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HDC Bank Offers \$3.248 Million for Highlands Land Preservation

CHESTER, N.J.—The New Jersey Highlands Development Credit Bank (HDC Bank) made offers to preserve another 130 acres of land in Morris, Warren, Passaic and Hunterdon counties, providing up to \$3,248,000 to landowners in the Highlands Preservation Area.

The HDC Bank was provided \$10,000,000 in initial capital funding to purchase development rights under the Highlands Transfer of Development Rights (TDR) Program, an essential tool of the Highlands Regional Master Plan. Today marked the third round of TDR offers to landowners in the bank's initial purchase program. The HDC Bank also announced notice of a fourth round of acquisitions that will soon be underway.

If the HDC Bank's offers are accepted by landowners, a total of 318.9 acres will be protected through deed restrictions to preserve lands in the Highlands Preservation Area. The TDR Program allows participating owners to retain ownership of their land while safeguarding the region's significant environmental and agricultural resources, which include the drinking water supply for 5.4 million New Jersey residents.

"We're pleased to be able to help landowners in financial hardship, and those who might not qualify for the Green Acres or Farmland Preservation programs," said Theodore J. Maglione, chairman of the HDC Bank's board. "Today's offers show the Highlands Act in action, and the bank's role as a safety valve in preserving land while respecting property rights."

In simple terms, the TDR program awards credits to eligible property owners as a means of offsetting the loss of pre-Highlands Act development opportunity. To determine the number of credits a property may be eligible to receive, the program evaluates a property's size and location and considers local zoning and environmental laws that were in effect the day prior to adoption of the Highlands Act. Credits may be sold to the HDC Bank or a conservation organization after the

landowner records a deed of easement limiting a property's potential development. In the future, credits may also be sold to developers, who can use them to increase the density of a residential development project, or to intensify commercial or industrial development, within an approved Highlands TDR receiving zone.

In two previous funding rounds, the HDC Bank offered to acquire credits worth \$2,596,000 from six property owners. The bank has closed on four of those transactions resulting in the permanent protection of 173.8 acres while two offers remain pending.

At the HDC Bank meeting, the bank's board authorized a fourth round of acquisition consideration. To be considered for the HDC Bank's latest round, property owners should submit an HDC Allocation Application to the Highlands Council. Owners of residentially zoned property within the Highland Preservation Area can receive an estimate of potential credits by using a feature on the Highlands Council website (HDC estimator application at: <http://maps.njhighlands.us/hgis/hdc/>). Property owners are then encouraged to apply for confirmation of credits. Landowners of commercially zoned parcels should apply directly to the Highlands Council. Properties within the priority acquisition categories will be considered by the Bank at its meeting scheduled on February 2, 2012. To be considered for the fourth round, Preservation Area property owners must submit an HDC Allocation Application to the Highlands Council no later than **November 3, 2011**. The Council's HDC Allocation Application is available at:

http://www.highlands.state.nj.us/njhighlands/hdcbank/application_allocation.pdf

"The TDR Program is a valuable tool in steering development away from green spaces and toward areas that have the infrastructure to accept more development," said Eileen Swan, executive director of the Highlands Council. "Now, our challenge is to encourage the development of receiving zones to create a free market where HDC credits can be bought and sold."

The HDC Bank was established with capital of \$10,000,000, of which \$5,527,000 has been offered to property owners since 2010. To replenish the Bank's capital, the HDC Bank approved a resolution requesting an additional \$10,000,000 to address the provision in the Highlands Act to "fund the acquisition of exceptional natural resource value lands in fairness to property owners adversely affected by the Highlands Act."

To date, payments have been made to landowners in Morris, Warren, Passaic and Hunterdon counties. Landowners of property within Highlands boundaries in Sussex, Somerset and Bergen counties may also be eligible for TDR funding. The actions by the bank do not take effect until 10 business days after minutes from the Highlands Council's next meeting have been delivered to Governor Christie for his review.

For further information on the Highlands Development Credit Bank and the Highlands TDR program, see: <http://www.highlands.state.nj.us/njhighlands/hdcbank/>