

January 31, 2011

Summary of DBZ land Easement Meeting

To Board of Directors,

On Thursday, January 28th at the Catskills Conservation Center in Arkville NY., I met with Mark Tercek, President and CEO of The Nature Conservancy; Tony Wilkerson, Deputy Director of the Nature Conservancy; and Alan White, Catskill Center Executive Director.

Alan White has been working on a DBZ land easement proposal for years and gave a brief overview of the conservation movement in the Catskills, with an impressive map showing, State Park land, Private Reserve land (mostly blocks of land purchased and donated by Lawrence Rockefeller), Forest preserve, NYC watershed land, and NY Department of Environment Conservation (DEC) land, Nature Conservancy land. Alan pointed out that DBZ land is in the center of the Catskills highest priority region, and is unique in many respects, e.g., it is the habitat of a particular species of birds that are threatened outside of this area.

Alan made a point to say that DBZ should not consider a land sale to the Nature Conservancy. This point has also made to me by the Balsam Lake Club, our DBZ neighbors. The Nature Conservancy frequently sells land to the NY DEC to maintain preservation goals and to make money on their investment. This in fact, was the case with the Balsam Lake Club land. We can sell the DBZ land directly to NY DEC. If we did, the land would be protected environmentally and the sale would be more lucrative for ZSS, but there would be public access to the land in the form of hiking and hunting, etc. If we were to take this option we would no longer have use of our garden or the SunMoon cabin, or have any development rights to the land.

The Nature Conservancy is keenly aware that the DBZ land is unique and can also offer an easement option, which is a way for ZSS to retain ownership. The Nature Conservancy, through Alan White, has been trying to work with DBZ for quite some time; we already have a detailed Easement proposal. There are two major parcels, the lower 1000 acre parcel, and the upper 400 parcel that contains the Monastery and Beecher Lake. The Conservancy feels that they can consider an entire parcel but not less than that. At a minimum, the lower 1000 acres is the best compromise. They feel the upper 400 acre parcel is priceless because it contains the lake and directly affects the lower parcel, but will go with just the lower 1000 acre parcel at this point if we choose. Their hope is that we will consider the upper 400 in the future.

The steps and time frame to move forward are:

1. Review the existing easement proposal, targeting the lower 1000 acres only.
2. Finalize the development aspects and language and sign off on the easement proposal with the Nature Conservancy.

3. The Nature Conservancy and ZSS will commission an assessment. This assessment will seek to set value of the land based on comparable sales of tracts in the Beaverkill valley. The assessment will be difficult because no comparable tracts that have been sold for decades, and general land values are lower due to economic pressures in the last few years. The assessor will assign the value of the easement based on perceived market price, then look at the land value from an environmental perspective. The adjustment of the value based on environmental attributes and development restrictions will help the Nature Conservancy define the monetary offer to ZSS for the easement.

It is important for the board to recognize that the Nature Conservancy will not profit from the easement because they are only seeking to establish land protection. They will have no future equity; creating an easement would be done for the "greater good". Their easement offer will be based on the assessment and their perceived ability to raise donations to pay for the easement. The Nature Conservancy fund raising alone will take approximately two years.

I asked those present at the meeting for their estimate of an easement offer for the lower 1000. Understandably at this early stage, they were uncomfortable coming up with a number. On the conservative side, the Nature Conservancy may offer anywhere from \$500 to \$2000 per acre.

By comparison, I have heard that NYC is offering \$6500 per acre to buy land. Indeed if money is our only goal then selling the land to the New York State DEC or Rockefeller, or other private interest would be our goal. This option results in ZSS loss of control of the land, the garden, Sun Moon, timber rights, and the new owner or public will be hundreds of yards from the Monastery door step.

I propose that we establish a subcommittee with 3 people, with goals of:

1. Selecting and beginning work with an easement lawyer.
2. Finalizing the easement proposal wording in 8 weeks.

We then can vote on signing off on the easement proposal in May of this year.

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