

PINELANDS DEVELOPMENT CREDIT BANK BOARD MINUTES

JANUARY 12, 1990

Board Chairman Mary Parell called the meeting to order and read the Open Public Meetings Act.

The Chairman followed by welcoming Mr. Gregory C. Schultz, the new designee for Attorney General Perretti.

Present at the meeting were:

Members

Anton Muschal, for Agriculture Secretary Brown
Gregory C. Schultz, Esquire, for Attorney General Perretti
Richard J. Sullivan, Chairman, NJ Pinelands Commission
Judith S. Norcross, Public Member

Other Officials

Anthony E. Carmosine, Assistant Commissioner-Department
of Banking
John T. Ross, Executive Director (Acting), PDCB
John M. Van Dalen, DAG, Legal Counsel for PDCB
Stephanie A. Brown, Administrative Assistant, PDCB

Members Absent

Ann E. Myles, Public Member
Jim Hall, for Environmental Protection Commissioner Daggett
Richard Chinery, Public Member
Ralph A. Sturdivant, Public Member

Motion was made for approval of the October 20, 1989 Pinelands Development Credit Bank Board of Directors meeting minutes by Ms. Judith S. Norcross and seconded by Chairman Parell.

The Board proceeded directly to New Business. Mr. Ross asked the Board to review the 1990 meetings calendar located in their packet. After a short discussion, Anton Muschal motioned to approve the meetings schedule and the motion was seconded by Richard J. Sullivan. The motion was passed.

The meeting continued with a review of the status of the proposed rules regarding Board owned PDCs. Mr. Ross explained that after the proposed rules were published in the New Jersey Register on December 4th, a public hearing was held at Cranberry Hall, Medford, New Jersey, on December 14th. At this hearing, public comment was made by three interested parties and the Bank also received written comments from four organizations, one of which also gave oral testimony. All comments were reviewed by both John Ross and Deputy Attorney General John M. Van Dalen. Based on the comments and responses, Mr. Ross stated that no substantive changes were made to the proposed rules and asked the Board to adopt them as proposed.

Chairman Parell asked Mr. Ross if he would briefly outline how the Bank could sell credits.

Mr. Ross explained that the Board could sell credits either by closed or open bid. He stated that early sales would most likely be through closed bid but having the option to sell credits through open bidding may at some point prove beneficial. He continued by stating all bids would be per 1/4 credit and that the highest bid will establish the purchase price, also, if the winning bidder did not specify all the credits the Bank has offered for sale, the remaining credits would be offered to the other bidders at the highest bid price. Mr. Ross also stated that all successful bidders would be allowed to defer closing on the credits for a period of time established by the Board. To participate in deferred closing the bidders would have to deposit 10% of total bid plus pay a carrying cost of prime plus 2% of the remaining balance.

Anton Muschal motioned for adoption of the proposed rules and was seconded by Judith Norcross. The motion was passed.

In conclusion, Mr. Ross gave the Board a report on the activities of the Bank. He informed the Board that the Bank's recent purchase of 36.5 PDCs brings the Bank's total to 57 PDCs (228 development rights). Mr. Ross stated that transactions in the private market continue to increase both in numbers of transactions and sale prices. He referred to a private market transaction that took place in November where a 1/4 PDC sold for \$5,000, and that the sale resulted from the Bank bringing the seller and the buyer together. Mr. Ross foresees the activity on the private market steadily increasing, and spoke of several pending applications desiring to sever approximately 80 development rights.

At the close of the meeting Mr. Ross presented Chairman Parell with a plaque in recognition for her dedication and outstanding leadership throughout her duration as the Chairman of the PDCB Board. He thanked the Chairman on behalf of the Board and himself.

The meeting adjourned at 11:10 PM. The Board will reconvene on February 15, 1990 at 20 West State Street, Department of Banking, 5th floor Conference Room, Trenton, at 10:00 AM.

Respectfully submitted,

John T. Ross
Executive Director (Acting)

JTR:sab
Enclosures