

PUBLIC COMMENTS SUBMITTED AT HIGHLANDS  
COUNCIL MEETING ON SEPTEMBER 18, 2014

① My name is Hank Klumpp. I own 150 acres in the Highlands Preservation Area.

My 150 acres have been forceably put into the preservation by the Highlands Act against my will with no money changing hands. Now, it is going into eleven years.

No one has answered my question as to what kind of taxes I will be asked to pay if my farmland no longer qualifies for farmland assessment when I am too old to farm it. Should my 150 acres still be based on Tewksbury real estate tax value when the land is unbuildable? There have been no answers from the council, The Tewksbury Tax office, or the Lebanon tax office. Shaun Van Doren, the mayor of Tewksbury,

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called me and feels I have a valid question and concern and said he would look into it — but I still have no answers.

I, along with so many others, have lost my property values. The Highlands Act is a multi-billion dollar robbery. None of us are lobbyists, getting paid to appear here. And, we are not against the environment. As a farmer, I cherish my property and have cared for it with a devotion that most environmentalists will never understand.

Let me make one thing

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really clear - I am a stakeholder.

The dictionary defines a stakeholder as a person, or group, that has an interest or concern in an organization. That certainly qualifies me and all of us who have had our property values stolen - we all have interests and concerns that paid lobbyists, who are considered stakeholders by this council, will never begin to understand. Harmed landowners have no voice and are not being heard while <sup>manu</sup> lobbyists who just ramble on holding a paycheck should have duck tape put over their mouths

(4)

so they can see what it is like to  
have no voice.

Hank Klumpp

24 Longview Road  
Lebanon, N.J. 08833

## Comments to Highlands Council, September 18, 2014

My name is Deborah Post, harmed property owner Chester Township.

In connection with harmed landowners stakeholder status, we continue to be met with silence. In fact, my OPRA for a listing of your stakeholder meetings and technical advisory committees was denied. So goes transparency and honesty of communication.

I want to thank Mr. Walton and Mr. Dressler for focusing their committee on landowner compensation per my reading of the HDC Bank Committee meeting minutes.

Referring to a water usage fee as a cost and not a tax is well-advised. FYI, Water usage fees exist today as a cost line in the Water Authority budget. I suggest this Council recommend that that existing cost line item be increased with a Highlands earmark. Or alternatively, the Council might recommend that the Water Authority be required to purchase a tdr for each X amount of gallons of Highlands water it delivers to the eastern NJ communities. That might be step one in creating demand for tdrs.

Regarding the Committee minute's discussion of the tdr, I adamantly object to the phrasing of "credit value per acre of \$16,000". Whoever wrote those words lacks any knowledge of the Highlands RMP's TDR Technical Report, and the development of the HDC.

First, the HDC is not an acre, it is a complex formula reflecting the marginal value of a fifth buildable unit. See your own consultant's work! Page 35.

Second, the \$16,000 is the initial *price*, set by this Council. To equate price with value reflects sheer gross ignorance.

The pricing of the HDC reflects an 83% discount to its appraised value per the work of Integra Resources. Again see Page 35. The HDC appraised value of \$92,000 was discounted by 30% to reflect soft costs of development and then by another 75% to reflect the developers willingness to pay.

The 75% discount for the developers willingness to pay is nothing more than a shift of equity value from landowners to builders. I can't imagine anything more abominable than the idea that a developer is deserving of 75% of a farmer's equity. And that this Council feels it is entitled to give away our property values.

The Highlands Act gives this Council the statutory authority to set the initial price of the HDC, which obviously the Council has the authority to change. Please do it.

### *Highlands Transferable Development Rights Technical Report*

then sought to predict the marginal value of a lot where density is increased from four units per acre to five units per acre. The basis for selecting this density interval is that the incentives for establishing a Receiving Zone under the Highlands Act are not triggered until the Receiving Zone has a minimum residential density of five units per acre for the residential portion of the Receiving Zone.

After plotting these data, four separate mathematical functions were used to predict the marginal value of the fifth unit per acre. The results of this work are represented in Appendix F titled "Marginal Lot Value Analysis." The results of each function were evaluated based upon mean absolute error and a subjective determination of what functions visually yielded the "best fit."

Using this information, the Highlands Council selected the lowest lot value in a municipality with the best fit. The reason for selecting the lowest lot value is to prevent HDC values from being too high at the outset of the program and undermining any potential demand for the HDCs. The selected lot values are reflected in the column labeled "Lowest Value w/ Best Fit" of Appendix F. The Highlands Council then reduced these values by 30% as these values reflect lots that are in an approved and improved condition. The reduced lot values were then averaged for the entire Highlands Region resulting in an average lot value of \$64,657.25.

Finally, the Highlands Council applied a deduction for a measure known as a "developer's willingness to pay." This measure was developed by Dr. James Nicholas, economics professor at the University of Florida, to reflect the fact that a developer's willingness to purchase a TDR credit is the result of examining the economics between raw land costs, lot selling prices, and the cost/availability of infrastructure in the various receiving areas. When these three cost variables are significant developers have little money left over to purchase TDRs.

In assisting in the development of the Pinelands Development Credit program in the early 1980s, Dr. Nicholas applied a 50% reduction to the marginal values resulting from his analysis. A similar 50% reduction has been applied in other TDR programs including the Long Island Pine Barrens credit program.

In establishing the initial HDC target price, the Highlands Council applied a 75% reduction to the regional average lot value. This was done to reflect the fact that Receiving Zones under the Highlands Program are voluntary. In the case of those programs where a 50% reduction was applied, there are mandatory Receiving Zones. The resulting target HDC price is \$16,164.31, which the Council has rounded down to \$16,000 for simplicity.

Two further circumstances must be considered when determining the initial HDC price. First, in addition to the cost of an HDC, a developer may also be required to pay impact fees of up to \$15,000 per unit, provided that the municipality in which a Receiving Zone is located has met the Highlands Act's minimum requirements for assessing impact fees and has adopted an impact fee ordinance. The cost of potential impact fees and HDC price relative to per unit approval and construction costs must be such that a developer still realizes a sufficient per unit profit.

Second, the Highlands Development Credit Bank, when established, will determine what amount it will pay per HDC to alleviate unique and extenuating financial circumstances. Importantly, the State TDR Act provisions under which the Highlands Development Credit Bank will operate do not place a limitation on the amount that the bank may pay to acquire HDCs. That said, the Highlands Development Credit Bank should be careful not to impair the operation of a private market by establishing a HDC price that is too high at the outset of the program. It is likely that the price paid by the Highlands Development Credit Bank after initial capitalization will establish a floor on HDC prices.

### **HIGHLANDS TDR PROGRAM IMPACT FEES**

Assuming that a municipally-designated Receiving Zone satisfies the minimum residential density threshold, the Highlands Act authorizes a municipality to impose up to a \$15,000 per unit impact fee on new development within a Receiving Zone to offset the costs of capital improvements or facility

Comments at

Highlands Council Meeting, Sept

1

My name is Joady Anderson. Our property is a 74 acre deciduous tree farm in Lebanon County, all in the Preservation Area.

First, I want to say thank you to those kind people who spoke to me after the Aug. 21, 2014 meeting, with words of sympathy and encouragement. I did appreciate it.

As I said, our property is a 74 acre deciduous tree farm, all in the Preservation Area in Lebanon Township.

A number of years ago, I heard that all except 6 acres of Lebanon Township was in the Preservation Area. When I inquired at Lebanon Township ~~Administrative~~ <sup>Municipal</sup> Building as to where this 6 acres was located, they had no idea - the thought was that all was in the Preservation Area.

Recently, I discovered the location. I would like to know the rationale behind the decision that only these 6 acres, owned by Muller Toyota, be in the Planning Area. All of the rest of Lebanon Township is in the Preservation Area.

With due respect to Environmental groups -

our land, a 74 acre deciduous Tree Farm, wouldn't be "open space" today if our family hadn't been "private environmentalists."

Today, there are paid environmental lobbyists.

Unfortunately, there are no such groups for those of us harmed by the onerous restrictions in the Preservation Area



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For 10 years now, we have been "paying for" the fall-out from the Highlands Act, with no reimbursement. Who has been getting out the word for all of us from the Highlands area?

Who has been "lobbying" for us in areas outside of the 800,000+ affected areas?

There are many people in the rest of N.S. who have no idea what the Highlands Act is - never heard of it or what it has been done to land ~~owners~~ owners. When they are told - the response is - "But that is so unfair! How is that allowed to happen?!" When they actually read some of the Highlands Act, they are appalled!

Now, 10 years after the passage of the Highlands Act, our stress level is extremely high!

September 12, 2014

**Palisades Interstate Park Commission  
Administration Building  
3006 Seven Lakes Drive  
PO Box 427  
Bear Mountain, NY 10911-0427  
James F. Hall, Executive Director**

Philip H. White, President  
David H. Mortimer, Vice President  
Barnabas McHenry, Secretary  
Lloyd Tulp, Treasurer  
James E. Hanson II  
David J. Kasparian  
Keith J. Cornell  
D. Bryce O'Brien, II  
Jeanette A. Redden

Cc Carol Ash  
Robert O. Binnewies

**RE: Sterling Forest Resort Casino Development**

**Via FAX 845-786-2776**

Dear Commissioners and Director Hall:

We, the undersigned organizations, are writing you to urge you to vigorously oppose the proposed Sterling Forest Casino and Resort development.

We thank PIPC for all you have done to protect Sterling Forest and to create and preserve Sterling Forest State Park. The Palisades Interstate Park Commission was singularly important in the preservation of Sterling Forest, displaying exceptional leadership in opposing the corporate proposal to urbanize the entirety of Sterling Forest in the 1990's. PIPC led the difficult, lengthy and successful preservation effort, supported by both Governors George Pataki of New York and Christine Todd Whitman of New Jersey. We ask you now to follow in the footsteps of your predecessors and again defend Sterling Forest from corporate desecration, and to complete their preservation efforts.

Sterling Forest State Park is under imminent threat from a massive commercial casino-resort development proposed by the multinational corporation Genting Group. The development on a 238-acre site would include 1.5 million square feet of commercial space, 1,000 hotel rooms, a 150,000 foot casino floor, and parking for 8,900 vehicles. Nearly 7 million annual visitors are projected. An essential component of the project is the construction of a new dedicated interchange off the New York Thruway, bringing heavy traffic to rural, steep and winding Route 17A, as well as to surrounding parklands. The new interchange would likely require the taking of a portion of PIPC lands in the vicinity.

The location of this casino-resort in Sterling Forest State Park is totally inconsistent with protection of the values for which Sterling Forest was preserved: its natural, ecological, and water resources; its recreational, scenic and spiritual values. The forested hills that offer a precious respite for urban dwellers of the New York City area will be irrevocably degraded. The urban impacts of the proposed casino development will not be confined to the acreage it will own and specifically occupy, but will spill over into parklands that were preserved at a total cost of over \$100 million in both public and private monies and are held in trust for the public. The public and private investments in this Park will be irrevocably damaged.

Year-round, twenty-four hour noise, bright lights and air pollution, huge structures looming over the treetops, out of scale and out of place within the Park, and thousands of cars causing traffic and massive air pollution on a daily basis will impact both the Park's wildlife and the citizens who treasure the Park as a place of refuge from urbanity.

The potential impacts of the development on water supplies that will be utilized by the casino development, and by substantial anticipated secondary induced growth, are of special concern for nearly three million people who live in New Jersey and New York who rely on either surface or groundwater water sourced from the Ramapo River Watershed. These include United Water Company Water, Rockland County's Ramapo Valley Well field, sources in Orange County, wells adjacent to the River in Bergen County, and New Jersey's Wanaque and Oradell Reservoirs.

The proposed casino development is simply and clearly, the wrong proposal in the wrong place. There is no modification to the proposal that will make it acceptable. By design, any large and heavily trafficked casino facility would bring irreparable damage to one of New York's great natural areas.

Accordingly, we ask PIPC to vote to strongly oppose the Genting Sterling Forest Casino-Resort proposal. We ask PIPC to reject any proposal to use or purchase PIPC land to develop a new Thruway interchange. Further, we ask the Commission to issue a statement making it clear that it will oppose to the fullest extent of its authority, the development of the massive Genting Casino-Resort proposal in Sterling Forest State Park.

Finally, we ask for your immediate intervention to halt any consideration of this development in the Park.

Sincerely,

Adirondack Mountain Club – Neil F. Woodworth, Executive Director and Counsel

ANJEC (Assoc. of NJ Environmental Commissions) – Jennifer M. Coffey, Executive Director

Appalachian Mountain Club – Mark Zakutansky, Mid-Atlantic Policy Manager

Bergen SWAN – Lori Charkey, Director

GreenFaith – The Reverend Fletcher Harper, Executive Director

Natural Resources Defense Council – Mark Izeman, Director of the New York Program

New Jersey Conservation Foundation – Michele S. Byers, Executive Director

New Jersey Highlands Coalition – Julia Somers, Executive Director

New York-New Jersey Trail Conference – Edward Goodell, Executive Director

Northern Tuxedo Residents Association – Kristy Apostolides, President, Executive Committee

Ramapough Conservancy – Judith Sullivan, President

Roxbury Environmental Action Coalition (NJ) – Robert Schultz, President

Scenic Hudson Land Trust, Inc. – Steve Rosenberg, Executive Director

Sierra Club, New Jersey Chapter – Jeff Tittel, Director

Sterling Forest Partnership – Rodger Friedman and Sue Scher, Co-Chairs

The Land Conservancy of New Jersey – David Epstein, President

The Palisades Parks Conservancy – Joshua E. Hyman, M.D., President

The Ramapo River Committee – Geoff Welch, Chair

Torne Valley Preservation Association – Patsy Wooters, Chair

Upper Rockaway River Watershed Association (NJ) – Constance Stroh, President

**Sterling Forest Resorts Resolution:**

**Whereas, the Palisades Interstate Park Commission was created to maintain and operate park land "for the use of the public and for the purpose of preserving the scenic beauty of the Palisades and other lands therein"; and**

**Whereas, under the Palisades Interstate Park Commission's Congressionally approved 1937 Interstate Compact, it was agreed to and pledged the "faithful co-operation in the future planning, improvement, development, maintenance, government and management of the park, holding in high trust for the benefit of the public the special blessings and natural advantages thereof"; and**

**Whereas, Sterling Forest State Park was acquired through a federal, state (New York and New Jersey) and private sector partnership at significant public cost of approximately \$70 million; and**

**Whereas, Sterling Forest State Park was acquired to protect its vast and unique natural resources with particular concern regarding the protection of water resources; and**

**Whereas, Sterling Forest State Park is classified as a Scenic Park with 95% designated Park Preserve Areas and Bird Conservation Areas; and**

**Whereas, Sterling Forest Resorts has proposed a Casino on private lands surrounded by Sterling Forest State Park in conjunction with construction of a proposed new interchange off the New York State Thruway (designated Exit 15B) connecting to Route 17A; and**

**Whereas, Sterling Forest Resort has requested support for approval by the Palisades Interstate Park Commission the use of park lands and/or access to a park road (Route 106) to facilitate the proposed New York State Thruway Exit 15B; and**

**Whereas, The Commission has carefully reviewed and considered the information provided by Sterling Forest Resort in support of the use of park lands and/or access to a park road (Route 106) to facilitate the proposed New York State Thruway Exit 15B in letters dated June 6, 2014, June 13, 2014, June 27, 2014, August 26, 2014, September 10, 2014 and presentation materials dated May 27, 2014; and**

**Whereas, pursuant to the Commission Compact and the 1985 New York State law authorizing an easement of Commission property for Exit 15B, the Commission must determine that said easement will not interfere with use and enjoyment of park property by the public.**

**Now, Therefore, Be It Resolved that in the Palisades Interstate Park Commission's opinion, the proposed development of New York State Thruway Exit 15B, in conjunction with Sterling Forest Resort, is not in accordance with our stewardship mission and the public trust to preserve the scenic beauty, natural resources and public enjoyment of Sterling Forest and Harriman State Parks and cannot affirmatively find that such action would not interfere with the use and enjoyment of park property by the public and therefore denies the Sterling Forest Resort request for support and approval of Exit 15B upon and/or accessing Commission property.**