



## State of New Jersey

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## Highlands Council Authorizes Purchase of \$4.5M in Conservation Easements

*Approval represents offers to all remaining applicants in program*

CHESTER, N.J. — The Highlands Development Credit (HDC) Bank recently approved the purchase of conservation easements on 16 properties, which will result in \$4.5 million in offers to property owners in the Preservation Area of the Highlands Region. This approval marks a significant milestone of the HDC Bank, as it means that offers will have been made to every applicant in the program. Should all transactions close, the HDC Bank will have provided more than \$28 million to property owners and permanently protected nearly 2,700 acres since launching its first purchase program in 2010.

“In recent years, members of the Highlands Council have worked to prioritize landowner equity,” says Jim Rilee, Highlands Council Chairman. “The Highlands Act changed the development potential of many properties in the Region. Often, applicants to the HDC purchase program have found that they own properties that don’t qualify for other state preservation programs and the HDC Bank is their only recourse for some sort of compensation.”

The HDC Purchase Program is a Transfer of Development Rights (TDR) program in which property owners retain ownership of their land, but sell the development rights in the form of “Highlands

Development Credits” (HDCs) by placing a conservation easement on the property. The value of the credits is determined for each property taking into account pre-Highlands Act zoning and development potential, as well as environmental factors.

“The HDC program is really a win-win,” explains Margaret Nordstrom, Highlands Council Executive Director. “The conservation easement runs with the land, so all the resources on that property are *permanently* protected. And unlike other preservation programs that seek to take ownership of the property, in the HDC program the owner keeps the land and receives compensation for their role in the preservation. In many instances, the property owner can also retain the right to certain Highlands Act exemptions, including the right to construct a single family home.”

The Highlands Development Credit Bank launched an “Initial Purchase Program” in 2010 with \$10 million provided through an executive order. In 2016, with the bulk of that money already invested in properties throughout the Region, the Council developed a new program to guide future HDC purchases. A funding round was opened in April 2016. Leveraging available funds secured through mitigation agreements, along with grant awards secured through the 2016 and 2017 Federal Highlands Conservation Act Grant Program, offers totaling over \$20 million have now been extended to all applicants in the 2016 funding round. Opening of additional rounds is contingent upon available funding.

“The Highlands Act was very clear that land preservation was an essential tool in the protection of the important natural resources in the Region,” says Nordstrom. We’ll continue to seek funding sources to further that goal.”

*The Highlands Council is a regional planning agency, established in 2004 with the passage of the Highlands Water Protection and Planning Act, and is charged with implementation of the Act. More information is available at [www.nj.gov/njhighlands](http://www.nj.gov/njhighlands).*

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