in the property tax burden to local taxpayers, prevents a negative impact on local job availability, and sustains the economic viability of area communities.
4. To help spread the costs of protection over the many beneficiaries at the local, regional and state level.
5. To maintain mixed ownership of most of the eastern core forest, and find ways to provide for recreational access in a way that does not threaten natural resource quality or adversely affect private property rights.
6. To encourage continued private land stewardship through voluntary compliance with environmental standards and methods, such as timber harvest guidelines.

### Conservation Easements

A conservation easement is a legal, voluntary agreement between a landowner and a government agency or private land trust, like Tug Hill Tomorrow, Inc. The easement limits one or more specific activities on the property, in accordance with the landowner's goals and the property's unique natural condition. Public access to the property is not required.

Conservation easements are very flexible and are usually tailored to each individual landowner's wishes. For example, a landowner may wish to retain the right to farm or harvest timber, retain the right to build certain structures on the property, or protect a variety of special natural features differently within one easement. Or the landowner may wish to allow public access for one or more specific activities on only a portion of the property at certain times of the year.

Once the terms are negotiated and approved by the landowner and the organization who will hold the easement, the agreement is signed by both parties and filed with the deed. Present and future owners of the property are bound by the restrictions of the easement.

Landowners who donate conservation easements to a non-profit organization, such as Tug Hill Tomorrow, Inc., may be eligible to take a charitable deduction on their federal income taxes if the easement is granted in perpetuity. The holder of the easement assumes responsibility for monitoring the property and enforcing the terms of the easement.

specified times of the year. For example, snowmobile trails might be open to use after the end of big game season, similar to current arrangements. Some similar arrangement might be used for mountain bike or hiking access on designated trails.

- In other cases, some lands would be more broadly opened to public use through purchase of recreation rights as part of a conservation easement, or through purchase of lands to become state forest.

- 1) conservation easements likely purchased by the State of New York;
- 2) purchase of certain key pieces of land as state forest; and
- 3) local controls on development.

The towns of the core forest area have already made significant progress in implementing local controls. Additional action needed at this time should be based on the use of conservation easements and limited state land acquisition *from willing private landowners on a voluntary basis only*. The Working Group envisions that most lands would stay in private ownership.

If the headwaters area of east Branch of Fish Creek are to be protected under an approach like the Working Group has discussed, the result might look something like this:

- Conservation easements might apply to as much as 50,000 acres of the larger, more remote parcels in and near the East Branch of Fish Creek watershed.
- In many cases, lands would be available for hunting through membership in clubs that lease or own lands in the core forest. These lands might still fall within a gated road network that is used in the area today.
- Some trails within the watershed would be open to specified public use at



## Public Interest Considerations to Be Served by Protecting Tug Hill Core Forest

The Working Group has given considerable thought to the types of natural resources and recreational activities that should be protected. Conservation easements, provided a change in state tax law is achieved, appear to be the most appropriate tool for protecting the resource while meeting individual landowners' needs. Limited purchase of lands as State Forest may also be appropriate for specific parcels.

If conservation easements and land purchases are used to protect the headwaters of the East Branch of Fish Creek, their provisions will be negotiated by the landowner and the group accepting the conservation easement (probably the New York State Department of Environmental Conservation). In the spirit of the New York State's open space plan, these easements should reflect public purposes supported by local governments and the public.

The Working Group feels that the following considerations are in keeping with the public purposes that should be taken into account when conservation easements are negotiated. These considerations are meant to be used as guidelines. The specific restrictions in each easement will be determined by the negotiating parties based on the characteristics and values associated with individual parcels.

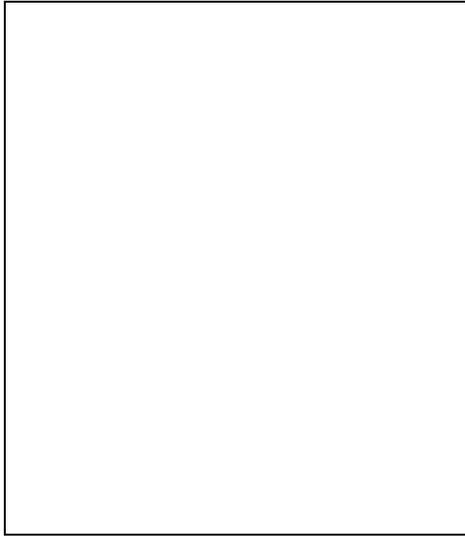


In general, protection of the eastern core forest should address the following:

- A) Maintain vegetative buffers that maintain the waters cool temperature, minimize sedimentation and provide wildlife travel corridors. This may involve restricting logging within the corridor or requiring strict harvesting guidelines.
- B) Maintain habitat protection for game species such as white-tail deer and grouse, non-game wildlife such as migrating and nesting songbirds and raptors and rare plants.
- C) Protect wintering yards for deer recognizing that these areas are

dynamic and change over time.

- D) Protect some areas of forest considered "old growth" (a relative term on Tug Hill) or natural state for their habitat and research value.



- E) Allow traditional leasing of hunting and fishing rights coupled with the open, non-exclusionary membership policies through the Tug Hill Sporting Association.
- F) Avoid conflict between increased public access and hunting, fishing and trapping uses in the watershed whenever possible. Easements should list public access periods and specify where public access occurs to avoid public access conflicts with traditional uses (probably primarily along designated trails and streams at specific

times of the year).

- G) Reflect that the largest demand for increased public recreational access would probably be to snowmobile and cross-country ski trails, January through March, designated roads for mountain biking or hiking in summer months and canoeing access to portions of the East Branch of Fish Creek during certain high flow periods.
- H) Easements should include increased fishing access for the general public which would be achieved through purchasing streamside fishing rights *from willing sellers on a voluntary basis only*.
- I) It may be appropriate for the State to purchase hunting rights on a limited number of parcels not traditionally encumbered by lease agreements.

## **Conservation Easements Useful: Only If Property Tax Shifts Are Avoided**

Conservation easements are well-suited for the private lands that make up Tug Hill and the Tug Hill core forest. Easements could accomplish protection while minimizing the acquisition of land by New York State. But conservation easements have property tax disadvantages, too. Once the rights affected by the easement are sold, the owner of the land itself is likely to seek property tax relief – the land may have a lower market value that may be reflected in reduced property assessments.

Trails easements, too, could play a key role in the future of the eastern core forest. Such easements could do much to stabilize the existing network of snowmobile trails. Under current conditions, existing trails can be jeopardized by a single landowner deciding they no longer want the trail on their property. Trail easements could also be a tool for improving public access to specific sites at specific times of year (a snowmobile trail, a fishing stream, a hiking or mountain biking trail, for example) without interfering with

existing hunting and fishing leases that are an important component of the nature of the core forest.



## **A Role for State's Purchase of Land: Only If Property Tax Shifts Are Avoided**

Where public access would not compromise the purposes of protecting the core forest, and where arrangements through conservation or trail easements could not do the job, purchase of lands as State Forest may prove a reasonable option.

Tug Hill residents have expressed many times in recent decades their concern over additional purchases of land by New York State. Much of this concern comes from property taxes shifting to local taxpayers when the lands go off the tax rolls after the State has purchased them. A large portion of Montague, for example, is off the tax rolls as Tug Hill Wildlife Management Area.

If the property tax problem can be corrected, however, there might be a role for some selected parcels to be designated as State Forest (which pays town and school taxes, though not county). Perhaps a new law will be enacted wherein the State pays taxes for all purposes. The Governor has made one such proposal. The state's open space plan calls for payment of taxes on all open lands in State ownership.

### ***Without A Compensating Change In State Law:* \$85,000 Shift In Property Taxes If Conservation Easements Used and \$150,000 Shift If Land Enrolled in 480-a**

When a landowner sells certain rights through a conservation easement, the market value of the land may be reduced, and the landowner may seek reduced property taxes as a result. This would almost certainly be the case in the Tug Hill core forest, where forest land taxes are high compared to most of the rest of the United States. Since Tug Hill core forest towns have modest tax bases, the reduced taxes for one landowner likely mean a significant tax increase for other landowners.

The table below, "Property Tax Considerations for Eastern Core Forest Towns," attempts to quantify what property tax shifts might be like based on hypothetical sales of conservation easements. It assumes conservation easements would more likely be purchased in remote portions of the core forest on larger parcels, totaling about 50,000 acres. It also assumes that all the conservation easements purchased include just the right to further develop or subdivide, and not recreation rights.

The table shows that property taxes paid on these 50,000+ acres declining by \$85,000 annually if no change in state law occurs, resulting in shifts in property taxes of up to \$46,000 and over 4% in some towns. These figures are based on all property taxes paid for town, county and school purposes. The shift is significant. With forest taxes already

high, such a shift would add to the pressures forcing landowners to subdivide and sell off land, and counter the goals the Working Group has established.

**Table 1: Property Tax Considerations for Eastern Core Forest Towns\***

Towns:	Lewis	Martinsburg	Montague	Osceola	W. Turin	Totals
Acres held in largest landownerships	6,500	4,000	7,000	17,000	17,500	52,000
Taxes paid	24,000	16,000	40,000	77,000	55,000	212,000
Taxes paid if conservation easements applied <i>with change in state law</i>	24,000	16,000	40,000	77,000	55,000	212,000
Taxes paid if conservation easements applied <i>without a change in state law</i>	14,500	9,500	24,000	46,000	33,000	127,000
% tax shift to town if conservation easements applied <i>without a change in state law</i>	1.0	0.5	4.4	4.4	1.3	
Taxes paid if 480-a exemption applied	8,000	4,500	8,500	20,000	19,000	60,000
% shift to town if 480-a exemption applied	1.6	1.0	9.0	8.0	2.2	

- *Turin not included because there are virtually no large landownerships in Turin's portion of the East Branch of Fish Creek watershed.*

***480-a Forest Land Exemption***

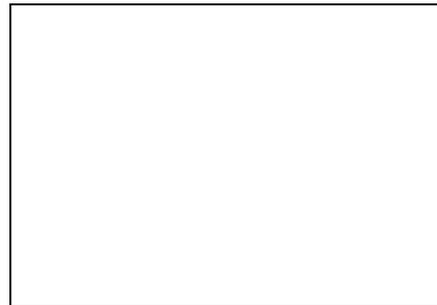
“480-a” refers to that section of New York State’s Real Property Tax Law that gives a partial property tax exemption to landowners who commit at least 50 acres of contiguous land to forest management for 10 years. An approved plan must be filed with the NYSDEC. The partial exemption may amount to as much as 80% of the land’s value. No local approval or local reimbursement for “lost” tax revenues is provided.

To avoid this shift, all the towns in the eastern core forest and Lewis County have endorsed legislation that would have New York State assume the property taxes proportional to any conservation easements they might buy, extending a provision of state law that already applies in the Adirondacks, the Catskills, and the watershed of the City of Rochester. Without some provision like this, the use of conservation easements in the core forest will be unacceptable locally.

But if conservation easements are not used, the situation could become even worse financially for the towns of the core forest. Forest landowners already strapped by some of the highest forest land taxes in the country are already seeking relief through the state’s 480-a forest tax relief

program. Partial exemptions under 480-a can be as high as 80%. Based on estimates of Lewis County Real Property, if these same lands were enrolled in 480-a, rather than protected by conservation easement, tax collections for town, county and schools in the core forest towns would decline \$152,000 annually, with some towns seeing shifts in taxes to non-exempt lands as great as 9%.

## **Tug Hill Conservation Easement Legislation Fair and in Keeping with State Policy**



Several years ago, the Tug Hill Commission and state legislators representing Tug Hill drafted state legislation that would have the state assume a share of property taxes on lands where it held development rights in the Tug Hill region. The legislation extends a provision of law that already applies in the Adirondack and Catskill Parks and in the watershed of the City of Rochester, found in section 533 of the state’s real property tax law. Extending this provision of law to the Tug Hill region makes sense for several reasons, as follows:

- The state’s and the region’s economy is heavily dependent on the forest industry, and Tug Hill’s large land holdings are important in keeping wood fiber available for this industry.
- The region’s towns have some of the smallest tax bases in the state, making state actions to retain forest lands and open space an undo burden for local taxpayers.

As an example, the core forest includes New York’s town with the smallest population, Montague, with just 47 residents in its 65 square miles. Montague’s annual budget is only about \$150,000. The total population of all the towns in the eastern core forest is only

about 5,000 in an area of well over 400 square miles, just about the same area as all of Westchester County, or almost all of Albany County.

- The Tug Hill region has been identified by the U.S. Forest Service and the 4-state Northern Forest Lands Council as a key part of the Northern Forest region, and has recommended that conservation easements be a key tool used in retaining the large, private forest parcels that characterize this area.
- New York State's open space plan recognizes Tug Hill's core forest as one of nine natural resource areas in the state of statewide importance. The plan also lists the East Branch of Fish Creek specifically as an area that should be protected as "working forest", with conservation easements as a key tool.
- Tug Hill Commission legislation and the Tug Hill Reserve Act of 1992 each recognize the importance of Tug Hill's natural resources to the state.

If conservation easements were purchased on the approximately 50,000 acres hypothetically considered in this report, the state's share of taxes under a Section 533 provision would be about \$85,000 to \$100,000 annually. This is based on sample appraisals prepared for the East Branch of Fish Creek Working Group in 1995.



## **Working Group Willing to Advise as Protection Efforts Advance**

The Working Group believes it is time to move forward with protection of the eastern core forest and the East Branch of Fish Creek watershed, so long as the property tax issues identified earlier in this report are resolved. The Working Group is willing to serve in an advisory capacity to help insure that the overall pattern of conservation easements and land purchases match the goals and public interest considerations listed here.

Figure 1

Figure 2

Figure 3