

**NEW JERSEY HIGHLANDS COUNCIL
LAND CONSERVATION COMMITTEE MEETING
CHAIR REPORT
FOR THE MEETING OF OCTOBER 17, 2005**

On October 17, 2005, the Land Preservation Committee held a meeting at the Highlands Council office in Chester. Notice of the meeting was provided to the public on the Highlands Council's web site. Council members present at the meeting were: Eileen Swan, Chair; Janice Kovach; Tim Dillingham (by phone) Council staff members present were: Adam Zellner, Dante DiPirro, Laura Szwak. At the last meeting of the Committee, members expressed a need to discuss land preservation activities with representatives of the major state funding agencies. In response to that request, Mr. John Flynn, Administrator, Green Acres Program and Ms. Susan Craft, Executive Director, State Agriculture Development Committee (SADC) attended this meeting as invited guests. The meeting was called to order at 10:30 a.m. by Committee Chair Ms. Eileen Swan.

Members of the public included Ralph Siegel (Executive Director, Garden State Preservation Trust) and Tim Brill, SADC staff.

Each invited guest delivered an introductory presentation.

State Agriculture Development Committee Presentation

Ms. Craft outlined two goals for working with the Highlands Council:

- Formalize a communication cycle and establish a close and steady relationship between the SADC and Highlands Council. She is committed to working collaboratively.
- Obtain from the Highlands Council input on applications from Highlands municipalities and landowners to learn whether the applications are consistent with Highlands goals.

Ms. Craft proceeded to describe the program and its accomplishments. The Farmland Preservation program has permanently preserved 19,000 acres of farmland—7,000 in the preservation area; 12,000 in the planning area. Most of the active agricultural lands exist in the planning area. The SADC continues to be “blind to the line” in preserving farmlands. Ms. Craft expressed interest in working strategically together with the Highlands Council in the acquisition program. The Garden State Preservation Trust has allocated \$30 million to the SADC to preserve farmland in the Highlands. \$15 million are available this year for acquiring Highlands farms. The SADC is using the funding to supplement their existing programs, allowing the programs to “go a little deeper” to preserve Highlands farmlands. They are continuing to use the same ranking criteria for each program. Farmland preservation programs include the county easement purchase, state direct easement purchase, state fee simple, municipal/county Planning Incentive Grants (PIG), nonprofit easement purchase. SADC also qualifies for \$4.2 million in federal farm and ranch protection funding which limits the amount of impervious coverage on a property from 2-6%. Because of the federal limitation, SADC is focusing the use of these funds in the Highlands. Federal funds can be applied to a total of 20% of the easement value and cannot exceed 50% of the Fair Market Value of a property.

Green Acres Presentation

Mr. Flynn said that Green Acres set an all time record in 2005 in both expenditures and acres preserved. In the past 9 months, Green Acres has spent \$98 million to protect 32,136 acres throughout the state. An additional 21,000 acres are under contract. In the Highlands, Green Acres has spent \$45.5 million to preserve 14,522 acres since 8/10/04 in the Highlands. Green Acres has two basic programs—state acquisitions and local assistance grants to local governments and nonprofits. In the state land acquisition program, Green Acres are negotiating 127 Highlands property preserving a total of 20,143 acres at an expected cost of \$84 million. Of those, 59 projects in the Highlands are under contract to preserve 3600 acres at an expected cost of \$24 million. Most of the Highlands state acquisitions have taken place in the preservation area. Green Acres is actively administering 67 projects in the Highlands that have received funding through the local assistance program. Green Acres has appropriated \$67 million to county, municipal and nonprofit entities. A total of \$65 million remains unspent.

Over the past 2 years, Green Acres has been appropriated \$40 million for state land acquisition (statewide) and as of September 2005 has a balance of \$5.9 million. Next year they expect another full appropriation of \$75 million (\$40 million for state acquisitions; remainder for local program). In 2007 he expects the total appropriation to drop to \$40 million; in 2008 \$18 million.

Green Acres expects to receive federal funds from the Highlands Conservation Act which may provide \$10 million to 4 states. Both the U.S. Department of Interior and Forest Service have included the funds in their budget requests. Highlands Council support for this request may help ensure the allocations are included in the President's final budget. Another source of federal funds, Forest Legacy, has allocated \$10 million for acquisitions in the Highlands. Green Acres is waiting to be reimbursed with those funds.

General Discussion Topics

Funding:

Both SADC and Green Acres indicated a difficulty with the requirements in the Highlands Act to spend the same amount in each county throughout New Jersey as the average of the past 3 years. Some counties received no funding in the past 3 years. This requires, for example, SADC to spend a minimum of \$22 million based on the 3-year average. This year's SADC appropriation is \$40 million.

To increase the pace of acquisition, SADC has adopted a different appropriation method by giving counties a block grant based on comprehensive farmland preservation plans. The grants are typically \$2 million but can reach \$8 million. SADC funding contribution to a project is typically 60% of a project, and cannot exceed 80%.

Discussion then focused on issues presented when Counties or municipalities were not going to cost share on projects in the preservation area of the Highlands. The concern raised was how these areas would be participants in the farmland preservation program given the SADC's proposed policy to give block grants to counties. Susan Craft spoke of the funds that were not allocated directly to the counties and the fact that SADC had the discretion to use these funds to assist in projects that were not being funded by other participants.

Coordination between Acquisition Agencies and Highlands Council:

- It would greatly assist SADC if the Highlands were able to create and share a parcel map of the region to track and become more strategic in their acquisitions.
- It would also be beneficial to establish a formal mechanism for continuing ongoing dialogue with County Agriculture Development Boards (CADB) to share county and regional acquisition priorities
- There would be a great benefit if Council and SADC staff could conduct joint landowner outreach activities through joint public information meetings and a common approach. Green Acres also supported joint outreach activities and quarterly reports.
- It would be helpful if the Council could share information quarterly with SADC -- and vice versa -- about landowner contacts and those properties that may be appropriate for farmland preservation.
- Both agencies wanted to highlight projects that have been completed in the Highlands.

Use of landowner incentive valuation:

SADC generally pays the higher value between current and hypothetical market value (value as of 1/1/04). They will pay a lower value if an agreed price for fee simple was completed in advance of the appraisals.

Green Acres has typically worked with conservation buyers. The incentive valuation has compromised their ability to negotiate. Landowners in the preservation area are expecting Green Acres to use their funds to obtain equity, rather than preserving open space.

Highlands acquisition special cases:

Highlands staff pointed out that some properties in the preservation area have no funding available because they do not meet the criteria of either funder. They include

- Conservation easements/development rights on forested properties
- Smaller tracts
- Commercially zoned tracts

Staff asked for any ideas on how to address these properties.

Severable/nonseverable exceptions & Highlands restrictions:

Ms. Craft said that they had a productive meeting with NJDEP. The NJDEP staff indicated that they are working on a process that would respect the stipulations in completed transactions. Subsequent transactions will have to adhere to the Highlands regulations. SADC is developing guidelines that will highlight the rules for farms in the preservation area. It is important to for the counties to be aware of these guidelines as well.

Comments from the audience

Mr. Siegel brought two issues to the attention of the meeting participants:

- Loss of non-paying advocates in land deals
- Lack of mechanism to preserve privately owned forested land.

No other members of the public offered comments.

Ms. Swan thanked Ms. Craft and Mr. Flynn for traveling to the Highlands Council office and for a very productive discussion.

Ms. Swan adjourned the meeting at about 1:00 p.m.