



State of New Jersey

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MEMORANDUM

To: Landowner Equity and Land Preservation Committee
From: Margaret Nordstrom, Executive Director
Subject: Committee Meeting Minutes – February 19, 2015
Date: March 3, 2015

A Landowner Equity and Land Preservation Committee meeting was held on Thursday, February 19, 2015 at the Highlands Council office in Chester. Committee Members present: Committee Chair Walton, Committee Members Francis and Visioli. Present via phone: Council Chair Rilee, and Committee Member Dressler.

Visiting Attendees: Susan Payne (Executive Director, SADC) and Greg Romano (Chair, Garden State Preservation Trust)

Staff Members present: Margaret Nordstrom, Andrew Davis, Chris Danis, James Humphries, and Annette Tagliareni.

Also present via phone: Tyler Yingling, Assistant Counsel, Governor's Authorities Unit.

Committee Chair Walton opened the meeting at 3:05pm.

Highlands Development Credit Program Technical Assistance Memo and Scope of Work

Mr. Humphries gave an update on current TDR grants:

- Vernon Township – moving to Phase III – Fiscal Analysis
- Newton – moving to Phase III – Fiscal Analysis
- Passaic City – began Phase III – Fiscal Analysis
- Paterson – county becoming lead on grant.

Mr. Humphries commented that the Highlands Council asked for assistance on guidelines to review mechanisms and market issues related to the transfer of credits to Receiving Areas, as well as give guidance for the HDC Bank. The technical assistance memo is the first phase and was prepared by Highlands consultants (Mercer Associates, PlaceWorks, and Rick Pruetz). The purpose of the report is to identify possible improvements to the TDR Program based on a review of the structure and practices among effective TDR programs in other regions of the country.

Member Dressler was present via telephone at 3:06pm.

The assistance memo outlined various TDR programs to illustrate three key TDR components:

- Transfer Ratios
- Conversion Factors
- HDC Supply
- Transfer & HDC Bank Involvement

Mr. Humphries noted that our biggest need is receiving areas.

Ms. Nordstrom acknowledged Susan Payne and Greg Romano who are present today for their experience in TDR program.

Ms. Payne asked why one of the current TDR grants would want to create a receiving area.

Mr. Humphries responded that the towns mentioned earlier have all different reasons:

- Vernon Township – compensate property owners harmed by Highlands Act.
- Newton – Water Supply and wastewater issues.
- Passaic City and Paterson – opportunity to leverage resources

Mr. Romano asked if there are funds available. Ms. Nordstrom responded that she met with Environmental Infrastructure Trust and there is interest to help fund infrastructure improvements related to the program.

At this time there was discussion regarding receiving areas and where the demand is in the state. Ms. Payne asked if Highlands towns can up zone. Mr. Humphries responded that the review of zoning is part of the TDR Feasibility Grant. Member Francis responded that up zoning is not part of the mindset. Mr. Humphries commented that Phase 2 of the scope of work will identify current roadblocks and potential incentives to establish and implement a TDR receiving area under the Highlands TDR program. Committee Chair Walton asked what incentives are needed to make this program work. Ms. Nordstrom responded that we have to give it our best shot before we go to Legislature. Chairman Rilee commented that we need to enhance the program. Member Dressler commented that we are on the right track for receiving area to work.

Open Space Fund Outreach Program

Ms. Nordstrom commented that we have reached out to stakeholders regarding open space projects. The next step is to go to counties.

HDC Bank Operating Procedures, Section VI. Purchase of HDCs

Ms. Nordstrom commented that the Highlands Development Credit (HDC) Bank Operating Procedures need to have language inserted for the Landowner Equity and Land Preservation Program. Committee Chair Walton noted that section 3 of the procedures, regarding economic hardship, should be deleted. The HDC Bank will discuss the operating procedures at its next scheduled meeting. The procedures will need to change once the rule making process is completed for the Landowner Equity and Land Preservation Program. The process could take up to six months.

The Committee adjourned at 3:58pm.