

FARM, FOREST AND OPEN SPACE LAND VALUATION SUBCOMMITTEE

MEETING MINUTES

Wednesday, April 2, 2008

1:00 PM

USDA/NRCS Conference Room

60 Quaker Lane

Warwick, RI 02886

Ken Ayars called the meeting to order at 1:05 pm.

In attendance were: Ken Ayars, Dick Went, Linda Cwiek, Suzanne Kogut, Charlene Randall, Chris Modisette, James Savage, Tom Abbott, Al Bettencourt, Ramona LeBlanc.

I. Minutes

Reviewed and accepted: Linda/Dick, unanimous.

II. Review of Methodology/Recommended Values

Chris Modisette reviewed the methodology that is in place to determine recommended values for forest land. A study was commissioned in 1998 to examine and assess the methodology in use in Connecticut and Massachusetts. Based on this study, the FFOS subcommittee decided to model the RI process on Connecticut.

A synopsis of the process:

1) The relative frequency of occurrence for trees 5 inches or more in diameter for both hardwood and softwood categories is determined.

2) The statewide median stumpage price for both hardwoods and softwoods is determined.

3) The weighted contribution to the average price for hardwoods and softwoods is computed.

4) The annual growth of hardwood and softwood species is determined.

5) The annual growth of cordwood is determined.

6) The annual capitalization rate is determined.

7) The proposed use value per acre for forest land is determined.

The annual growth x the value of hardwoods, softwoods and cordwood = the growth value. The growth value x the relative frequency = the annual value/acre. The annual values for each of the three categories combined determine the total value of annual tree growth/acre/year. That total value x the capitalization rate produces the use value per acre of forest land.

The subcommittee members were satisfied with the process as it exists but the question of the age of the data being used was raised.

The data is in the process of being updated and it is possible that

data will be updated (through 2004) this year. Eventually annual updates will be available.

III. 2008 General Assembly Bills

A bill is before the General Assembly that would add a farmhouse lot to the recommended values determined by the FFOS subcommittee. Although the bill is not expected to make it to the floor this year, the issue is one that is likely to be reintroduced in the future. The subcommittee is aware that the values are recommended only but also recognizes that cities and towns are strongly influenced by the values since they are based on sound methodology and variations must be defensible. The subcommittee would welcome input from other assessors, town managers, etc. as this issue is being considered so, if it is reintroduced, the subcommittee will have a broader perspective in considering how values should be determined. A letter will be sent inviting various municipal officials to participate, either through comments or attendance at a future meeting.

Initial discussion included concern that such a farmhouse lot should apply to farms only and not forest or open space land enrolled in the program.

IV. Other

A) Proposed Agenda Items for Future Meetings

- 1. Golf Courses/Country Clubs**
- 2. Vacancies on Subcommittee**
- 3. Review of Farm Value Methodology**

The meeting was adjourned at 2:15.

Respectfully submitted,

Ramona LeBlanc