

**HIGHLANDS DEVELOPMENT CREDIT BANK
MINUTES OF THE MEETING OF APRIL 5, 2017**

PRESENT

ROBERT G. WALTON)	CHAIRMAN
DALE DAVIS III)	DIRECTOR
KENNETH KLIPSTEIN)	DIRECTOR
THEODORE MAGLIONE)	DIRECTOR
ANDREW R. MCELROY)	DIRECTOR
GREG ROMANO)	DIRECTOR

VIA TELE-CONFERENCE:

ROBERT HOLTAWAY)	DIRECTOR
JIM RILEE)	DIRECTOR

ABSENT:

SUSAN E. PAYNE)	DIRECTOR
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CALL TO ORDER

Chairman, Robert G. Walton, called the 21ST meeting of the Highlands Development Credit Bank Board of Directors to order at 4:00pm.

ROLL CALL

Roll call was taken. Council Chairman Rilee, and Directors Holtaway, Klipstein, and Payne were absent. All other directors were present. *The following Council staff members were present: Margaret Nordstrom, John Maher, Kim Ball Kaiser, James Humphries, Drew Siglin, Tom Tagliareni, Carole Dicton, and Annette Tagliareni. Also present via tele-conference were Lisa LeBoeuf, Assistant Counsel, Governor's Authorities Unit, and Matt Kelly, DAG.*

OPEN PUBLIC MEETINGS ACT

Chairman Walton announced that the meeting was held in accordance with the Open Public Meetings Act at N.J.S.A. 10:4-6. The Highlands Development Credit (HDC) Bank had sent written notice of the time, date, and location of this meeting to pertinent newspapers of circulation throughout the State and posted the same on the Bank's website.

PLEDGE OF ALLEGIANCE was then recited.

Director Holtaway was present via tele-conference at 4:01pm.

APPROVAL OF MEETING MINUTES FOR NOVEMBER 3, 2016

Director McElroy made a motion to approve the minutes and Director Maglione seconded it.

A roll-call vote was taken and the Minutes were APPROVED 6-0.

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DIRECTOR REPORTS

There were no Director reports.

CHAIRMAN'S REPORT

Committee Chair Walton reported on the following updates/recommendations of the Council's Landowner Equity & Land Preservation (LELP) Committee:

Updates:

- On November 3, 2016, the Bank approved 28 Highlands Development Credit Purchase Program (HDCPP) applications, 27 applicants have signed offer letters, and Highlands staff is working with the applicants through the closing process.
- 34 HDCPP applications received during 2016 remain unfunded, totaling \$10,620,000 in requests. Approximately \$13 million dollars in applications were also received for the Highlands Open Space Partnership Funding Program (OSP).
- Available funding from leftover HDCPP approval, Highlands Penalties Fund, Federal Highlands Conservation Act (HCA) Grant, and remaining PSE&G Mitigation funding is approximately \$12 million for the HDCPP and the OSP.

Committee Recommendation:

- Funding 18 additional HDCPP applications, totaling 381.75 credits and nearly 700 more acres preserved.

By a voice vote, the Council on March 16th approved the allocation of funding as follows:

- HDCPP - \$6,108,000
- OSP - \$2,735,653
- Hold \$3,514,001 for future Federal Highlands Conservation Act (HCA) Grant Program match and/or future allocations

Director Klipstein was present at 4:04pm.

EXECUTIVE DIRECTOR REPORT

As a response to Director Maglione's comment at the Bank's last meeting regarding federal funding from the HCA Grant Program, Ms. Nordstrom reported that the Council was awarded \$2.4M through the program and is now the lead agency for New Jersey. Ms. Nordstrom added that the Council is well positioned to receive available funding in the next round. Ms. Nordstrom provided Director Maglione with a fact sheet outlining previous awards and the history of funding availability for the HCA Grant Program.

Ms. Nordstrom also reported that the Jersey City Council on March 8, 2017 approved the Highlands grant agreement for a Transfer of Development Rights (TDR) Feasibility Grant. A signed copy of that agreement was received in today's mail.

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At this time, Council Chair Walton discussed the TDR Program and the potential of Jersey City becoming the Council's first receiving zone.

Council Chairman Rilee was present via tele-conference at 4:05pm.

Chairman Walton asked for a motion on the resolution.

RESOLUTION – AUTHORIZATION TO ACQUIRE HIGHLANDS DEVELOPMENT CREDITS UNDER THE HIGHLANDS DEVELOPMENT CREDIT PURCHASE PROGRAM, N.J.A.C. 7:70-1 et seq.

Director Romano made a motion on the Resolution and Director McElroy seconded it.

Director Discussion

There was no Director Discussion

Public Comments

David Shope, Lebanon Township, NJ – Mr. Shope commented on the HDC value of \$16,000 per credit and suggested that the Bank advise property owners interested in the TDR Program how the value was derived.

Tom Wagner, Clinton Township – Mr. Wagner asked for an explanation regarding the allocation of funding for the HDCPP and the OSP. Mr. Wagner also asked how Jersey City developers approach remaining property owners to purchase credits.

Bank Chairman Walton responded that the Landowner Equity & Land Preservation Committee recommended two programs. The committee did not believe that landowners would want to sell credits at the \$16,000/credit value and were surprised by the number of applicants ultimately received for the HDCPP. The OSP was created because the expectation of the committee was that there would not be sufficient demand through the HDCPP to spend the PSE&G mitigation funding. As the two programs were established by Rule, the committee believed there was an obligation to fund specific OSP applications that met criteria related to the mitigation funding and that remaining funding would be dedicated to the HDCPP. The courts have found that there is no legal requirement to purchase credits or compensate landowners that have been impacted by the Highlands Act.

Regarding the second question concerning Jersey City, Bank Chair Walton referred that question to Highlands staff since it would be the first time an HDC receiving zone would be established.

Council staff will provide Mr. Wagner with a copy of the court decision mentioned in the discussion and it is anticipated that staff will provide an explanation regarding the TDR program at a future Council meeting.

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Deborah Post, Chester, NJ – Ms. Post asked about the Bank’s intent to reprice the HDC credit value. Ms. Post also referred to the Act regarding compensation and asked for full and clear disclosures regarding the HDC value.

A roll-call vote was taken and the Resolution was APPROVED 8-0.

Chairman Walton opened the floor for public comment on any other matters.

PUBLIC COMMENTS

David Peifer, Association of New Jersey Environmental Commission – Mr. Peifer requested that once properties close that the properties be mapped on the Highlands Interactive map so the public can see the evolving pattern and perhaps click on those to see how many credits are involved.

David Shope, Lebanon Township, NJ – Mr. Shope commented on the resolution passed today (page. 2, paragraph 1) regarding “...on the basis that the owners satisfied the acquisition eligibility and priority criteria established...” and asked what happens to the properties that do not meet the criteria. Bank Chair Walton responded that they unfortunately fall through the cracks.

Teri Wallace, Butler, NJ – Ms. Wallace thanked everyone for the hard work. Ms. Wallace is happy to be moving on.

Deborah Post, Chester, NJ – Ms. Post suggested that the Bank provide funding for affected landowners to pursue “takings” lawsuits. .

Wilma Frey, New Jersey Conservation Foundation – Ms. Frey commented that there are possibly other funds through the Land and Water Conservation Fund. Ms. Frey urged the Bank to contact their appropriate Congressperson as there is a bill pending in Congress regarding this funding.

Director Klipstein made a motion to adjourn the meeting and Director Romano seconded it. The meeting adjourned at 4:29pm.

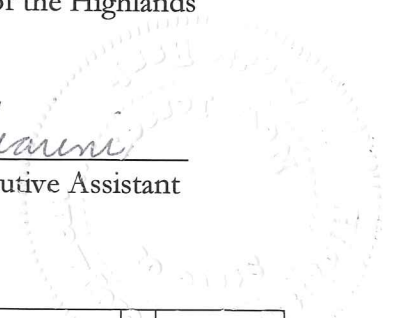
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CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of the meeting of the Highlands Development Credit Bank Board.

Date: 11/2/17

Name: Annette Tagliareni
Annette Tagliareni, Executive Assistant



Vote on the Approval of Minutes	Motion	Second	Yes	No	Abstain	Absent
Director Davis		✓	✓			
Director Holtaway			✓			
Director Klipstein						✓
Director Maglione						✓
Director McElroy	✓		✓			
Director Payne						✓
Director Rilee			✓			
Director Romano			✓			
Chairman Walton			✓			

Council approved the Highlands Development Credit Bank Minutes of April 5, 2017 at its May 18, 2017 meeting:

Vote on the Approval of These Minutes	Motion	Second	Yes	No	Abstain	Absent
Councilmember Alstede	✓		✓			
Councilmember Carluccio			✓			
Councilmember Dougherty			✓			
Councilmember Dressler						✓
Councilmember Francis			✓			
Councilmember Holtaway		✓	✓			
Councilmember James			✓			
Councilmember Richko			✓			
Councilmember Sebetich						✓
Councilmember Tfank			✓			
Councilmember Visoli			✓			
Councilmember Vohden			✓			
Councilmember Walton			✓			
Chairman Rilee			✓			