

HIGHLANDS DEVELOPMENT CREDIT BANK  
MINUTES OF THE MEETING OF NOVEMBER 5, 2009

**PRESENT**

SCOTT WHITENACK	)	CHAIRMAN
DALE DAVIS III	)	DIRECTOR
KENNETH KLIPSTEIN	)	DIRECTOR
THEODORE MAGLIONE	)	DIRECTOR
JOHN WEINGART	)	DIRECTOR

**ABSENT**

MICHAEL HALPIN	)	DIRECTOR
ERIK PETERSON	)	DIRECTOR
RALPH SIEGEL	)	DIRECTOR
SUSAN CRAFT	)	DIRECTOR

**CALL TO ORDER**

The Chairman of the Board, Scott Whitenack, called the 7<sup>th</sup> meeting of the Highlands Development Credit Bank Board of Directors to order at 1:08 pm.

**ROLL CALL**

The members introduced themselves.

**OPEN PUBLIC MEETINGS ACT**

Chairman Whitenack announced that the meeting was called in accordance with the Open Public Meetings Act, N.J.S.A. 10:4-6, and that 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 Highlands Council website.

**PLEDGE OF ALLEGIANCE**

**APPROVAL OF MINUTES for September 3, 2009.** *Mr. Weingart introduced a motion to approve the minutes. Mr. Maglione seconded it. Ms. Craft and Messrs. Halpin, Peterson and Siegel were absent. All other members present voted to approve. The motion was APPROVED.*

**CHAIRMAN'S REPORT**

Chairman Whitenack introduced Ms. Swan to give her Executive Director's report.

**EXECUTIVE DIRECTOR'S REPORT**

Ms. Swan began with a PowerPoint presentation with three updates: the Highlands TDR Program, the HDC Estimator Tool and the HDC Allocation and Hardship Purchase Process. Ms. Swan showed a slide reiterating the respective roles of the Highlands Council and HDC Bank in the Highlands TDR Program and mentioned that the Highlands Council had sent a letter to the

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Governor advocating for action on a TDR bill to expand potential Highlands receiving zones statewide.

She continued with the Projected Timeline of the HDC Estimator Tool which, with the approval of the HDC Bank Board, was ready to launch after the Bank's meeting. She next addressed the acquisition priorities as established by the Bank's resolution for the purchase of HDCs in hardship cases. Ms. Swan noted that the Bank's initial capitalization funds, as specified by Executive Order 114, will be fully funded by March 2010 according to the Department of the Treasury. She then thanked the architects of the HDC Estimator Tool, Jeff LeJava and Nathan McLean, who with assistance from Roger Keren, were responsible for its creation.

She showed another slide illustrating the features of the HDC Estimator Tool, including the ability to fill out an application online, but noting that it had to be printed and submitted in hard copy. Ms. Swan then discussed the steps to Bank Purchase of HDC Credits and reviewed the process for recording the deed of easement (done by the HDC Bank) after the property owner was accepted into the hardship program. She also showed an example of what the HDC Certificate will look like when issued.

Ms. Swan summarized the status of the TDR Feasibility Grants with 11 approved in: Bogota Borough, Chester Borough, City of Clifton, Town of Clinton, Harmony Township, Hopatcong Borough, Long Hill Township, Lopatcong Township, Oakland Borough, Tewksbury Township and Washington Borough. She noted that the approval at the last Highlands Council meeting on October 15, 2009, for the Long Hill Township grant was the third outside the Highlands Region but within the 7 counties of the Highlands. She spoke to the Deeds of Easement and discussed the status as being reviewed by the Attorney General's office for Final Review.

Mr. Klipstein asked about progress on receiving areas. Mr. LeJava responded that he had received some initial reports, including one from Lopatcong indicating that it was not feasible to become a receiving area, but that there were ongoing conversations there with municipal officials based on reevaluating the finding in light of the township's work on Plan Conformance. He noted that Washington Borough is examining some parcels that are grayfields and also looking at those parcels with respect to Plan Conformance. It was also noted that the Build Out reports were a good indication of where infrastructure existed that could provide capacity and those municipalities were encouraged to apply for grant funding.

Ms. Swan then discussed the joint press release to be issued by the Highlands Council and the HDC Bank announcing the launch of the HDC Estimator Tool. She also stated that Mr. LeJava would be sending letters to some property owners who have inquired about the program. Several members asked Mr. LeJava to review the steps required to acquiring credits. He began by explaining that the first step is to look at the HDC Estimator tool to see if the parcel satisfies the initial criteria. He then explained that a property owner submits an allocation application, which will be reviewed by staff. Upon review a formal allocation letter will go out to the property owner specifying the number of HDC credits that owner's property is eligible to receive. If at that time, the property owner does not

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agree with the allocation, he or she may apply for reconsideration. Mr. LeJava noted that the HDC allocation letter is good for three years and explained that that time period was selected as factual circumstances can change over time. He also stated that there is no cost for the allocation review process. Chairman Whitenack recommended to the Board members to go ahead and launch the HDC Estimator Tool and the Board unanimously agreed to do so.

There was additional discussion regarding what the Highlands Council will be doing with respect to the TDR. Ms. Swan noted that staff would prioritize the applications for the HDC Bank and present them. Mr. Borden said that Executive Session would be used for discussions of a sensitive nature. It was reiterated that financial hardship applications would be considered first, although any one can apply at this time.

Ms. Swan also discussed the importance of extending the dual appraisal methodology and that the Highlands Council will continue to advocate for its passage along with enactment of a water user fee and the expansion of the TDR receiving zones. Additionally, Ms. Swan mentioned the recent appropriation of \$4 million in Federal funding that will be allocated among the 4 Highlands states (Connecticut, New York, New Jersey and Pennsylvania). An additional comment about the timing for establishment of receiving zones prompted Ms. Swan to respond that the Woolwich Township TDR project took 3.5 years to establish under the State TDR Act and that she hoped that with the grant funding would help move the process along faster in the Highlands Region.

**PUBLIC COMMENT**

**Helen Heinrich, NJ Farm Bureau**

She asked that the PowerPoint presentation be posted to get the steps to be taken for HDC allocation. She also asked if there was going to be a model example and Ms. Swan indicated that any block and lot could be put into the HDC Estimator Tool. Ms. Heinrich indicated support for the process and wanted to know how the different deeds would be applied to the land. Ms. Swan replied that the deeds would be used according to the existing uses of the land. She gave the example that if there was agricultural land that then it would be considered all agriculture and that the bonuses would be applied based on the individual landowner's choice.

The meeting was adjourned at 1:55 pm.

**CERTIFICATION**

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

Date: 1/7/10

Name: Paula M. Dees

Paula M. Dees Executive Assistant

**TRUE COPY**

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Vote on the Approval of  
these Minutes

	<u>Motion</u>	<u>Second</u>	<u>Yes</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
Director Craft	_____	_____	✓	_____	_____	_____
Director Davis	_____	_____	✓	_____	_____	_____
Director Halpin	_____	_____	_____	_____	_____	✓
Director Klipstein	_____	_____	_____	_____	_____	✓
Director Maglione	_____	✓	✓	_____	_____	_____
Director Siegel	_____	_____	_____	_____	✓	_____
Director Weingart	✓	_____	✓	_____	_____	_____
Director Whitenack	_____	_____	✓	_____	_____	_____