

**HIGHLANDS DEVELOPMENT CREDIT BANK
MINUTES OF THE MEETING OF MARCH 22, 2016**

PRESENT

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

CALL TO ORDER

Chairman, Robert G. Walton, called the 19th meeting of the Highlands Development Credit Bank Board of Directors to order at 4:02pm.

ROLL CALL

Roll call was taken. All directors were present. *The following Council staff members were present: Margaret Nordstrom, John Maher, Chris Danis, Kim Ball Kaiser, James Humphries, Carole Diction, Tom Tagliareni, and Annette Tagliareni. Also present via phone was Lisa LeBoeuf, Assistant Counsel, Governor's Authorities Unit, and Kristina Miles, 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.

Chairman Walton introduced Chief Counsel John Maher to the Bank Directors.

APPROVAL OF MEETING MINUTES FOR AUGUST 6, 2015

Director Rilee introduced a motion to approve the minutes and Director Holtaway seconded it.

The minutes were APPROVED 7-0, with two abstentions by Directors Maglione and Payne.

RESOLUTION – ELECTION OF OFFICERS

Chair Walton reported that Ted Maglione and Robert A. Holtaway agree to hold their positions for another year as Vice Chair and Treasurer, respectively.

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

A roll-call vote was taken and the Resolution was APPROVED 9-0.

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CHAIRMAN'S REPORT

Chairman Walton reported his report is the same as the Executive Director's report.

EXECUTIVE DIRECTOR REPORT

Ms. Nordstrom highlighted the Open Space Matching Grant and HDC Purchase programs. Ms. Nordstrom complimented Staff member James Humphries on his efforts with these two programs, especially the Rule. Ms. Nordstrom then turned the meeting over to Mr. Humphries to give an overview of the programs and Ms. Diction to explain the outreach plan for the programs.

Open Space Partnership Funding Program

Program Description:

The Highlands Open Space Partnership Funding program is a matching grant program designed to support the acquisition of property for the protection of resources within the Highland Region, and to further the land preservation goals of the Highlands Water Protection and Planning Act and the Highlands Regional Master Plan. Applications under the Open Space Partnership Funding Program will be reviewed by the Land Owner Equity and Land Preservation Committee which will issue recommendations to the Highlands Council.

Eligibility:

Eligible applicants include State agencies, Highlands Region county or municipal governments, and charitable conservancies. Eligible activities include the fee simple and easement purchase of lands for conservation, farmland preservation and passive recreational purposes.

Match Parameters:

The Highlands Council shall provide a maximum grant award of 50% of the total purchase price of the property. Applicants that provide for a higher proportion of outside matching funds will be provided with a higher priority than those that do not. Applicants shall supply written commitment letters from all agencies that intend to provide matching funds.

Priority Ranking:

- A priority ranking against other complete applications will be based on the following in no specific order:
 - Highlands Regional Master Plan (RMP) designation as special environmental zone,
 - Highlands RMP designation as high or moderate conservation and agricultural priority area.
 - Adjacency to existing opening space, preserved farmland, and/or recreational facilities.
 - When funding for this program is associated with a Highlands Council approved project, any criteria specified in the review of that project must also be considered.

The Highlands Council will establish deadlines for the Open Space Partnership Funding Program. At present the deadlines are expected to be in mid-September of 2016.

HDC Purchase Program

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Program Description:

The HDC Purchase Program is a Transfer of Development Rights program, through which eligible property owners may apply for and receive HDCs (reflective of lost development potential), which can then be sold to purchasers. At present, the HDC Bank is the sole eligible purchaser of HDCs. The program seeks to address preservation and landowner equity goals of the Highlands Water Protection and Planning Act and Highlands Regional Master Plan.

Eligible Applicants:

Any property owner with land in the Preservation Area of the Highlands Region.

Eligibility Considerations:

- **HDC Allocation:** An HDC Allocation provides the applicant with the number of credits the property is eligible for. Where no prior HDC Allocation has been completed, staff will review for the lost development potential and issue an HDC Allocation.
- A priority ranking against other complete applications will be based on the following in no specific order:
 - Highlands RMP designation as special environmental zone,
 - Highlands RMP designation as high or moderate conservation and agricultural priority area.
 - Adjacency to existing opening space and/or recreational facilities.

Application Review Process:

Applications will be reviewed by Highlands Staff for completeness and property eligibility. The Highlands Council Executive Director will present the eligibility report to the Highlands Landowner Equity and Land Preservation (LELP) Committee for review. The Highlands LELP Committee then presents its findings to the HDC Bank Board for review and authorization of purchase.

Mr. Humphries noted that once the Rule is published (tentatively April 18th), the deadline for HDC Purchase applications will be approximately July 8th. The Bank's next meeting scheduled on May 5th will likely be cancelled. The Bank's next meeting is scheduled on August 4, 2016. Depending on the amount of applications received, this Bank meeting may have to be rescheduled for timing purposes.

Outreach

Ms. Dicton, Council staff Communications Manager, explained the outreach methods set up for the two programs. Once the Rule is published in the NJ Register, Council staff can begin the process of sending a public notice, mailings, press releases, and informational sessions to get the word out regarding the Open Space about the programs and plan to space the outreach to eliminate potential external confusion.

Bank Comments

Director Payne asked what the projected deadline would be for the Open Space Matching Program applications. Mr. Humphries responded tentatively September 2016, which will allow time to separate the outreach for both programs and minimize potential for confusion. Director Payne also asked about how much funding would be allocated for the two programs. Mr. Humphries responded that funding will be flexible and based on the applications received.

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Chairman Walton noted that the funding is up to \$9 million or more and will depend on what types of applications we receive for the programs.

Director Holtaway agrees with the flexibility of the funds and extending the deadline date for the matching grant program. Director Klipstein hopes there is a good response on the matching grant funding side, as well as receiving areas for a balance. Chairman Walton responded that, in his opinion, receiving areas is a flaw in the law and Council has provided multiple grants to municipalities in and outside of the region.

Director Holtaway asked if discounts will be an option from land conservation entities. Mr. Humphries does allow purchaser to sell a portion of the property, but does not allow to discount.

There was continued discussion on the programs.

Chairman Walton requested some items of Council staff for the next Bank meeting:

- Chief Counsel – review the RMP regarding the estimated \$64,000/per credit value and reduced \$16,000.
- Presentation on RMP criteria

Chairman Walton asked for a motion on the resolution.

**RESOLUTION – AUTHORIZATION TO ACCEPT APPLICATIONS FOR THE
HIGHLANDS DEVELOPMENT CREDIT BANK PURCHASE PROGRAM**

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

PUBLIC COMMENTS

Hank Klumpp, Tewksbury, NJ – Mr. Klumpp commented on the programs and funding available currently.

Helen Heinrich, New Jersey Farm Bureau – Ms. Heinrich commented to get started on these programs and move ahead.

David Shope, Lebanon Township, NJ – Mr. Shope spoke in opposition of the programs and funding currently available.

Terry Bukoski, Ringwood – Ms. Bukoski spoke in opposition of discounting and holding back on applications.

Julia Somers – Ms. Somers questioned where the additional funding that is available came from. Mr. Humphries responded that a property that did not close during the prior purchase program makes up for the difference.

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Council Chair Rilee commented that the Bank board was not appointed to find funds and personally is on the landowners' side.

Director Payne would like Council staff to review the conservation restrictions at the next meeting for the programs.

A roll-call vote was taken and the Resolution was APPROVED 9-0.

Chairman Walton opened the floor for public comment.

PUBLIC COMMENTS

Hank Klumpp, Tewksbury, NJ – Mr. Klumpp commented that the appointees should get together and get funding from legislators.

Helen Heinrich, New Jersey Farm Bureau – Ms. Heinrich attended the National Resource Conservation Services (NRCS) technical committee meeting regarding a Regional Conservation Partnership Program, which USDA funds, and is similar to Council's open space matching grant program. Ms. Heinrich commented the Farm Bureau would like to help and submitted information for the record regarding the meeting she attended.

David Shope, Lebanon Township, NJ – Mr. Shope spoke in opposition of the current credit value discounted from Integra's initial value.

Helen Heinrich, New Jersey Farm Bureau – Ms. Heinrich also commented on Frelinghuysen's newsletter, which referenced land and conservation funding, Highlands is counted in that. Ms. Heinrich also asked if staff is working on a summary of land conservation, which was done in the past.

Director Payne thanks the Council and Bank board on the Open Space Matching Grant Program and look forward to making it a success.

Chairman Walton noted that the Bank's May 5th meeting will be cancelled. He also noted that the Bank would like a presentation at the next meeting on:

- Conservation restrictions
- RMP criteria
- Legal review of \$16,000/HDC credit and if it can be discounted voluntarily

Director Holtaway made a motion to adjourn the meeting and Director Payne seconded it. The meeting adjourned at 4:52pm.

CERTIFICATION

**HIGHLANDS DEVELOPMENT CREDIT BANK
MINUTES OF THE MEETING OF MARCH 22, 2016**

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

Date: 4/21/16

Name: Annette Tagliareni
Annette Tagliareni, Executive Assistant



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 Tfanck			✓			
Councilmember Visioli			✓			
Councilmember Vohden			✓			
Councilmember Walton						✓
Chairman Rilee			✓			

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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: 11-3-16

Name: Annette Tagliareni
Annette Tagliareni, Executive Assistant

Vote on the Approval of 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			✓			