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JIM RILEE
Chairman

MEMORANDUM

To: Landowner Equity and Land Preservation Committee
From: Margaret Nordstrom, *MN* Acting Executive Director
Subject: Committee Meeting Minutes – September 25, 2014
Date: 10/3/14

A Highlands Development Credit (HDC) Bank Committee meeting was held on Thursday, September 25, 2014 at the Highlands Council office in Chester. Committee Members present: Council Chair Rilee (via phone), Committee Chair Walton, Member Dressler, and Member Francis.

Staff Members present: Margaret Nordstrom, Andrew Davis, Chris Danis, James Humphries, Kim Ball Kaiser, and Annette Tagliareni.

Also present via phone: Peter Simon, Assistant Counsel, Governor's Authorities Unit.

Committee Chair Walton opened the meeting at 3:02pm and addressed the following agenda items.

Committee Name Change

Committee Chair Walton announced that the Highland Council's Chairman has officially changed the name of the committee from the HDC Bank Committee to the Landowner Equity and Land Preservation Committee, to better reflect the added scope of the committee's responsibilities.

Water Fee Calculation

Mr. Humphries gave a history and overview of Council's support to seek a stable source of funding for the preservation and stewardship of open space as reflected in Resolutions 2005-18, 2006-22, and 2013-10. Mr. Humphries then gave an update on estimated calculations for a water user fee to address landowner equity based on five different scenarios.

Ms. Nordstrom noted that she had received a suggestion by a constituent that water companies should be required to purchase HDCs.

Committee Chair Walton asked what the total number of gallons of water this Region provides and can we determine how much of that water is being used as a source for water utilities. Ms. Nordstrom responded that she will reach out to the Public Board of Utilities to seek this information.

Draft Land Owner Equity and Land Preservation Program

Committee Chair Walton reviewed the draft program page-by-page along with committee members and staff to address his concerns/comments related to the program. There was a discussion regarding the use of funding for purchase of property for future active recreation use. The Committee decided to recommend to the full Council to only allow the purchase of property for passive recreational use. There was a discussion regarding the process of Highlands Council and HDC Bank approval. The Highlands Council would review applications for the Open Space Matching Grant program and the HDC Bank would review purchases under the HDC Bank program.

Committee Chair Walton noted that this item will be put on the October 23rd committee agenda for additional/final discussion. Ms. Nordstrom added that the December Council meeting agenda is open for this item and Council consideration.

Transfer of Development Rights Technical Report, 2008

The committee received this report and James Humphries gave an overview of the Minimum HDC Price (pages 34-35 of report) and indicated that it is reviewed every five years. Ms. Nordstrom added that the committee could submit indicators and milestones during the RMP process. Ms. Danis added that the committee may use the approved consultants to study and investigate this value.

Ms. Nordstrom also added that Vernon Township and the Town of Newton are moving along with Phase II of their TDR project and Ms. Nordstrom suggested that representatives from companies that are involved in mixed use projects such as the ones in New Brunswick be invited to a future meeting.

TDR Discussions Items

Committee Chair Walton reviewed with the committee and staff the comments received by Green Acres related to the draft Land Owner Equity and Land Preservation Program.

Committee Chair Walton reviewed with the committee and staff the memo received by the New Jersey Builder Association (NJBA) related to transfer of development rights in the Highlands. Ms. Nordstrom commented that staff met with the NJBA a couple weeks ago and expressed optimism about Vernon Township's prospects to become a TDR receiving area. Mr. Humphries added that he will follow up with contracted technical specialist to where the issues with the program may be. Ms. Nordstrom emphasized that the program needs private funding in order to work and will also invite someone from the NJBA to the committee's next meeting.

Committee Chair Walton asked the status of Sparta Township's Resolution requesting Council on the means and method for distribution of the PSE&G mitigation funding for projects in the

Highlands. Ms. Nordstrom responded that she called Sparta Township to let them know that the Council is working on their concern.

HDC Bank Meeting

The next HDC Bank Meeting is scheduled for Thursday, November 6, 2014 at 4:00pm. At that meeting there will be an update on committee's efforts, the Bank may consider closing the Initial Purchase Program, and may adopt a 2015 Meeting schedule.

The Committee adjourned at 3:38pm.