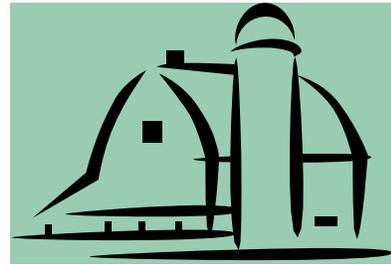


Greene County Farmland Preservation
19 South Washington Street, Suite 150
Waynesburg, PA 15370
724-852-5278



GREENE COUNTY FARMLAND PRESERVATION BOARD
MINUTES
NOVEMBER 17, 2010

I. CALL TO ORDER AND INTRODUCTION OF GUESTS

The meeting was called to order by Chairman Bill Cree at 1:00 p.m. in the Mezzanine Conference Room, 19 South Washington Street, Waynesburg, Pennsylvania. Those present were Bill Cree, Chairman; Dave Shipman, Vice Chairman; Rick Thistlethwaite, Treasurer; Archie Trader, Commissioner; Jim Willis, Director; Attorney Cheryl Cowen, Greene County Solicitor; Lisa Snider, District Manager, Greene County Conservation District; Laurel Rush, Ag Technician, Greene County Conservation District; and Becky Salosky, Fiscal Officer, Greene County Conservation District.

II. PUBLIC COMMENTS

There were no Public Comments.

III. APPROVAL OF MINUTES

A motion was made by Dave Shipman to approve the Minutes of the September 15th and October 5th meetings. Jim Willis seconded. (Motion Passed)

IV. TREASURER'S REPORT

Treasurer Rick Thistlethwaite presented the Treasurer's Report as follows:

Checking Account - \$5,024.25
Easement Funds - \$96,794.00, which includes the county and state contributions.

A motion was made by Jim Willis to accept the Treasurer's Report as presented. Dave Shipman seconded. (Motion Passed)

V. CORRESPONDENCE

There was no correspondence requiring Board action.

VI. OLD BUSINESS

There was no Old Business.

VII. NEW BUSINESS

a. Farm of James F. Willis and Pearl Willis Living Trust Summary

A summary of the Willis Farm Easement process was prepared and presented to the board. Cheryl Cowen, County Solicitor, was present at the meeting to represent the County and its interest in this project.

1. Title Search Results – Laurel explained that correspondence received from Attorney Greg Hook, who conducted the Title Search, delineated two matters that need to be resolved in order for Title Insurance to be issued. Those matters relate to the resolution of the Inheritance Tax due to the passing of Mrs. Willis and the dissolution of a Life Estate for Joseph and Mary Lucas, previous owners of a portion of the property, who are both deceased. The Inheritance Tax filing must take place and an Affidavit of Title will need to be filed to prove that the Lucas Life Estate no longer exists.

Attorney Hook also included a listing of the Oil and Gas Leases on the property (four gas leases), a right-of-way with Atlas America, and a pipeline easement with Laurel Mountain Midstream. Solicitor Cowen has reviewed the agreement with Laurel Mountain Midstream and determined that this is an actual lease, as opposed to an option to lease, and as such will result in no problems with the Farmland Preservation Program. All leases already in place will be “grandfathered” into any changes made to the program by the Commonwealth.

Beyond the two matters raised by Attorney Greg Hook, the ownership of the coal rights on the Willis property was also discussed. Solicitor Cowen indicated that the coal rights on the property have all been reserved to past landowners and should not be an issue since the Conservation Easement will be subject to the Chain of Title.

Further, Commissioner Trader asked specifically if the surface coal rights are owned by the Willis'. Ms. Cowen said that she could not determine that from the letter Mr. Hook submitted and that she will need to review the actual Title Search. Should they

not own the surface coal, a “Quit Claim Deed” may resolve the issue, as was the case with the Petery easement.

However, Solicitor Cowen feels certain that Mr. Hook would have referenced surface coal rights, if they were an issue. She will better be able to address this following a review of the Title Search documents. Laurel read the last sentence of Mr. Hook’s letter that states “subject to the above, this property would qualify as an appropriate property for an agricultural easement.”

Mr. Willis indicated that he has been working with his attorney in relation to the public notice that must be filed as the first step in settling his wife’s estate. Attorney Cowen explained that the estate would have to be opened and administered; an Inheritance Tax Return prepared and submitted to the PA Department of Revenue for their approval, and the closing of the Estate completed. She noted that this process can be time consuming due to a backlog at the Department of Revenue.

Laurel presented an email from Mr. Willis’ attorney addressing the willingness to resolve the Inheritance Tax and the Lucas Life Estate issues, and expressing his hope that these matters could be resolved by the end of the year. Subsequently, Laurel spoke with Doug Wolfgang, Executive Director of the Bureau of Farmland Preservation of the Pennsylvania Department of Agriculture and he feels that these issues can be resolved with the understanding that we will provide as much documentation as possible to encumber the funds by the end of the year.

Commissioner Trader expressed his concern that if the 2009 funds are not encumbered by the end of the year, they will be lost. Lisa indicated that as long as some of the encumbrance paperwork is submitted and entered in the system, the funds should be encumbered.

Laurel explained that Mr. Wolfgang indicated that the Inheritance Tax Return and the Life Estate should not prevent the Farmland Preservation Board from making an Easement Offer.

2. Agreement of Sale –Attorney Cowen noted that the County Commissioners provide funding for the purchase of Easements and it is their wish to approve and sign the Agreement of Sale. The current standard document allows the Farmland Preservation Board to sign the Agreement on behalf of the County Commissioners. However, the Commissioners asked for a revision and the Agreement of Sale was revised to include approval by the County of the actions of the Farmland Preservation Board. Earlier in 2010, the revised document was submitted to the state for review but because the Agreement of Sale is subject to state approval and would be difficult to

change, Mr. Wolfgang has suggested that an Addendum be prepared to be included with the standard Agreement of Sale. Solicitor Cowen will draft this Addendum, providing a process for the County to sign off on the Agreement of Sale, and submit it to the state for their approval. She hopes to have this completed within three weeks, due to her busy schedule.

Laurel explained that typically, the Agreement of Sale is sent to the landowner with the Offer Letter and the Appraisal, to allow the landowner time to review the documents. However, in this case the Appraisal and Offer Letter will be sent with correspondence indicating that the Agreement of Sale will be forthcoming.

3. Appraisal – Laurel distributed copies of the Appraisal of the Willis property prepared by York Realty. She highlighted the major points and indicated that it requires a correction to reflect that the property is served by a public water source.

The Easement Value was calculated showing the value of the land, if vacant and as a whole compared to the value of the highest and best use. The value of the vacant land is \$1,600 per acre and the highest and best use is valued at \$3,200 per acre. The difference between the two is the Easement Value, in this case \$1,600 per acre, for a total of \$85,960. The Survey Closure, reflecting actual acreage of 53.725 acres, was not available until after the appraisal report was completed. Mr. York used 53.72 acres as the basis for his appraisal.

4. Appraisal Review/Acceptance – It was noted that Mr. York would also be asked to include the availability of public water, electric and gas on the property and update the Environmental Inspection Report, as well as corrected acreage information, in an amended Appraisal Report.

After discussion, a motion was made by Dave Shipman to accept the appraisal with the changes noted. Rick Thistlethwaite seconded. (Motion Passed with Jim Willis abstaining.)

5. Easement Offer Letter – Laurel reported that the Offer Letter has been reviewed by both Solicitor Cheryl Cowen and Attorney Greg Hook. Solicitor Cowen commented that Mr. Willis be addressed as “Trustee”. To date, Laurel has received no comments from Mr. Hook. A “Cover Sheet” will also be included to request additional items needed for the easement transaction, including the Appraisal, the Agreement of Sale, a W-9 and a Percent Ownership Statement.

Laurel reminded the Board that the Offer must be based on the Appraisal and cannot exceed the eased amount, but can be less than that amount. The estimated closing costs are \$5,000 to \$7,000. Those costs, along with the Easement Value of \$86,960, would not exceed the available funding of \$96,794.00.

A motion was made Dave Shipman to make an Offer of \$1,600 per acre for the Willis property. Rick Thistlethwaite seconded. (Motion Passed with Jim Willis abstaining.)

The Board directed the staff to mail the Offer Letter and Appraisal to the Willis Living Trust and note that the Agreement of Sale will be forwarded upon completion. They also agreed that the 30 day deadline to accept or deny the offer will begin once the Offer Letter is mailed.

6. Approval of Offer Letter - A motion was made by Dave Shipman to mail the Offer Letter, with a deadline of December 30, 2010, to include 53.725 acres and a purchase price of \$85,960. Rick Thistlethwaite seconded. (Motion Passed, with Jim Willis abstaining.)

7. Survey Closure – The Survey Closure, completed by Miles Davin, meets the program Closure requirements and indicates that the official acreage of the property is 53.725 acres.

A motion was made by Dave Shipman to pay Miles Davin \$50 for the survey work. Rick Thistlethwaite seconded. (Motion Passed)

8. Title Commitment - On hold pending resolution of the matters discussed.

9. Deed of Easement – On hold. Cannot be signed until the time of the Closing.

10. Title Policy – On hold until the Closing.

11. W-9 Request From Farm of the Willis', Living Trust and Percent Ownership – These items will be provided following acceptance of the offer.

Laurel noted that she is currently working on the update of the Willis Farm Conservation Plan, which must be completed by the Closing.

- b. **Conservation District Director Nominations – After discussion, a motion was made by Jim Willis to submit the name of Jim Cowell to the County Commissioners as a nominee for the Conservation District Board. Dave Shipman seconded. (Motion Passed)**

VIII. DISCUSSION OF STAFF REPORTS

Laurel has information regarding a free seminar on Succession Planning on preserved farms. The meeting will be held at the Farm Show Complex and reservations are required if anyone is interested in participating.

IX. NEXT MEETING

The next meeting will be held on **December 15th at Hot Rod's Restaurant.**

X. ADJOURNMENT

With no further business to discuss, a motion was made by Dave Shipman to adjourn the meeting at 1:45 p.m. Rick Thistlethwaite seconded. (Motion Passed)

Respectfully submitted,

Rebecca K. Salosky
Fiscal Officer
Greene County Conservation District