

PINELANDS DEVELOPMENT CREDIT BANK

20 West State Street
Trenton, NJ

Minutes

October 14, 2004

Meeting Location: 20 West State Street, Room 220, Trenton, NJ

Members Present: H. Robert Tillman, Director, Division of Banking
Peter D. Wint, Special Assistant to the Attorney General
Marci Green, Department of Agriculture
Candace McKee Ashmun, New Jersey Pinelands Commission
John J. Tarditi, Jr., At Large Member

Members Absent: John S. Watson, Department of Environmental Protection
Donald McCauley, At Large Member

Others Present: Thomas J. Byrne, Executive Director, Pinelands Development
Credit Bank
Guillermo Vivas, Deputy Executive Director, Pinelands
Development Credit Bank
Helene Chudzik, Deputy Attorney General, Department of
Law and Public Safety

Chairman Robert Tillman called the meeting to order at 10:15 a.m. and read the Statement of Compliance with the NJ Open Public Meetings Act. He then called the roll of members present.

Reading and Approval of Minutes:

The Chairman called for a motion to accept the minutes of the June 10, 2004 Regular Meeting. Mr. Tarditi moved for approval, seconded by Ms. Ashmun and a unanimous, affirmative voice vote.

Executive Director's Report:

- Results of Mailing to LOI holders. A total of 450 letters were sent out and we received more than 200 telephone inquiries. The Pinelands Commission also received a large number of calls. Followed by many requests for updates of older LOIs. One hundred envelopes got returned and will be re-mailed with updated mailing information.

- Number of severances processed 6/1/04-9/29/04 = 14, vs. total of 4 for period 3/1/04-5/31/04. This increase in activity is attributed to the mailing to the LOI holders.
- Database Specialist Jack Straub from Tim Schaeffer Devel. Corp. is doing *pro bono* work to create a database for mailing to all property owners in sending areas with more than 20 acres, and no LOI. This came about following a meeting with the NJ Builders Association and the Pinelands Commission, attended by Deputy Director Guillermo Vivas.
- With the assistance of DOBI Public Relations staff, a Press Release will be going out shortly. The purpose will be to educate the public and explain our program, and to try to attract new applicants who may be unfamiliar with our program
- Mr. Byrne also discussed the 9/14/04 meeting at the NJ Dept. of Agriculture with SADC staff and their Appraisers, to try to develop an appraisal formula that would take into consideration the market value of PDCs.
- Mr. Byrne indicated that he had been researching the files from previous auctions in preparation for the anticipated auction in November. Additional discussion ensued with Mr. Vivas, Larry Liggett of the Pinelands Commission and the Board regarding the decision not to hold an auction at this time because of: a) the anticipated increase in the market price—historically documented by prior auctions, and, b) the fact that the Bank only owns 110 development rights, not nearly enough to satisfy the needs of even one major development project currently seeking to buy. Continued outreach appears to be the more desirable course of action.

Deputy Executive Director's Report:

- Mr. Vivas explained that he had been working with the Pinelands Commission staff to obtain updated property owners and correct mailing addresses for the returned envelopes from the mailing to LOI holders. The bank prepared an Excel worksheet with the names and addresses of the returned envelopes but were unable to research any further, as the mail merge originally supplied by the Pinelands Commission did not have any property identification, LOI number or any other means of accessing current municipal assessment data. He was especially grateful to Betsy Piner at the Pinelands Commission for her assistance in obtaining updated information.
- The Burlington County Farmland Preservation Program has also been helpful and has provided the PDC Bank with a database of all property owners in the sending areas within Burlington County, which will be used to initiate the second phase of the PDCB outreach program.
- Mr. Vivas indicated that Dennis Massimo had prepared a listing of recent LOIs with one whole PDC allocation or greater. This will be another source of information for mailing.
- Mr. Vivas has been working on another spreadsheet of professionals, municipal attorneys, engineers, land use administrators, zoning officials, plus

developers. This will be utilized early next year to do a series of "town meetings" to bring information to the local level and provide a forum for a question and answer session as additional outreach.

- Along the same lines, a similar program is under the planning stage for direct education and outreach by offering brief presentations to Municipal Planning & Zoning Boards, also scheduled for early 2005.
- Mr. Vivas explained that, with the increased activity, the update of the PDCB Information Booklet has come to a near standstill, as other matters have taken priority or required immediate attention.
- Mr. Vivas reported on a meeting that he attended at the Pinelands Commission on 10/1/04 of the Comprehensive Management Plan Policy & Implementation Committee. This meeting included discussion of the current PDC costs and their impact on development applications. Larry Liggett, of the Pinelands Commission, further clarified that the concern is mostly about applications for the construction of a single family dwelling with approval of a Waiver of Strict Compliance requiring relief from more than one standard, where the need to redeem two or more development rights places an undue financial burden on the applicant.

Mr. Tillman asked the Board members if they had any questions or comments about the two reports.

Ms. Ashmun commented that the cost to applicants must be viewed vis-à-vis developers' profits and that it should be up to the Pinelands Commission to make those evaluations and make decisions before any auction should take place.

Ms. Green explained the SADC (State Agriculture Development Committee) program that retires PDC's and the formula used to compensate the farm owners. She also discussed the need to modify the formulas because of the current high price of PDCs.

Dennis Massimo said that about a year ago he had discussion with the Board about the needs for PDCs in Egg Harbor City, Hammonton, etc., and about the anticipated future needs. He was concerned that if developers with final approvals cannot buy the required PDCs, they will sue the Board.

Ms Ashmun remarked that the transfer of development rights is a free and open transaction driven by market, and that the property owners in the sending areas deserve that market value, even if the value of one right goes up to \$40,000.

Chairman Tillman added that there should be no urgency because of a potential for litigation. The intent of the whole PDC program is to preserve land and to allow for gradual growth. He suggested that this topic be kept on the agenda for the next Board meeting for continued discussion.

Adoption of 2005 Meeting Schedule:

Mr. Tillman asked for a motion to approve the Meeting Schedule for the year 2005 as follows: January 20, May 19, August 18 and October 20.

Motion was carried on a motion by Mr. Tarditi, seconded by Ms. Ashmun, and a unanimous affirmative vote.

Board Vacancy:

Mr. Byrne reported on what has happened to date with the appointment of Ed McGlinchey, of Winslow Township. Mr. Tillman reminded the Board that there is still one more vacancy and to consider submitting candidates for nomination.

A question arose as to whether or not there is a residency requirement for Board Members. Mr. Vivas was asked to find out and report directly to the Board as soon as possible.

PDC Auction:

It had already been discussed that holding an auction at this present time may be counterproductive.

Susan Craft (public in attendance) of the Burlington County Department of Resource Conservation offered some suggestions of how to create marketable PDCs and her experiences with the Chesterfield Township auction.

Mr. Tarditi suggested it may be advisable to start gathering some more information for future discussion. Ms. Ashmun also commented that the implementation of the Pinelands Commission's new computer tracking module will be important to the implementation of any projects.

Other Business:

No one else in the public wished to speak at this moment.

Closed Executive Session re: Personnel Matters:

Mr. Tarditi moved and Ms. Ashmun seconded to adopt a resolution to go into closed, executive session for the purpose of discussing personnel matters. Chairman Tillman asked Mr. Vivas to read the following resolution and incorporate it into the minutes as permanent record:

Whereas the OPMA provides that a public body such as the Pinelands Development Credit Bank Board may meet in closed session to discuss personnel matters; and,

Whereas the Board desires to retire to closed session to discuss personnel matters;

Now therefore, be it resolved that the Pinelands Development Credit Bank Board shall at this time meet in closed Session to discuss personnel matters, the substance of which will be disclosed publicly only if it does not constitute an unwarranted invasion of individual privacy.

After the Board returned to the open portion of the meeting, they took the following action:

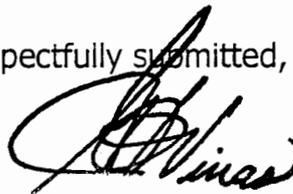
Personnel Matters:

Mr. Tarditi made a motion, seconded by Ms. Ashmun, to amend the original consulting services contract for John Ross to extend until December of 2004 and, to increase the maximum amount to \$18,000, if the pension regulations so allow. Motion carried by a unanimous affirmative vote.

Mr. Tarditi made a motion, seconded by Ms. Ashmun, to rescind the additional new consulting services for Pinelands Commission computer upgrade implementation contract for John Ross. Motion carried by a unanimous affirmative vote.

Adjournment: 11:30 a.m. on a motion by Mr. Tarditi, seconded by Ms. Ashmun, and a unanimous affirmative vote.

Respectfully submitted,



Guillermo Vivas
Deputy Executive Director