

**HIGHLANDS DEVELOPMENT CREDIT BANK
MINUTES OF THE MEETING OF NOVEMBER 6, 2014**

PRESENT

ROBERT G. WALTON)	CHAIRMAN
DALE DAVIS III)	DIRECTOR
ROBERT HOLTAWAY)	DIRECTOR
KENNETH KLIPSTEIN)	DIRECTOR
THEODORE MAGLIONE)	DIRECTOR
ANDREW R. MCELROY)	DIRECTOR
JIM RILEE)	DIRECTOR

ABSENT

SUSAN E. PAYNE)	DIRECTOR
GREG ROMANO)	DIRECTOR

CALL TO ORDER

Chairman, Robert G. Walton, called the 17th meeting of the Highlands Development Credit Bank Board of Directors to order at 4:03pm.

ROLL CALL

Roll call was taken. Bank Directors Payne and Romano were absent. All other directors were present. *The following Council staff members were present: Margaret Nordstrom, Andrew Davis, Chris Danis, Kim Ball Kaiser, James Humphries, Carole Dicton, Tom Tagliareni, and Annette Tagliareni. Also present via phone was Tyler Yingling, Assistant Counsel, Governor's Authorities Unit.*

OPEN PUBLIC MEETINGS ACT

Chairman Walton announced that the meeting was held in accordance with the Open Public Meetings Act at N.J.S.A. 10:4-6. The Highlands Development Credit (HDC) Bank had sent written notice of the time, date, and location of this meeting to pertinent newspapers of circulation throughout the State and posted the same on the Bank's website.

PLEDGE OF ALLEGIANCE was then recited.

APPROVAL OF MEETING MINUTES FOR JUNE 23, 2014

Director Holtaway introduced a motion to approve the minutes and Director Klipstein seconded it. The motion was APPROVED 7-0.

APPROVAL OF MEETING EXECUTIVE SESSION MINUTES FOR JUNE 23, 2014

Director Holtaway introduced a motion to approve the minutes and Director Maglione seconded it. The motion was APPROVED 7-0.

CHAIRMAN'S REPORT

Chairman Walton reported that today the Bank Board will consider closing the initial HDC purchase program rounds of funding for hardship.

**HIGHLANDS DEVELOPMENT CREDIT BANK
MINUTES OF THE MEETING OF NOVEMBER 6, 2014**

ACTING EXECUTIVE DIRECTOR REPORT

Ms. Nordstrom highlighted the Highlands Transfer of Development Rights (TDR) Receiving Areas in her report. The town of Bergenfield (Bergen County) was awarded a TDR grant in September 2014 to complete Phase I. Bergenfield is looking to increase their density by developing vertically in their town. Ms. Nordstrom also reported that the towns of Newton, Passaic City, and Vernon have completed their Feasibility Study (Phase I) and are moving forward on their Fiscal Analysis (Phase II) of the grant. Ms. Nordstrom is hopeful that a receiving area is forthcoming.

COMMITTEE REPORT

Council Committee – Land Owner Equity and Land Preservation Committee

As the HDC Bank Chairman and Committee Chair of the Council's Land Owner Equity and Land Preservation Committee, Mr. Walton reported on the Highlands Council's committee's progress to date. The committee's efforts are currently with the HDC Bank Board, PSE&G monies, and land owner compensation in the region.

Regarding the PSE&G monies, there is \$18 million that can be used for open space acquisition or preservation effort the Highlands Council sees fit with little limitations. Although it is preferable that the lands are adjacent or within a certain distance from the power lines, the lands can also be purchased in other counties within the region.

The committee recommended to the Council that \$9 million of that \$18 million be allocated to purchase open space credits and other funding avenues for the Council. Staff will perform an analysis and the Bank board will make a decision regarding allocation of the funds on that analysis.

Chairman Walton also reported that there is also a proposed program to partner with land trusts, municipalities and counties up to 50% of land cost for fee simple and/or development rights. The Bank will not own the land. The Bank will be a funding partner. The criteria will be the same. Staff will prepare an analysis, send the report to Council, and Council will decide which lands qualify for the matching funds.

Chairman Walton then gave a history/overview of how the \$16,000 credit value was derived and who would be interested in this value. The committee met with representatives from the New Jersey Builder's Association (NJBA) and asked them who will buy HDCs. Representatives of the NJBA stated that with the right targeted receiving areas, Council can get buyers and the TDR program may work. Council plans on reviewing qualifications for becoming TDR Receiving Areas, such as focusing on communities more likely to grow, and for receiving TDR feasibility grants. The final focus of the committee is a water fee that would provide revenue for direct compensation. This would need to go to the legislature.

Bank Comments

Ms. Nordstrom referenced the \$9 million allocated for the first round of funding under the new program and noted that Council did not allocate a specific amount from it to either the proposed open space program or the HDC Bank, because it is not known what the demands will be for each

**HIGHLANDS DEVELOPMENT CREDIT BANK
MINUTES OF THE MEETING OF NOVEMBER 6, 2014**

until applications are received. Director Rilee added that the Council did this for flexibility and did not want to put a limit on the amount.

Director Maglione asked about open space tax on corporations and if that is a potential for funding. Chairman Walton responded this will be through the municipalities, counties or land trust partners.

Chairman Walton responded that any new open space funding should have a significant part of it earmarked for Highlands land owners.

Director Klipstein commented that he feels this is in the early stages and commented on the development rights and credit value of \$16,000 and that it has not been tested yet.

Chairman Walton noted that the criteria will be shared with the Bank Board directors soon for consideration at an upcoming meeting.

RESOLUTION – INITIAL HIGHLANDS DEVELOPMENT CREDIT PURCHASE PROGRAM CLOSURE

Director Holtaway made a motion and Director Maglione seconded the motion.

Chairman Walton opened the floor to public comment on the Resolution.

PUBLIC COMMENT ON THE RESOLUTION

Deborah Post, property owner in Chester Township – Ms. Post commented on the closure of the Bank’s current program, a former consultant’s work product in connection with HDC values, and deed easements.

David Peifer, Association of New Jersey Environmental Commission – Mr. Peifer had a question regarding whether the Bank itself was “closing” or whether the Bank was closing a program. Chairman Walton responded that the Bank is closing the Initial Purchase Program and round of applications and the Bank itself will remain intact. Mr. Peifer commented that ANJEC would be happy to support the Council on the open space funding implementation.

Hank Klumpp, owns property in the Highlands Preservation Area – Mr. Klumpp commented that what he heard today is promising.

A roll-call vote was taken and the Resolution was APPROVED 7-0.

RESOLUTION – ANNUAL MEETING SCHEDULE OF 2015

Director Holtaway made a motion on the Resolution and Director Davis seconded it.

Chairman Walton opened the floor to public comment on the Resolution. There was no public comment.

A roll-call vote was taken and the Resolution was APPROVED 7-0.

**HIGHLANDS DEVELOPMENT CREDIT BANK
MINUTES OF THE MEETING OF NOVEMBER 6, 2014**

Chairman Walton opened the floor for public comment.

PUBLIC COMMENTS

Teri Bukoski – Ms. Bukoski is encouraged by what was said today. Ms. Bukoski asked if she will have to reapply for the next round. Chairman Walton responded that she will have to reapply.

Deborah Post, property owner in Chester Township – Ms. Post commented on the TDR program, deed restriction language, pricing of HDCs, and the Highlands Act in general. She also made comments regarding Highlands staff.

Chairman Walton indicated that he mostly agreed with Ms. Post’s comments except for her comments regarding Highlands staff. Chairman Walton stated that staff are fair minded, agree with compensating land owners, are reasonable, sensible, good, and courteous professionals.

Director Rilee made a motion to adjourn the meeting and Director Holtaway seconded it. The meeting adjourned at 4:41pm.

CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of the meeting of the Highlands Development Credit Bank Board.

Date: _____

Name: _____
Annette Tagliareni, Executive Assistant

Vote on the Approval of These Minutes	<u>Motion</u>	<u>Second</u>	<u>Yes</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
Director Davis						
Director Holtaway						
Director Klipstein						
Director Maglione						
Director McElroy						
Director Payne						
Director Rilee						
Director Romano						
Chairman Walton						