

**HIGHLANDS DEVELOPMENT CREDIT BANK  
MINUTES OF THE MEETING OF NOVEMBER 5, 2020**

**VIA TELECONFERENCE:**

ROBERT G. WALTON	)	CHAIRMAN
DALE DAVIS III	)	DIRECTOR
HEBERTON "RUSTY" FRICKE	)	DIRECTOR
SUSAN E. PAYNE	)	DIRECTOR
DIRECTOR RICHKO	)	DIRECTOR
ROBERT HOLTAWAY	)	DIRECTOR
ANDREW R. MCELROY	)	DIRECTOR
GREG ROMANO	)	DIRECTOR

**ABSENT:**

RICH NIEUWENHUIS	)	DIRECTOR
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**CALL TO ORDER**

Chairman Robert G. Walton, called the 25<sup>TH</sup> meeting of the Highlands Development Credit Bank Board of Directors to order at 4:02 p.m. by teleconference due to COVID-19.

**ROLL CALL**

Roll call was taken. Director Nieuwenhuis was absent. All other directors were present via teleconference. *The following Council staff members were present: Lisa J. Plevin, Christine LaRocca, James Humphries, Keri Green, Gabrielle Gallagher, Tom Tagliareni, Herb August, Carole Diction, Alex Hascha, and Annette Tagliareni. Also present via teleconference were Lauren Nathan-LaRusso, Senior Counsel, Governor's Authorities Unit; and Jason Kane, Deputy Attorney General (DAG).*

**OPEN PUBLIC MEETINGS ACT** was then recited.

**PLEDGE OF ALLEGIANCE** was then recited.

**CHAIRMAN'S REPORT**

Chair Walton reported that the Bank Board members will have a discussion regarding two matters:

- Rescinding an application
- Municipal average value – next steps and process

**EXECUTIVE DIRECTOR REPORT**

Ms. Plevin provided the following report:

**Highlands Development Credit (HDC) Allocation Update**

Ms. Plevin reported that to date staff reviewed 186 HDC allocation applications, resulting in 4,072 allocated HDCs, representing 8,686 acres and a total value of over \$62 million.

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**Highlands Development Credit Purchase Program Update**

Ms. Plevin also reported that the HDC Bank purchased easements on 70 properties, providing nearly \$28 million to landowners in the Highlands. The Highlands Council leveraged \$4.5 million in federal Highlands Conservation Act funds to complete those transactions. Three (3) properties have placed easement on their property and are holding the credits for future sale. In total, 2,565 acres are preserved.

**Highlands Development Credit Bank 2021 Meeting Schedule**

Lastly, Ms. Plevin reported at the October Highlands Council meeting, the Council approved the HDC Bank meeting schedule for 2021. Meeting will continue to be held at 4:00 p.m., and the following dates for 2021 are:

February 4  
May 6  
August 5  
November 4

**APPROVAL OF MEETING MINUTES FOR JUNE 28, 2019**

*Director Payne made a motion to approve the minutes and Director Davis seconded it.*

*A roll-call vote was taken and the Minutes were APPROVED 8-0.*

**Resolution – Authorization to Rescind Highlands Development Credit Purchase Offer Under the Highlands Development Credit Purchase Program, N.J.A.C. 7:70-1 et seq.**

Chairman Richko gave a brief overview of the resolution.

*Chairman Walton asked for a motion on the resolution.*

*Director Holtaway made a motion. Director Davis seconded it.*

**Director Comment**

Director Payne asked about the value of this acquisition.

Ms. LaRocca, Chief Counsel, responded that the number of Highlands Development Credits for this parcel was 4 credits, totaling \$64,000. It was noted that the property owner closed on another parcel so is aware of the process. It was also noted that the funding from this property would go back to the HDC Bank.

**Public Comment**

There was no public comment.

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*A roll-call vote was taken. The Resolution was APPROVED 8-0.*

**Municipal Average Subcommittee**

Director McElroy, Committee Chair for the Municipal Average Subcommittee, gave an overview of the subcommittee's activities over the past year. Committee Chair McElroy stated that state funding for land preservation in the Highlands requires the use of the dual appraisal methodology which compares the property value prior to the Highlands Act and its current value. The higher value is the starting point for the negotiations with the landowner. It has become more difficult to obtain that pre-Highlands value and stakeholders have suggested that the use of the municipal average could be used as an alternative method determining the values; and a municipal average can be established by the TDR Bank.

The subcommittee was formed to investigate and recommend potential options. The committee members are: Directors Davis, Fricke, and Payne. The committee met in November, 2019 and October, 2020. Council staff investigated whether the prior TDR Technical Report data could be used/updated. It was determined that the applicability of the data was too limited and new and current evaluations would need to be conducted.

The Highlands Council and SADC worked together to identify potential funding sources. When the HDC Bank was formed \$10M was appropriated for the Bank's use and of that \$1M was set aside by the Department of Treasury for debt service and bonding costs. At the request of the Highlands Council, this money was released to the Bank and is now available for use. The committee is recommending that the HDC Bank proceed with issuing a Request for Proposals (RFP). The draft RFP was provided in Director's packet. Subcommittee members will assist with the RFP selection process and the recommendation will come back to the HDC Bank for consideration.

Director Holtaway inquired about the value of the easement versus the residual value. Director Holtaway added that we should probably add in the concept of a method to determine that value also for the various municipalities, so you have data available in tabular form not only the 2004 value, but an anticipated value of the development rights.

HDC Bank Chair Walton asked if that is in the scope we currently have. Ms. Plevin thought that it would exceed the scope of the draft RFP. Director Holtaway suggested that perhaps it should be listed in the RFP as Item 1 and 2.

Director Payne suggested amending the RFP to include identification of the residual value of land after the easement is purchased.

Director Payne felt it is reasonable to do so and anyone performing the analysis would have to identify a total "before" value of the easement and the residual will be part of this analysis, so she has no objection to adding that issue to the RFP.

The Bank Directors were in agreement with the edits to the RFP.

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Ms. Plevin added that Council staff plans to issue the RFP, some of the Subcommittee members would assist in the selection process, and the recommendation would be presented to the Bank Board for approval. Ms. Plevin added that Council staff will work on some of the edits and allow some time for comment.

In conclusion, Bank Chair Walton summarized that the RFP will be revised and it will be issued upon satisfactory comment of the Subcommittee and brought back to Bank board for approval.

Chairman Walton opened the floor for public comment on any other matters.

**PUBLIC COMMENT**

There was no public comment.

*Director Holtaway made a motion to adjourn the meeting and Director Davis seconded it. The meeting adjourned at 4:29 p.m.*

**CERTIFICATION**

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

Date: 12-1-2021

Name: Annette Tagliareni  
Annette Tagliareni, Executive Assistant



<b>Vote on the Approval of Minutes</b>	<b>Motion</b>	<b>Second</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Director Davis		✓	✓			
Director Fricke			✓			
Director Nieuwenhuis					✓	
Director Payne	✓		✓			
Director Richko			✓			
Director Romano			✓			
Director Van Abs					✓	
Chairman Holtaway			✓			

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**Council approved the Highlands Development Credit Bank Minutes of November 5, 2020 at its December 3, 2020 meeting:**

<b>Vote on the Approval of The Minutes</b>	<b>Motion</b>	<b>Second</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Councilmember Alstede			√			
Councilmember Dougherty			√			
Councilmember Dressler			√			
Councilmember Francis			√			
Councilmember Holtaway		√	√			
Councilmember James			√			
Councilmember Sebetich						√
Councilmember Van Abs			√			
Councilmember Visioli			√			
Councilmember Vohden			√			
Councilmember Walton	√		√			
Chairman Richko			√			