



State of New Jersey

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Executive Director

MEMORANDUM

TO: Municipal Average Sub-Committee

FROM: Lisa J. Plevin, Executive Director

SUBJECT: Committee Meeting Minutes – July 16, 2021

DATE: July 27, 2021

A Municipal Average Sub-Committee meeting was held on Friday, July 16, at 11:00am. Committee Members present were: Highlands Development Credit (HDC) Bank Chair Holtaway and Bank Board Director Davis.

Also present: Jeffrey Nielsen, Associate Counsel, Governor's Authority Unit

Staff Members present: Lisa J. Plevin, Christine LaRocca, Gabrielle Gallagher, James Humphries, Steve Simone, and Karen Castanhas.

HDC Bank Chair Holtaway opened the meeting at 10:59AM

Background:

The response period for the Request for Proposals (RFP) to Provide Highlands Regional Transfer of Development Rights Real Estate Analysis and Development of Municipal Average Value closed on February 19, 2021. The Highlands Council received two proposals in response to the RFP.

The respondents are:

- CohnReznick
- Integra Realty Resources-Northern New Jersey, LLC

The HDC Bank Board assembled a team to review the proposals. The review committee had a meeting/interview with Integra Realty Resources on May 19, 2021, to obtain further clarification of their proposal and to evaluate overall competency to complete the project.

HDC Bank Chair Holtaway explained that the purpose of the meeting is to decide whether to award and who to award the contract to and then pass that recommendation to the HDC Bank Board. He first asked whether the contract should be awarded at all. He offered his viewpoint that a municipal average value is an option under the law and as such, the HDC Bank has a duty to investigate it. He expressed his personal opinion based on his years of experience that it will be difficult to develop municipal average values that will be generally accepted by the region's broad base of constituents. He offered that the completion of Phase 1 would be effective in identifying the issues he had shared with the Sub-Committee previously concerning the development of municipal average values. HDC Bank Chair Holtaway asked Mr. Davis how he thinks we should proceed.

Mr. Davis stated there is no question that we should go ahead with the contract and see where it goes. He also offered that he thinks the Sub-Committee has already identified the vendor we would like to choose. He stated he would like to move forward.

HDC Bank Chair Holtaway summarized by stating that the Sub-Committee has now determined that the recommendation is to move forward with the contract. He turned the discussion to the next issue, which is the selection of the contractor. The Sub-Committee went through the numbers and discussed the proposals at a prior meeting and had come to the conclusion that CohnReznick is economically not a viable option. He also recalled that when the Sub-Committee met with Integra, it seemed that the firm might be unclear about the scope and that at the beginning of the meeting, they seemed to believe that we were re-evaluating the HDC credit procedure. After the meeting concluded, Integra seemed to have a better understanding of the project and the issues around dual appraisal. HDC Bank Chair Holtaway suggested that this is something we can sort out once they start the Phase I of the project. The concept of a municipal average value as a whole is a loosely defined concept and HDC Bank Chair Holtaway expressed that he is looking forward to getting it sorted out with the vendor. HDC Bank Chair Holtaway suggested the contract be awarded to Integra Realty Resources and asked Mr. Davis for his thoughts and opinions.

Mr. Davis agreed that the contract should be awarded to Integra Realty Resources.

Ms. Plevin asked if she could share Ms. Payne's input as well. Ms. Payne sent an email apologizing that she could not be on the call as she had a family emergency. Ms. Payne agreed with the last set of meeting notes and is also recommending that we forward the Integra Realty Resources proposal to the HDC Bank Board as well.

Mr. Humphries stated that the Highlands Council staff also reviewed the Integra Realty Resources proposal and ranked it much higher than the other proposal. Mr. Humphries shared that he believes that Integra Realty Resources is the only group that can do this project.

Ms. Plevin added that she would like everyone to be fully prepared for any questions or comments at the August 5th HDC Bank Board meeting.

HDC Bank Chair Holtaway suggested he revise his memorandum that only went to the Sub-Committee and share with the HDC Bank Board.

Mr. Humphries suggested instead that the Highlands Council staff prepare a memorandum, and the staff can add information from HDC Bank Chair Holtaway's memorandum if needed.

HDC Bank Chair Holtaway agreed to this process for the HDC Bank Board meeting. He asked that if the contract is approved during the HDC Bank Board meeting, does the proposal have to be approved by the Highlands Council?

Ms. Plevin and Ms. LaRocca both replied no, this contract does not have to be reviewed by the Highlands Council. Ms. LaRocca also added that the HDC Bank Board has the authority to vote on the contract, but the Highlands Council will then vote on the meeting minutes of the HDC Bank Board meeting.

Mr. Davis asked about a September meeting for HDC Bank Board.

Ms. Plevin replied there will be an August 5, 2021, HDC Bank Board meeting to take action on this proposal. Next would be a September Highlands Council meeting, where the HDC Bank Board meeting minutes would need to be reviewed and approved by the Council.

HDC Bank Chair Holtaway offered a timeline that if this contract is awarded in August and then reviewed at the September Highlands Council meeting, the vendor could possibly start this project by October.

HDC Bank Chair Holtaway mentioned to Mr. Davis that Ms. LaRocca will be leaving the Highlands Council and her last day will be September 3, 2021.

HDC Bank Chair Holtaway asked if any old or new business needed to be discussed and Mr. Davis confirmed he did not have old nor new business to discuss.

HDC Bank Chair Holtaway adjourned at 11:13AM