

HIGHLANDS REGIONAL



MASTER PLAN  
2008

# *Highlands Development Credit Bank*

*Board Meeting  
February 2, 2012*



# Status of HDC Allocations

- ❑ The Highlands Council has received HDC Allocation Applications from **78** property owners since launching the program in November 2009.
- ❑ To date, **55 property owners received an HDC allocation** while the **19 property owners** did not receive any allocation. Four applications are pending final review.
- ❑ Properties do not receive an allocation where there is no remaining development potential for which HDCs could be allocated. This may occur because of pre-Highlands Act environmental constraints, access issues, undersized lots, or existing easements or deed restrictions.
- ❑ To date, the Highlands Council has allocated a total of **1,205.50 HDCs** to these properties representing **a total HDC value of \$19,288,000** based upon the \$16,000 initial credit price. The **total acreage** receiving an HDC allocation to date is **2,314 acres**. The **average price per acre is \$8,334**.

# HDC Bank Initial Purchase Program

□ The HDC Bank created an **Initial Purchase Program** to acquire Highlands Development Credits (HDCs) from qualified applicants and to date has completed three rounds:

❖ **First Round** – 87 HDCs on 109 acres acquired for \$1,392,000.

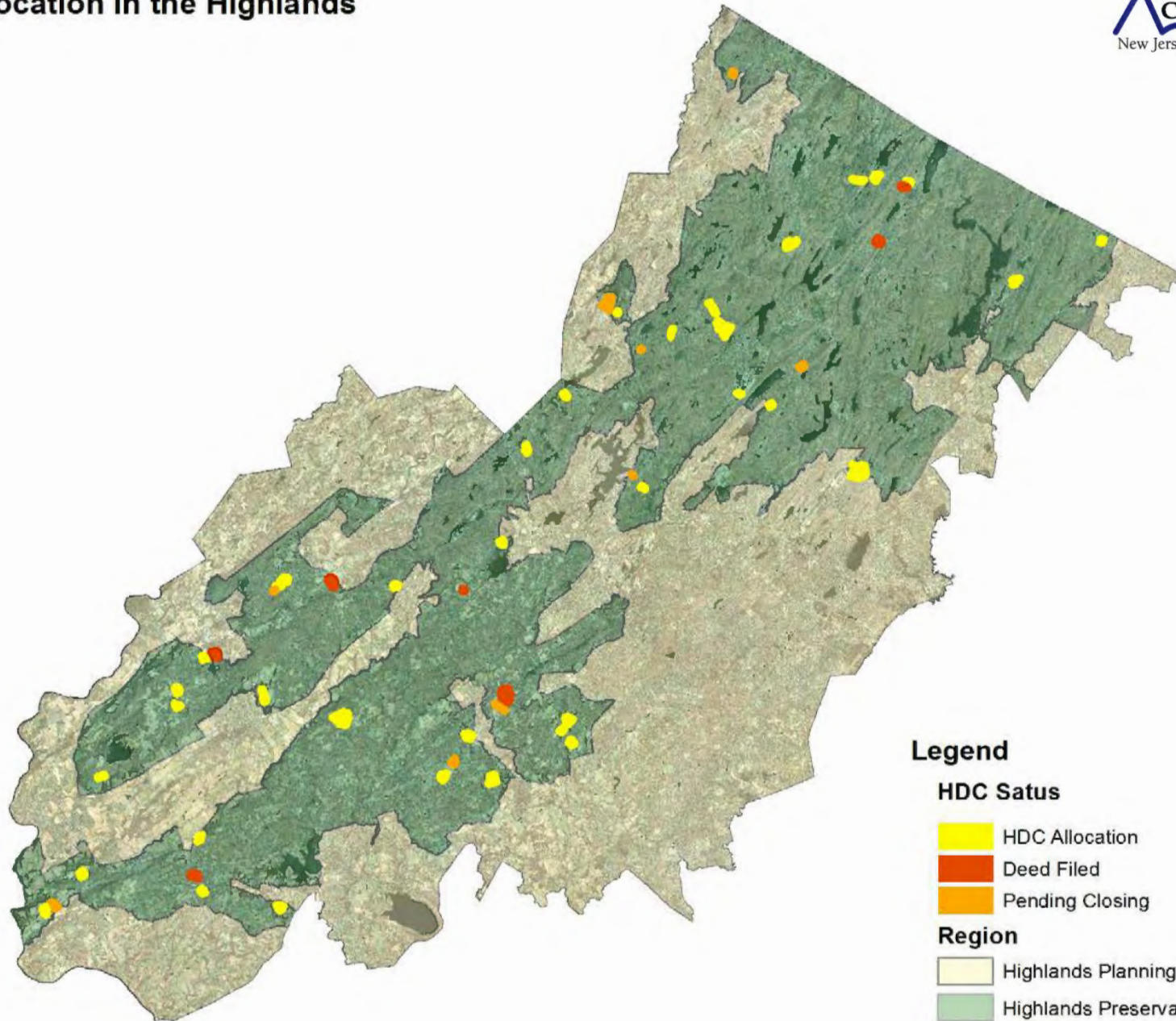
❖ **Second Round** – 54.50 HDCs on 80 acres to be acquired for \$872,000.

❖ **Third Round** – 261.75 HDCs on 144 acres to be acquired for \$4,188,000.

❖ Under the program to date, the Bank has acquired **311.75 HDCs** resulting in the **permanent protection of 249 acres**. Closings on six properties are pending and should these offers all close the program will have preserved nearly **500** acres.



# HDC Allocation in the Highlands



## Legend

### HDC Satus

- HDC Allocation
- Deed Filed
- Pending Closing

### Region

- Highlands Planning Area
- Highlands Preservation Area

# Fourth Round of Initial Purchase Program

The HDC Bank approved a Fourth Round of funding with the following deadlines:

- ❑ **November 3, 2011** – deadline for submitting **HDC Allocation Application** to the Highlands Council if property owner has not already done so.
- ❑ **December 29, 2011** – deadline for submitting **HDC Certificate Application** to HDC Bank where property qualifies for Bank consideration.
- ❑ **February 2, 2012** – HDC Bank meeting to review applications that qualify for Fourth Round consideration.

# HDC Bank Initial Purchase Program

- ❑ The HDC Bank has 5 priority acquisition categories:
  1. Missed qualifying for Exemption #3 and have extenuating financial circumstances;
  2. Suffer from extenuating financial circumstances;
  3. Missed qualifying for Exemption #3;
  4. Qualified for Exemption #3, but exemption expired; or
  5. Property located in either Special Environmental Zone or High Value Agricultural Priority Area, and property owner previously offered property for preservation purposes.

# RESOLUTION

*Authorization to Acquire HDCs  
under the Fourth Round of  
Acquisition Consideration and  
Notice of Fifth Round*

# Fourth Round - 4 Properties

- A. Block 19, Lot 110, Sparta Township, Sussex County
- B. Block 73, Lot 5 in Vernon Township, Sussex County
- C. Block 6.25, Lots 70.01 and 70.02 in Sparta Township, Sussex County
- D. Block 40801, Lot 85.01, Rockaway Township, Morris County



# Property A

## Sparta Township





Block 19, Lot 110  
Sparta Township, Sussex County

Highlands Council  
New Jersey

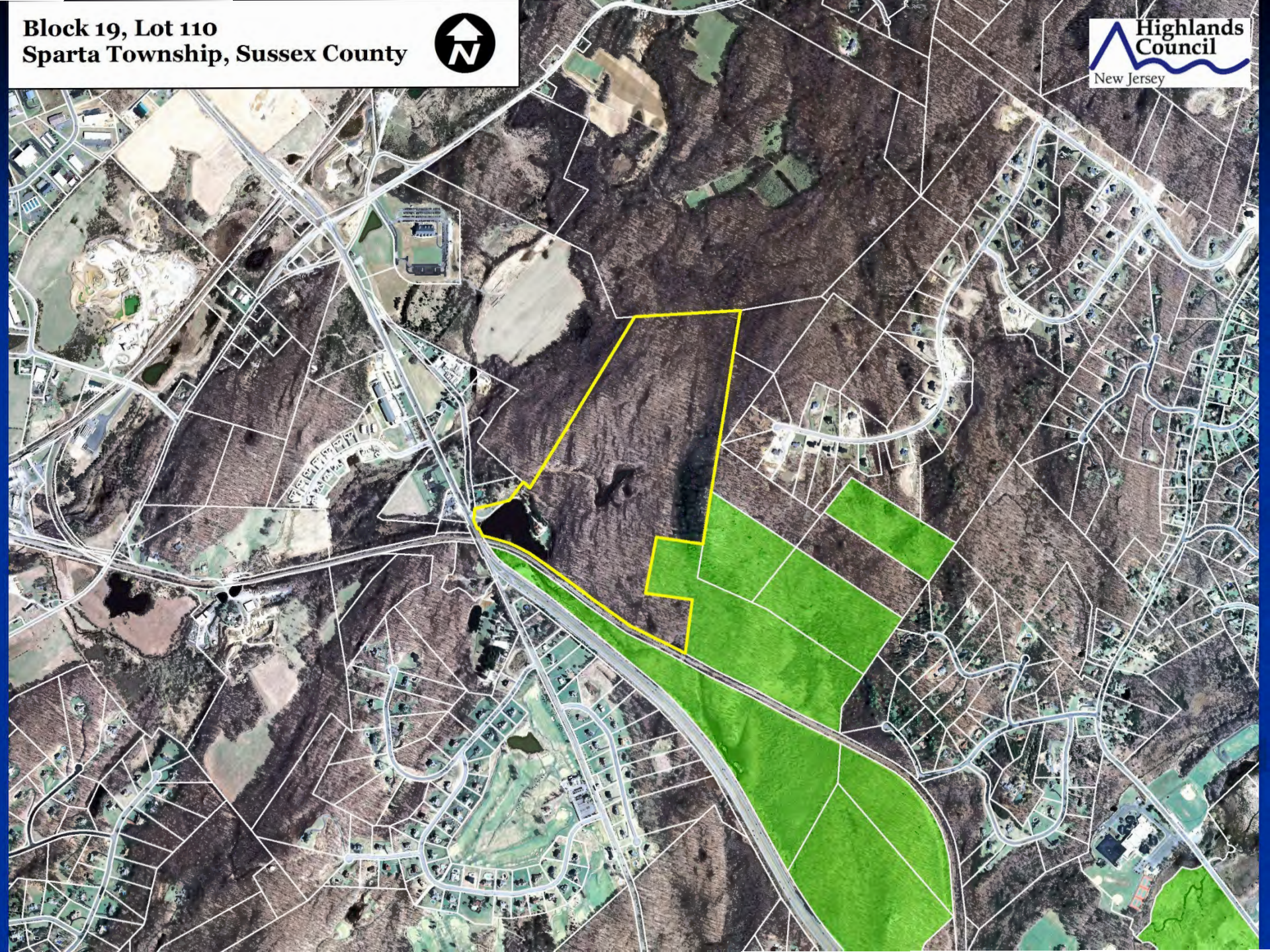




- ❖ The parcel is 115.77 acres
- ❖ The HDC Allocation of 63.75 HDCs based on based on residential zoning and Net Yield of 23 lots
- ❖ The value of the HDC allocation is \$1,020,000
- ❖ Owner qualified under the hardship criteria
- ❖ Conservation deed of easement will be applied (woodland management exemption)



**Block 19, Lot 110**  
**Sparta Township, Sussex County**



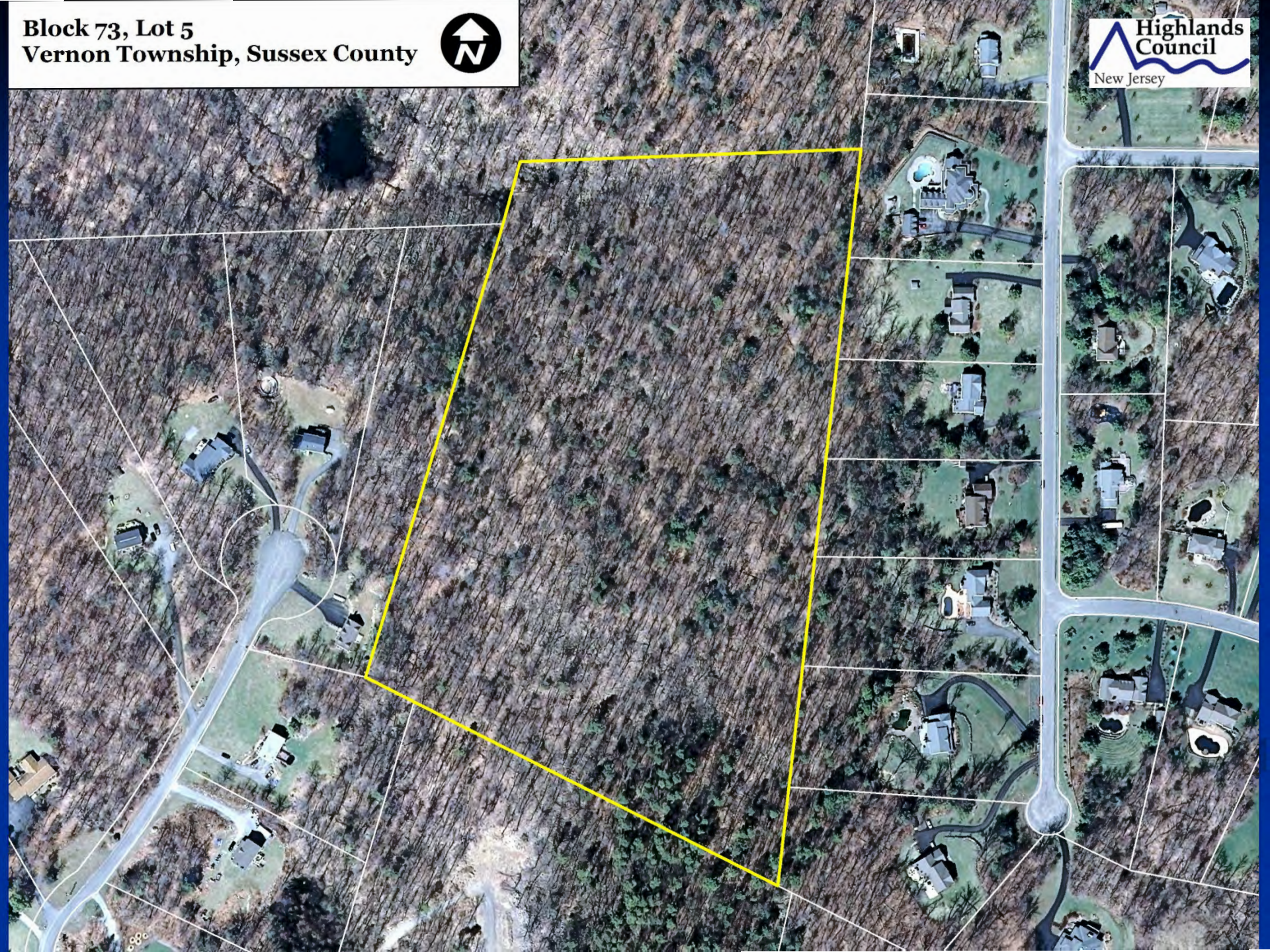


# Property B

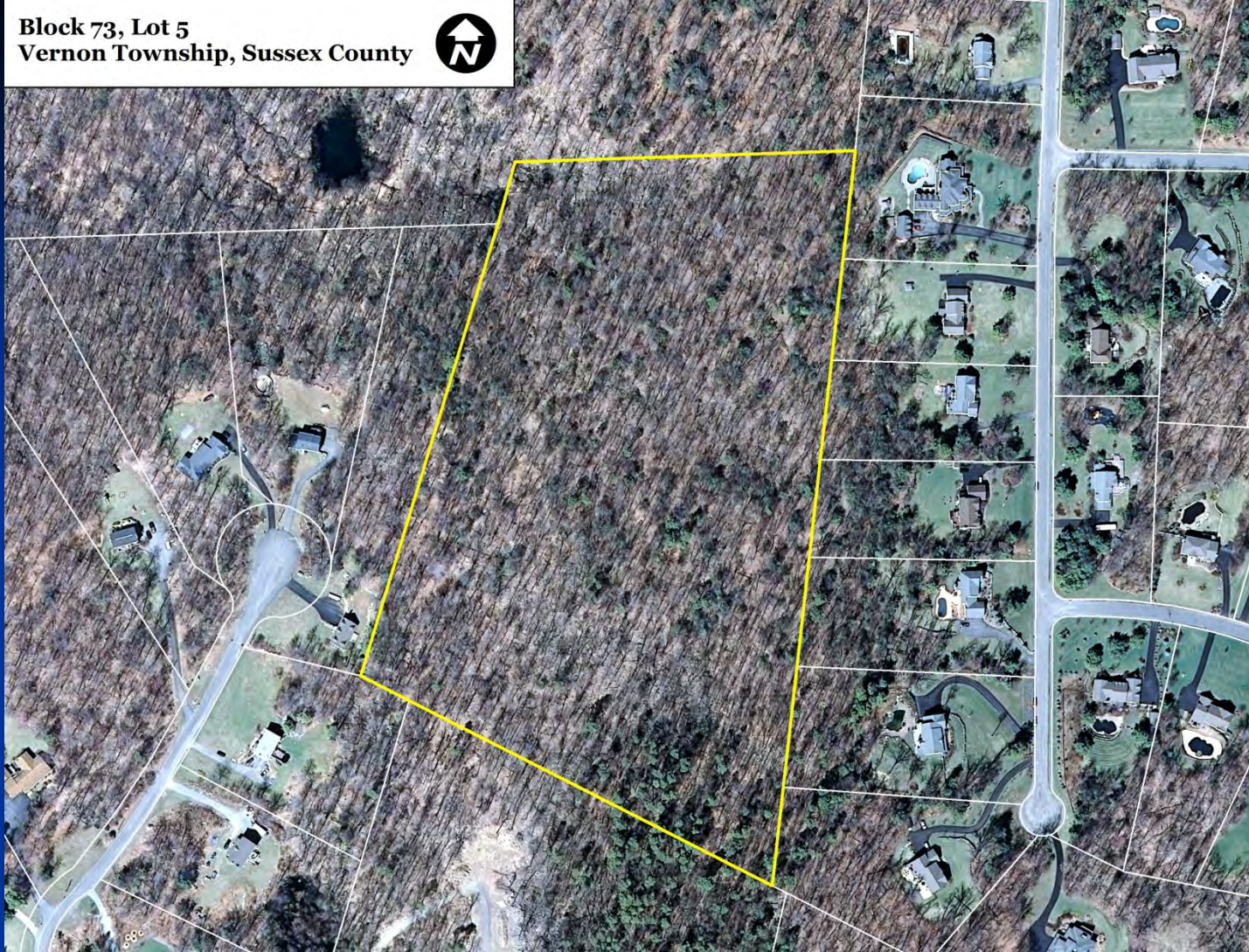
## Vernon Township



**Block 73, Lot 5**  
**Vernon Township, Sussex County**



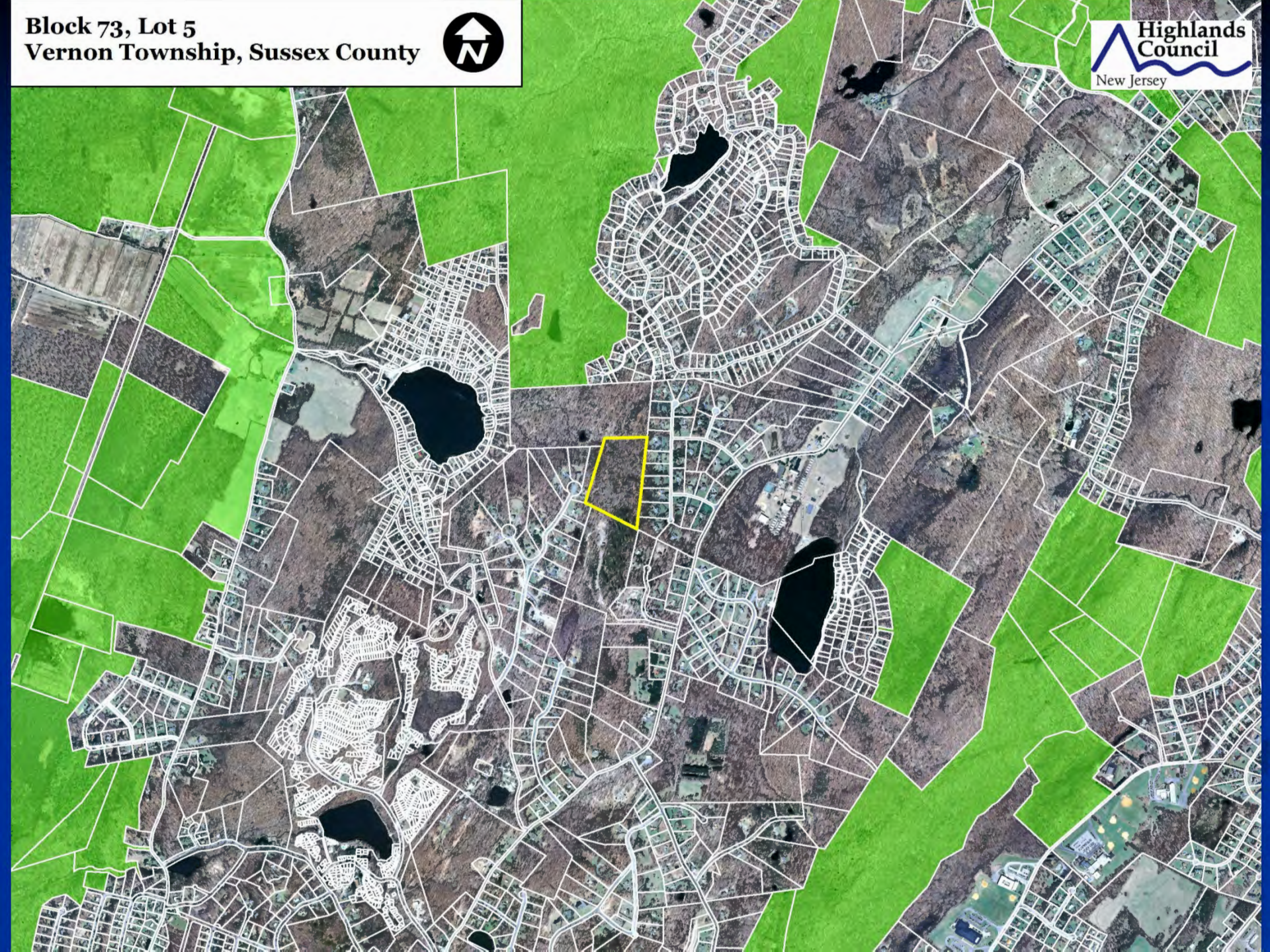




- ❖ The parcel is 17.59 acres
- ❖ The HDC Allocation of 1.75 HDCs based on residential zoning and Special Environmental Zone 25% bonus for preservation priority
- ❖ The value of the HDC allocation is \$28,000
- ❖ Owner qualified under the hardship criteria
- ❖ Conservation deed of easement will be applied (woodland management exemption)



**Block 73, Lot 5**  
**Vernon Township, Sussex County**





# Property C

## Sparta Township

Block 6.25, Lots 70.01 & 70.02  
Sparta Township, Sussex County



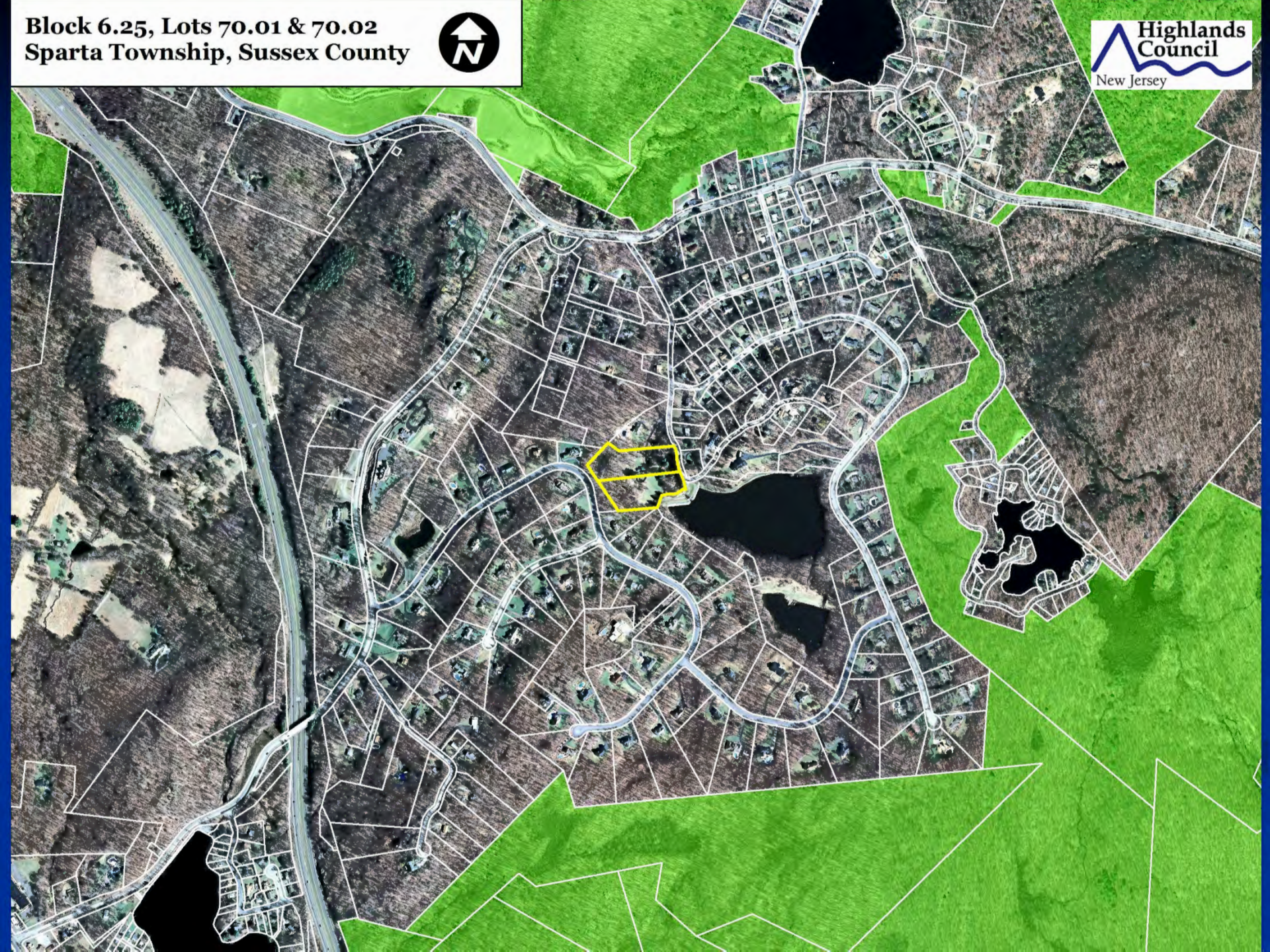




- ❖ The parcel is 5.48 acres
- ❖ The HDC Allocation of 7 HDCs based on residential zoning
- ❖ The value of the HDC allocation is \$112,000
- ❖ Owner qualified under the hardship criteria
- ❖ Conservation deed of easement will be applied (woodland management exemption)



**Block 6.25, Lots 70.01 & 70.02**  
**Sparta Township, Sussex County**





# Property D

## Rockaway Township



**Block 40801, Lot 85.01**  
**Rockaway Township, Morris County**







- ❖ The parcel is 24.73 acres
- ❖ The HDC Allocation of 27.75 HDCs based on residential zoning and Special Environmental Zone 25% bonus for preservation priority
- ❖ The value of the HDC allocation is \$444,000
- ❖ Conservation deed of easement will be applied (woodland management exemption)



**Block 40801, Lot 85.01**  
**Rockaway Township, Morris County**





# Summary of Initial Purchase Program

	<u>Number of HDCs</u>	<u>Acreage</u>	<u>HDC Amount</u>	<u>Closing Costs</u>	<u>Closed</u>
First Round (2)	87.00	108.64	\$1,392,000	\$2,500	2
Second Round (4)	54.50	80.15	\$872,000	\$10,000	2
Third Round (7)	261.75	144.25	\$4,188,000	\$5,000	3
Fourth Round (4)	100.25	159.01	\$1,604,000	\$7,500	
<u>Totals (17)</u>	<u>503.25</u>	<u>492.05 acres</u>	<u>\$8,056,000</u>	<u>\$25,000</u>	<u>7</u>

# Fifth Round of Initial Purchase Program

It is recommended that the HDC Bank approve a Fifth Round of funding with the following deadlines:

- ❑ **April 27, 2012** – deadline for submitting **HDC Allocation Application** to the Highlands Council if property owner has not already done so.
- ❑ **June 29, 2012** – deadline for submitting **HDC Certificate Application** to HDC Bank where property qualifies for Bank consideration.
- ❑ **August 2, 2012 at 4 pm** – HDC Bank meeting to review applications that qualify for Fifth Round consideration.



# Consideration of the Resolution



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