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Executive Director

MEMORANDUM

To: Landowner Equity and Land Preservation Committee
From: Margaret Nordstrom, Executive Director
Subject: Committee Meeting Minutes – August 31, 2016
Date: September 9, 2016

A Landowner Equity and Land Preservation Committee meeting was held on Wednesday, August 31, 2016 at the Highlands Council office in Chester. Committee Members present: Committee Chair Walton, and Committee Members Dressler, Visioli, Francis (on phone), and Council Chairman Rilee (on phone).

Staff Members present: Margaret Nordstrom, John Maher, James Humphries, Maryjude Haddock-Weiler, Drew Siglin, Keri Green, Carole Ann Dicton, and Annette Tagliareni

Also present by phone: Tyler Yingling, Assistant Counsel, Governor's Authorities Unit.

Committee Chair Walton opened the meeting at 2:03pm.

Highlands Development Credit Purchase Program (HDCPP)

Council staff member James Humphries gave an overview of the HDCPP to note that 65 applications were received prior to the July 8th deadline, 62 of which were eligible for the program. Committee Chair Walton asked why three of the applications were not eligible. Mr. Humphries responded that two of the subject properties did not meet the criteria for credit allocation, and a third had already been preserved by Morris County.

Mr. Humphries continued to give an overview of the process followed in accordance with the HDCPP Rule. The HDCPP utilizes the existing HDC program and establishes a priority basis to reflect each property's relative value as a development rights purchase. Criteria, as established in the rule, are evaluated as follows:

- Designation in the Regional Master Plan (RMP) as Special Environmental Zone
- High or Moderate Conservation Priority Area as identified in the RMP
- Proximity and connectivity to existing open space
- Mitigation criteria: As the funding being used was received as part of the PSE&G S-R project, the mitigation criteria found in the Rule has been based upon the Comprehensive Mitigation Plan (CMP), approved by the Highlands Council. This criteria includes proximity to the PSE&G S-R project tower ROW and connectivity/added value to Scenic Resources

Each of the above items was described in detail by Mr. Humphries. There was then discussion regarding the criteria and the evaluation to prioritize the applications received. Committee Chair Walton questioned how the mitigation criteria was generated and there was a discussion regarding the 3 and 7 mile distances from the project that were used in the CMP to estimate the impacts from the PSE&G S-R project. Based on previous recommendations by the Council and discussions by the committee, \$9M of the \$18M mitigation funding received from PSE&G would be allocated for and split between the HDCPP and the Open Space Matching Grant Program. The HDCPP applications received amounted to approximately \$20M. There was then discussion regarding the funding for the two programs and how best to use it.

Member Dressler was present at 2:17pm.

Member Dressler asked the status of a resolution that had been previously requested dealing with a possible change to the HDC credit value. Chief Counsel Maher responded that he had no direction to do so. Member Dressler responded that he is not sure the committee should move forward with the HDCPP applications at this time. The committee members discussed that the goal of the committee is to compensate landowners. Chairman Rilee responded that it has always been his goal to compensate landowners. Ms. Nordstrom noted that a study would be needed to prepare a basis to support changing the credit value, similar to what was done when establishing the price in the TDR Technical Report. Mr. Humphries noted that the initial credit value was based upon extensive research and data, including a comparison to other existing TDR programs and was further adjusted to reflect that the Highlands' TDR program is voluntary. Chairman Rilee noted that he would arrange a meeting over the next day or two to discuss a draft resolution.

The committee took a break at 2:46pm.

The meeting resumed at 2:50pm.

At this time the committee discussed how best to fund the HDCPP and Open Space Matching Grant Program and how much of the available funding should be dedicated to each program. The committee decided to revisit the review of the HDCPP applications after Council staff receives the applications for the Open Space Matching Grant Program (deadline of September 16th).

Committee Member Dressler requested a printed copy of the TDR Technical Report for his reference.

Committee Chair Walton requested that Council staff email the committee once Open Space Program applications are received to note the list of projects and total dollar amount requested.

The meeting was adjourned at 3:09 pm.