

**HIGHLANDS DEVELOPMENT CREDIT BANK
MINUTES OF THE MEETING OF NOVEMBER 3, 2016**

PRESENT

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

VIA TELE-CONFERENCE:

SUSAN E. PAYNE)	DIRECTOR
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ABSENT:

KENNETH KLIPSTEIN)	DIRECTOR
GREG ROMANO)	DIRECTOR

CALL TO ORDER

Chairman, Robert G. Walton, called the 20th meeting of the Highlands Development Credit Bank Board of Directors to order at 4:01pm.

ROLL CALL

Roll call was taken. Council Chairman Rilee, Director Klipstein, and Director Romano were absent. Director Payne was present via tele-conference. All other directors were present. *The following Council staff members were present: Margaret Nordstrom, John Maber, Kim Ball Kaiser, James Humphries, Carole Dicon, Ranji Persaud, Drew Siglin, Keri Green, Maryjude Haddock-Weiler, and Annette Tagliareni. Also present via phone was Lisa LeBoeuf, Assistant Counsel, Governor's Authorities Unit, and Matt Kelly, DAG.*

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 MARCH 22, 2016

Director Holtaway made a motion to approve the minutes and Director McElroy seconded it.

A roll-call vote was taken and the minutes were APPROVED 6-0.

DIRECTOR REPORTS

Director Maglione asked when the Highlands Act was initially adopted there was a regional Act (The Highlands Conservation Act) which included surrounding states (New York, Connecticut, and Pennsylvania) have these states followed through like New Jersey has. Ms. Nordstrom responded

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that she did not believe so. Director Maglione also asked about federal funding of \$100M that was discussed at that time. Ms. Nordstrom explained that The Highlands Conservation Act sponsored by Congressman Frelinghuysen has provided annual funding of no more than \$10M for preservation activities and the funding has been divided among the four states.

Council Chairman Rilee was present via tele-conference at 4:05pm.

CHAIRMAN'S REPORT

Chairman Walton explained that previously, compensation was awarded based on hardship, but that was no longer the case. Current funding is provided from the PSE&G Comprehensive Mitigation Plan and the Bank will authorize approval of credit purchases based on proximity to the PSE&G line and environmental considerations. Chairman Walton added that approximately \$9M will be funded for applications that meet highest priority criteria. The remaining funding from the PSE&G Comprehensive Mitigation Plan is available to fund the Open Space Partnership Funding program and additional HDC purchases.

EXECUTIVE DIRECTOR REPORT

Ms. Nordstrom reported that she would not have a report, and turned the meeting over to James Humphries, Director of Planning and Science, to provide an overview of the Highlands Development Credit Purchase Program (HDCPP) and current applications. The presentation may be found on the Highlands Council website at the following link:

www.nj.gov/njhighlands/njhighlands/hdcbank/purchase/round1_2016/PPT_HDCMeeting_Nov3_2016.pdf

Director Discussion

Director Holtaway asked if the \$9M is for HDCPP and the Open Space Partnership Funding (OSFPF) program. Mr. Humphries clarified that Bank has approximately \$9,682.698 funding to authorize the purchase of HDCs today.

Director Maglione asked if the closing costs of \$107K comes off the \$9,682.698. Mr. Humphries responded that the closing cost of \$107K is from the interest and is separate and apart from the \$9.6M.

Mr. Humphries then displayed an excel spreadsheet that listed all the applications received for the HDCPP. In addition to basic information regarding each application (municipality, block, lot and acre, etc.), this spreadsheet also included the priority criteria based on N.J.A.C. 7:70 for each application. The spreadsheet may be found on Council's website at the following link:

www.nj.gov/njhighlands/hdcbank/purchase/round1_2016/HDCPP_Nov2016_AppList.pdf

Bank Chair Walton asked if all the properties that are in the proximity of the PSE&G Right of Way (ROW) are being recommended for funding. Mr. Humphries responded that they were.

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Director Payne asked how many applications would receive funding. Mr. Humphries responded that the current recommendation includes funding for 28 applications. In February, the Bank may authorize additional HDC purchases, depending on variables including if some applicants decide not to participate, or if Federal Highlands Conservation Act matching funds are available.

Bank Chair Walton asked why there is such a long time to recommend funding for the Open Space Partnership Funding program. Mr. Humphries responded that the Rule (7:70) calls for a 120-day period to complete their applications as they are more complicated and this timeframe needs to expire before Council can take action. Bank Chair Walton commented that the Council will decide how much of the remaining funding of \$9.6M will go toward each the OSPFP and the HDCPP.

Director Holtaway asked how much is requested for OSPFP. Mr. Humphries responded that the applications total approximately \$14M.

Chairman Walton asked for a motion on the resolution.

RESOLUTION – AUTHORIZATION TO ACQUIRE HIGHLANDS DEVELOPMENT CREDITS UNDER THE HIGHLANDS DEVELOPMENT CREDIT PURCHASE PROGRAM

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

Director Discussion

Director Payne asked for an explanation in the resolution on the Fourth WHEREAS paragraph at the bottom of Page 1 in particular “first round of funding”. Bank Director Walton responded that the Landowner Equity & Land Preservation Committee is a sub-committee of the Council and Council approved \$9M for the first round of effort between the HDCPP/OSPFP. At Council’s meeting on October 20, 2016, Council decided that the full \$9M would go directly towards the HDCPP.

Public Comments

George Stafford, New Jersey Highlands Coalition – Mr. Stafford asked how the Bank came up with the cost per acre. Mr. Humphries clarified that the bank is purchasing credits, not acres and explained that the value is based on lost development potential prior to the Act.

Tom Wagner, Clinton Township – Mr. Wagner spoke in opposition of the Bank considering the loss of development rights prior to the Act and that not all the funding is going towards HDCs.

At this time, there was discussion between Bank Chair Walton and Mr. Wagner.

David Shope, Lebanon Township, NJ – Mr. Shope spoke in opposition of the HDC value of \$16,000 per credit.

David Peifer, Association of New Jersey Environmental Commission – Mr. Peifer asked when the Bank acquires credits what is the asset value for the Bank.

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Wilma Frey, New Jersey Conservation Foundation – Ms. Frey asked if it is possible to see how many acres are being discussed today. Bank Chair Walton responded that there are: 993 acres consisting of 30 parcels being considered for approval today.

Hank Klumpp, Tewksbury, NJ – Mr. Klumpp spoke in opposition of the \$16,000 per credit value. Mr. Klumpp thinks that someone should do an investigation on how that figure was set.

Chuck Urban, Clinton Township, NJ – Mr. Urban commented that the property list should have been attached to the resolution. Mr. Urban asked for a commitment by Council that the remaining funding should go to HDCs. Bank Chair Walton agreed that all funding should go to HDCs but that decision is left to the entire Committee.

Chief Counsel Maher commented that the practice is not to include a list of properties in a resolution to be authorized so not to presume that those properties listed would be authorized/approved by the Bank.

At this time there was discussion between some members of the public and Bank Chairman Walton.

Council Chair Rilee was present at 4:39pm.

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

RESOLUTION – ANNUAL MEETING SCHEDULE FOR 2017

Director Payne made a motion on the Resolution and Director Rilee seconded it.

Public Comments

There were no public comments on the Resolution.

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

Chairman Walton opened the floor for public comment on any other matters.

PUBLIC COMMENTS

Hank Klumpp, Tewksbury, NJ – Mr. Klumpp commented that the farm bureau has information regarding credit zones under the Pineland's PDC credits.

Susan Payne responded Pinelands is looking for ways to increase the use of PDC credits for development in order to increase the demand for credits in their program.

Tom Wager, Union Township – Mr. Wagner asked what was meant that “some people will never get paid.” Bank Chairman Walton commented that it is his fear that the Bank will not have the

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revenue to compensate everyone. Mr. Wagner suggested that some people should get a portion or less than the \$16,000/per credit so more are compensated.

Wilma Frey, New Jersey Conservation Foundation – Ms. Frey commented on the amount of open space covered. Ms. Frey added if calculations are done applying the 88/25 septic density rules the calculations on the amount of acreage is not enormous and an not an unmanageable amount of land.

David Shope, Lebanon Township, NJ – Mr. Shope spoke in opposition of the Act regarding landowner compensation, TDR receiving areas, and farm bureau regarding the septic density new rules.

Teri Wallace, Butler, NJ – Ms. Wallace thanked the Bank and appreciates your efforts. Ms. Wallace asked for a list of properties approved today.

Chuck Urban, Clinton Township, NJ – Mr. Urban thanked the Bank and its directors. Mr. Urban also spoke about the time of decision rule and take it to the Legislature regarding TDR receiving zones.

Hank Klumpp, Tewksbury, NJ – Mr. Klumpp asked if the Bank can find out how much has been spent on grants.

Director Holtaway made a motion to adjourn the meeting and Director Maglione seconded it. The meeting adjourned at 5:05pm.

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: 4-5-17

Name: Annette Tagliareni
Annette Tagliareni, Executive Assistant

Vote on the Approval of Minutes	Motion	Second	Yes	No	Abstain	Absent
Director Davis			✓			
Director Holtaway			✓			
Director Klipstein						✓
Director Maglione		✓	✓			
Director McElroy	✓		✓			
Director Payne						✓
Director Rilee						✓
Director Romano			✓			
Chairman Walton			✓			

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Council approved the Highlands Development Credit Bank Minutes of November 3, 2016 at its December 1, 2016 meeting:

Vote on the Approval of These Minutes	Motion	Second	Yes	No	Abstain	Absent
Councilmember Alstede	_____	_____	✓	_____	_____	_____
Councilmember Carluccio	_____	_____	✓	_____	_____	_____
Councilmember Dougherty	_____	_____	✓	_____	_____	_____
Councilmember Dressler	_____	_____	_____	_____	_____	✓
Councilmember Francis	_____	_____	✓	_____	_____	_____
Councilmember Holtaway	_____	✓	✓	_____	_____	_____
Councilmember James	_____	_____	✓	_____	_____	_____
Councilmember Richko	_____	_____	✓	_____	_____	_____
Councilmember Sebetich	_____	_____	_____	_____	_____	✓
Councilmember Tfank	_____	_____	✓	_____	_____	_____
Councilmember Visioli	_____	_____	✓	_____	_____	_____
Councilmember Vohden	_____	_____	✓	_____	_____	_____
Councilmember Walton	✓	_____	✓	_____	_____	_____
Chairman Rilee	_____	_____	✓	_____	_____	_____

