



State of New Jersey

Highlands Water Protection and Planning Council
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Questions Posed to the Highlands Council by Potential Respondents to the RFP to Assist in Development of a Municipal Fiscal Analysis of Potential Municipal Transfer of Development Rights (“TDR”) Receiving Zones pursuant to the Highlands TDR Program, Highlands Center Designations, and Highlands Redevelopment Area Designations July 3, 2013

Question #1

Please clarify billing and contract procedures. The RFP states payment for services will be provided by the local municipal grant receiver through the municipality’s Plan Conformance Grant. Will it be necessary for the respondent to contract with each municipality who will use the services of the respondent? If so, will the respondent be required to respond to an RFP issued by each municipality?

Response #1

As the approved contract agent, the selected respondent will be identified as the contract technical lead in the statement of work approved by the Highlands Council. The municipality will recognize the selected respondent as its technical lead. The Highlands Council will pay the respondent its share, and the municipality will be paid their share of the grant recognizing the portion applicable to the respondent. Accordingly, it will not be necessary for the respondent to contract with each municipality, nor to respond to an RFP issued by each municipality.

Question #2

The RFP states the TDR Feasibility Grant program provides \$40,000 to each municipality, of which \$15,000 is set-aside for a fiscal impact and real estate market analysis. Is the scope of services for each municipality expected to have a budget of \$15,000 to complete both the fiscal impact and real estate market analysis? Note that the real estate market analysis is defined as the following in the Municipal Land Use Law (N.J.S.A. 40:55D-148): an “*analysis of the current and future land market which examine the relationship between the development rights anticipated to be generated in the sending zone and the likelihood of their utilization in the designated receiving zone. The analysis shall include thorough consideration of the extent of development projected for the receiving zone and the likelihood of its achievement given current and projected market conditions in order to assure that the designated receiving zone has the capacity to accommodate the development rights anticipated to be generated in the sending zone*”. These “REMA’s”, as funded by demonstration grants from the NJDCA, typically cost substantially more than the \$7,500 which appears to be allocated for them under the RFP. Similarly, fiscal impact analysis is typically budgeted at more than \$7,500. Will the scope of work be adjusted to fit the budget?

Response #2

The scope of work includes the REMA and a municipal fiscal impact analysis of the HDC Receiving Area. The Proposed TDR Feasibility Grant has been revised to include a separate task specific to the fiscal impact analysis and increased to \$40,000. The scope of work for each municipality will be discussed and agreed upon by the Highlands Council, the municipality, and the respondent prior to approval. The scope of work may need to be revised to reflect the specifics in any given municipality..

Question #3

Does the Highlands Council anticipate a “phase 1” process by which the respondent would work directly with the Highlands Council to define the process and scope of the municipal projects? If yes, will the respondent enter into a contract with the Highlands Council to define this scope of services template and will the Highlands Council pay the respondent for this for “phase 1”?

Response #3

The municipality will be responsible for defining the scope and process of the municipal projects. It is anticipated that the respondent will have identified the specifics of what will be needed for their task as part of the proposal and the municipality will be responsible for gathering that information. Under Task 6 of Phase II in the attached sample scope of work, the municipality, working with the Highlands Council, will identify the project scope and any associated infrastructure costs necessary to support the density proposed for any TDR Receiving Area. The respondent will be informed of all project deliverables and supporting data and information in support of the REMA and the fiscal impact evaluation prior to initiation of the respondents Phase III activities.

Question #4

What tasks will the municipality complete as part of the remaining portion of the \$40,000 TDR Feasibility Grant and how does the scope of services in this RFP relate to the Grant Activities listed in the Highlands TDR Program Guidelines? Will the respondent be permitted to undertake these additional activities for the municipality? The real estate market analysis is listed as the third Grant Activity; however, fiscal impact is not included in in the Grant Activities.

Response #4

Please see the attached sample “scope of work”. Yes, the respondent would be able to undertake those additional activities. However, the appointment of the professionals for those additional activities is done by the municipality at their discretion. The fiscal impact is a new and additional task related to the real estate market analysis listed as the third grant activity.

Question #5

On page 5 of Appendix D under I. Insurance (1)(d) is \$5 million required or could less be sufficient such as \$2 million?

Response #5

\$2 million would be sufficient.

Complete RFP can be found at the link below.

<http://www.highlands.state.nj.us/njhighlands/news/rfp.html>



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Highlands TDR Receiving Zone Feasibility Grant Program

Sample Scope of Work

(Please note that this is a sample scope of work. The final scope of work for any application may be adjusted to address specific issues and opportunities identified by the municipal applicant and the Highlands Council)

Phase I – Infrastructure and Capacity Evaluation (\$5,000)

Task 1. Conduct an assessment of existing water supply capacity, wastewater infrastructure capacity, and identify other significant infrastructure issues including but not limited to stormwater, and transit infrastructure in the municipality to determine whether the municipality has the ability to support additional residential and/or non-residential development.

Phase II – Site Evaluation (\$15,000)

Task 1. Identify and evaluate potential receiving zone(s) based upon municipal vision.

Task 2. Select one or more potential receiving zone(s) for assessment and provide discussion of why that zone or zones was selected, and the criteria used in making the selection.

Task 3. Provide a description of the physical characteristics of the potential receiving zone(s), including current development within the zone; underutilized, contaminated or other sites suitable for redevelopment; utilities provided to the zone; public transportation access to the zone; identification of any properties in, or eligible for inclusion on the National Register of Historic Places based on a review of State Historic Preservation Office records; and identification of streams corridors/buffers, wetlands, 100-year floodplains, T&E habitat, steep slopes, forest and woodlands, existing open space, and important soils/recharge areas within up to one (1) mile of the potential zone(s).

Task 4. Provide a description of the types and extent of development currently permitted by the municipality's development regulations within the potential receiving zone(s). Evaluate the effectiveness of the existing zoning (and redevelopment plans) in implementing the goals of the municipal master plan.

Task 5. Provide a description of any wastewater, water, stormwater, roadway, transit, recreational, civic, streetscape, or other infrastructure needs of the potential receiving zone(s). Include estimates of any potential costs.

Task 6. Submit copies of work completed under Phase I and II to Highlands Council staff. Meet with Highlands Council staff to review Phase I and Phase II findings, review funding needs and potential funding sources to provide necessary infrastructure improvements identified in Phase I and II to support a TDR Receiving Area, and ensure that work product incorporates the level of detail required by the Phase III Fiscal.

Phase III – Fiscal Analysis (\$15,000) (to be conducted by designated Highlands Council Consultant)

The fiscal analysis will be prepared to provide the municipality with a local understanding on the fiscal and local economic impacts of any potential receiving zone.

Task 1. Conduct a real estate market analysis of the potential receiving zone(s), including a discussion of the highest and best use of the zone.

Task 2. Conduct a fiscal impact analysis of the development of the potential receiving zone(s). This shall include fiscal impacts on the municipal government, developer, potential fiscal and economic impacts to the surrounding community, and those costs based on additional bond costs for infrastructure investments.

Task 3. Based on infrastructure availability, market analysis, fiscal impacts, and physical limitations review and develop proposed Highlands Development Credit to receiving zone development opportunity transfer ratio and proposed impact fee approach.

Phase IV – Final Report (\$5,000)

Task 1. Prepare final report summarizing findings of all work conducted. Meet with Highlands staff to discuss report findings.