

Patton Township Open Space Referendum

2014 Open Space Survey

- Patton Township surveyed residents and property owners in March & April of 2014. We found 78.56% supported dedicating a portion of their property taxes to acquire and preserve additional Open Space lands in the Township.
- When asked about support for a specific increase in the tax rate, 67.56% of respondents indicated support for an increase of 0.6 mills or more.

The Proposal

- The Board of Supervisors would borrow \$3,500,000 dollars to acquire and preserve additional Open Space lands. The borrowing may be a Bond issue or a bank loan, depending on interest rates and borrowing costs at the time the funds are needed.
- An increase of 0.6 mills of property tax will support the annual debt service payments on a Bond issue of \$3.5 million at 4% interest for 20 years.
- An increase of 0.6 mills of property tax would increase the property taxes on a home with a market value of \$250,000 by \$42.60.
- The current Township property tax rate is 8.9 mills. (1 mill of property tax is a \$1.00 tax on each \$1000 dollars of assessed value of your property. The assessed value of properties in Centre County this year is, on average, about 29% of market value)
- The Township will only deal with willing sellers; no adverse actions will be taken to obtain Open Space property.

The Election

- The election date is Tuesday, November 4, 2014. Polls will be open from 7 am to 8 pm.
- The question on the ballot will be:

“Shall debt in the sum of 3,500,000 dollars for the purpose of financing acquisition of development rights, conservation easements, and land for the preservation of open space be authorized to be incurred as debt approved by the electors?”
- Voting “Yes” will indicate approval for borrowing \$3,500,000 and increasing your property taxes by 0.6 mills.

If the “Yes” vote wins

- In 2004 the Township developed a process for identifying and prioritizing properties for potential acquisition as Open Space – see “The 2001 Experience” below.
- Over the course of 2015, the Township would convene an ad-hoc committee of residents to again work through that process and identify those undeveloped properties with willing sellers that would have the highest value as publically owned Open Space.
- The owner of the top-ranked property would be approached regarding the potential sale to the Township. If acceptable terms can be agreed upon, a schedule would be established to complete the borrowing and close the sale. It is anticipated this will not occur earlier than August of 2015.
- To begin making debt service payments in 2016, the Board of Supervisors, in December 2015, would approve a 2016 Budget with a 0.6 mill property tax increase dedicated for Open Space. The tax increase would be included in property tax bills for 2016.
- If the entire \$3,500,000 is not needed, or very favorable borrowing terms are available, the tax increase may be reduced.

The 2001 Experience

- Following a similar survey, 63% of the voters approved a borrowing of \$2,500,000 for open space preservation. The final payments on that Bond issue will be made in 2014.
- The Township convened an Open Space Task Force made up of township residents. The Task Force inventoried vacant properties and developed a process for evaluating each property against a set of criteria that would help rank the value of each property as publically owned Open Space. Property owners were then approached to see if they would be willing sellers and like to participate.
- In January of 2006, through the great generosity of Hubie and Helen Haugh, the Township was able to purchase the Haugh Family Farm, the top-ranked property identified by the Open Space Task Force. While the property, 465 acres, was appraised at over \$8,000,000, the Haugh siblings accepted the available \$2,500,000. The Haughs then established an endowment of \$300,000 at the Centre Foundation to provide funds for the perpetual maintenance of the property. The Township also has set aside an endowment fund to maintain the property.

The Haugh Family Preserve

- The Township maintains the property in accordance with a Conservation Easement established by the Haugh family. About half of the land remains in agricultural production. The forested lands are being managed according to a Forest Stewardship Plan.
- With revenues generated by the endowments, the farm lease and proceeds from timbering activities under the Forest Stewardship Plan, the property is financially self-sustaining; no Township tax funds are used to maintain or improve the property.
- The newest improvement to the property is the Community Gardens. The Gardens include fifty 500 square foot parcels that can be rented on an annual basis.
- The Open Space Stewardship Committee is made up of resident volunteers and oversees activities on the property. An independent third party monitor, an environmental engineer, also reviews all activities for compliance with the Conservation Easement, the Forest Stewardship Plan and a Wetlands Stewardship Plan.