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JIM RILEE  
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### MEMORANDUM

**To:** HDC Bank Committee  
**From:** Margaret Nordstrom, Acting Executive Director  
**Subject:** Committee Meeting Minutes – July 24, 2014  
**Date:** August 8, 2014

A Highlands Development Credit (HDC) Bank Committee meeting was held on Thursday, July 24, 2014 at the Highlands office in Chester. Committee Members present: Committee Chair Walton, Council Chairman Rilee (via phone), Member Dressler (via phone), Member Francis (via phone), and Member Visioli.

Staff Members present: Margaret Nordstrom, Chris Danis, James Humphries, Kim Ball Kaiser, and Annette Tagliareni.

Also present: Peter Simon, Assistant Counsel, Governor's Authorities Unit.

Committee Chair Walton opened the meeting at 3:08pm and addressed the following agenda items.

#### Establishment of Highlands Council Open Space Matching Fund:

Committee Chair Walton discussed a resolution Council received from Byram Township regarding the mitigation funding for projects within the Highlands municipalities affected by the PSE&G Susquehanna-Roseland Transmission Line Project and the means and methods for application and distribution of the funds. Ms. Nordstrom provided a map with potential parcels in Byram Township for this mitigation funding.

#### Criteria for PSE&G Funding:

Open Space Funding - Committee Chair Walton noted that there was a meeting on June 13, 2014 between Highlands staff and representatives of other state agencies and offices with experience in

open space funding. They discussed the creation of an Open Space matching fund for fee simple acquisitions, in addition to using some of the funds for the potential purchase of HDCs.

On July 22, 2014, notes of the June 13<sup>th</sup> meeting were reviewed by Highlands staff, Council Chairman Rilee, Committee Chair Walton, and GAU representative Peter Simon and these notes were provided to the committee for discussion.

Highlands staff created two draft forms for possible use in this process: 1) an internal form for staff's assessment of the application to include a scenic resource visual assessment; and 2) an application to be completed by a non-profit, municipality, or county.

The committee had a discussion regarding the Dual Appraisal legislation and the merits of requiring two appraisals, consistent with the law, regardless of whether reauthorization legislation passes.

A discussion regarding ranking the criteria was also held. Some factors for priority consideration could be:

- Environmental zones as noted in RMP
- Proximity to power lines
- Use of Dual Appraisal

There was discussion related to the criteria and funding aspect and how the \$18 million PSE&G mitigation funds should be used for open space funding and HDC allocations. Mr. Humphries gave an assessment on the current HDCs within seven miles of the PSE&G power line.

After committee discussion there was a general consensus to support a minimum 50 % matching requirement and a deadline of one year with 6 month extensions for the Open Space matching applications and HDC Allocations.

Ms. Danis noted that there are entities who are looking for good matching partners for open space mitigation acquisition in the Highlands Region (Open Space Institute, William Penn Foundation, Doris Duke Foundation).

HDC Allocation - Committee Chair Walton recommended that the Bank formally close out the initial purchase program prior to establishing this new round and criteria recommendation.

HDC Bank Hardship – Insofar as the application of “personal” hardship criteria for HDC purchases in the prior programs created certain challenges, the committee recommends to Council not to use such criteria in future programs due to its inherent subjectivity.

#### TDR Receiving Area Implementation Grants:

Discussion of Draft Guidelines - Staff member James Humphries gave an overview related to the current draft Highlands Development Credit Receiving Area Designation Procedures that has been created by the staff.

Update on TDR Receiving Area Grants:

Ms. Nordstrom gave an update on the TDR Receiving Area Grants approved by Council. It is anticipated that a resolution will be considered at Council's August 21<sup>st</sup> meeting for Bergenfield Borough (Bergen County) authorizing such a grant.

June 23<sup>rd</sup> Bank Meeting report out:

Committee Chair Walton reported that two resolutions were adopted that rescinded previous authorizations to purchase Highlands Development credits for parcels located in the Borough of Hampton. The circumstances surrounding these actions were also discussed.

Other:

Committee Chair Walton noted that the HDC Bank meeting scheduled on August 7, 2014 has been cancelled. The next scheduled meeting is November 7, 2014.

Committee Member Dressler suggested that Council discuss the property owner compensation at Council's September meeting. Committee Chairman Walton agreed, and Council Chairman Rilee indicated he would put this item on the agenda for that meeting.

The next HDC Committee meeting is scheduled for September 4, 2014 at 3:00pm.

*The HDC Bank Committee adjourned at 3:42pm.*