

Pine Barrens Credit Clearinghouse

James T.B. Tripp, Esq., Chairman
Andrew P. Freleng, AICP, Vice Chairman
Richard W. Hanley, Member
Mitchell H. Pally, Esq., Member
Robert Anrig, Member

Pine Barrens Credit Clearinghouse Board of Advisors Meeting Summary For February 9, 2011, 9:00 am (Final-Approved 4/8/11) Commission Office, Great River, New York

Present: Board members: Mr. Jim Tripp (representing the Town of Brookhaven); Mr. Andrew Freleng (representing the County of Suffolk); Mr. Mitch Pally (representing the State of New York), Mr. Robert Anrig (representing the Town of Southampton), Mr. Rick Hanley (representing the Town of Riverhead) also in attendance were, Mr. John Pavacic, Ms. Judy Jakobsen, Ms Julie Hargrave, Mr. Jerry Tverdy and Mr. John Milazzo (from the Commission).

Administrative

The meeting began approximately at 9:15 am.

Minutes

The motion was made by Mr. Freleng and seconded by Mr. Anrig to approve the minutes from the December 8, 2010 Clearinghouse Board Meeting, that was unanimously passed.

Public Comment

In attendance were Ms. Donna Ferrara Gregory and Mr. Bob Gregory owners of five Pine Barrens Credits that were received in March of 2009. The Gregory's have been unsuccessful in locating a buyer for their credits. The Gregory's were approached by the owners of the American Physical Society (APS) to purchase their credits, but when the APS owners discovered they were PBCs they decided not to purchase the credits. Ms. Gregory stated she was informed by the owners of APS, a project that requires 3.29 waste water credits, that due to a Commission decision the project can not use PBCs for density requirements for this project which is located in the Core Preservation area.

Mr. Milazzo explained that the Transfer Development Rights program policy does not allow Pine Barrens Credits to satisfy increases in density for projects that are located within the Core Preservation area and the purpose of the Pine Barrens Credit program is to transfer development rights from outside of the Core to the Compatible Growth Area (CGA) and beyond. Ms. Hargrave furthered that the Town of Southampton zoning code restricts Pine Barren Credits from landing in the Core.

The Gregory's main concern is about finding buyers for their credits and this additional restriction may further limit the pool of buyers. Mr. Tripp acknowledged the Gregory's concerns and stated that they will be taken under advisement.

Mr. Amper, representing the Pine Barrens Society, mentioned that the situation the Gregory's are in illustrates the development community's misconception that there is a limited amount of

Pine Barrens Credits available to purchase for their projects that require Pine Barren Credits. He stated there is a need to connect developers that need to purchase PBCs for their projects with owners of PBCs that wish to sell their Credits. Mr. Pally mentioned due to his law firm's involvement with APS he is recusing himself from this discussion.

County Treasurer's Report

The Treasurer's report was distributed, but it was not reviewed.

Program Overview: Overall Program Report and Statistics

Not reviewed

Mandatory Redemption of Pine Barrens Credits - Update on Town of Brookhaven Initiatives

Mr. Amper, representing the Pine Barrens Society, mentioned the Town Supervisors have indicated their support of the mandatory redemption requirement at a 15 percent rate. The final vote on the resolution to approve the mandatory redemption requirement will be scheduled at the next Commission meeting on February 16, 2011.

Mr. Tripp spoke about the status of the mandatory redemption requirement as it relates to the Towns of Brookhaven, Southampton and Riverhead and their individual zoning codes. A discussion ensued regarding alternative options to the mandatory credit redemption requirement in Southampton and Riverhead Towns, provisions for holding a reverse auction in the Town of Brookhaven and the opportunity for holding reverse auctions in Riverhead and Southampton Towns.

Mr. Tripp reiterated his statement from the previous meeting that the Carmans River Watershed Protection Plan will also affect the proposed changes to the multifamily (MF) zoning code in Brookhaven. The plan has the potential of expanding the Core Preservation Area and increasing the amount of Pine Barrens Credits available. Additional items discussed included, how the Plan's SEQRA analysis will need to analyze its effect on Credit ratios, the possibility of Brookhaven Town creating its own TDR program, and that implementing changes to the MF code will allow for the increased absorption of PBCs.

Mr Pavacic stated that the proposed Carmans River Protection Plan will require Brookhaven to change its zoning code and the New York State Legislature would need to amend ECL Article 57 to allow for changes to the Core boundary proposed in the Protection Plan. He stated the Commission would need to amend its own land use plan as well. It was further discussed how proposed changes in zone in the three Towns will allow for increased absorption of PBCs. In addition, holding a reverse auction in Brookhaven Town will provide an inventory of Credits to be held by the Clearinghouse. Mr. Amper expressed his concern that the reverse auction should not only be held in the Town of Brookhaven but that it should be extended to include Riverhead and Southampton Towns at the same time.

Additional points made include, the holding of a reverse auction in the Town of Riverhead and Southampton may be contingent on the acceptance of a mandatory credit redemption requirement by each of those Towns and the amount of funds the Clearinghouse will use is about one third of its resources. Moving forward with a reverse auction in Brookhaven depends on the assumption that the mandatory credit redemption requirement will be approved by the Commission and the completion of the Carmans River Watershed Protection Plan. There are

additional issues that need to be explored in Riverhead and Southampton prior to holding reverse auctions for those Towns.

The motion was made by Mr. Tripp and seconded by Mr. Anrig that the Clearinghouse would move forward with a reverse auction in Southampton and Rivehead Towns if these Towns implement a mandatory credit redemption requirement. The motion was unanimously passed.

There was discussion on the County's affordable housing program and the use of non-PBC credits for workforce housing. It was mentioned that there is new proposed PDD legislation in the Town of Southampton that mentions PBC requirements. Mr. Pavacic mentioned the Carmans River Study Group will present its final recommendations to the Town Board today and next week at the Town Board meeting a public hearing date will be set.

Mr. Pavacic stated that a draft letter to Credit holders (attached) informing them about the upcoming reverse auction is available for review and comment. He mentioned the content of the letter included information regarding the current status of the credit market and provisions that are being proposed to increase the use of PBCs. Futher discussion ensued regarding a second letter to owners of Core Area parcels informing them about the Pine Barrens Credit program and how they can apply for Letters of Interpretation. Mr. Tripp asked that any comments regarding the letter to Core property owners be provided to Mr. Pavacic and Mr. Milazzo by the end of this week.

Ms. Longo mentioned she is receiving inquiries from Pine Barrens Credit holders interested in selling their property in connection with their PBCs to the County for relief of the tax burdern associated with these parcels. Mr. Tripp stated that this is a difficult issue to address at this time due to constrained funding resources at the State level.

Mr. Freleng mentioned that the Health Department has been providing the Planning Department advanced notice of recommendations they are making for changes to the Suffolk County Comprehensive Water Resources Plan, which is posted on line. One recommendation proposes to change the amount of discharge allowed in shallow recharge areas from 600 gallon to 300 gallon per day. It was discussed that Commission staff and Mr. Freleng would be meeting with SCDHS to discuss the Draft Comprehensive Water Resources Plan and whether there are any implications for the Credit Program.

Mr. Hanley stated that the Town of Riverhead is currently designing a Planned Development District (PDD) located outside of the Compatible Growth area and the 15% mandatory redemption requirement would not apply. A discussion ensued regarding the claim on the part of the development community that purchasing PBCs is cost prohibitive for their projects as compared to other TDR programs. Additional points discussed included, if it is plausible for the Clearinghouse to charge fees for transactions, the implications that the Clearinghouse is acting as a broker for PBCs and the creation of a brochure describing the Pine Barrens Credit Program.

The next Clearinghouse meeting is scheduled for April 6, 2011.

The meeting was adjourned.

Attachments:

1. Sign in sheet
2. Meeting minutes of December 8, 2010
3. Credit program financial report for December 2010 – January 2011
4. Handout: Pine Barrens Credits as of January 1, 2011
5. Opportunity To Sell PBCs letter
6. Transmittal Form to be included with letter

Pine Barrens Credit Clearinghouse

James T.B. Tripp, Esq., Chairman
Andrew P. Freleng, Vice Chairman
Richard W. Hanley, Member
Mitchell H. Pally, Esq., Member
Robert Anrig, Member

Pine Barrens Credit Clearinghouse Board of Advisors Meeting Summary For April 8, 2011 9:00 am (Approved 6/28/2011) Commission Office, Great River, New York

Present: Board members: Mr. Jim Tripp (representing the Town of Brookhaven); Mr. Andrew Freleng (representing the County of Suffolk); Mr. Mitch Pally (representing the State of New York), Mr. Robert Anrig (representing the Town of Southampton), Mr. Rick Hanley (representing the Town of Riverhead) also in attendance were, Mr. Bill Spitz (NYSDEC) and Ms. Janet Longo (SC Real Property Acquisition and Management), Mr. Jim Meyers (SCDHS) and Ms. Judy Jakobsen, Ms Julie Hargrave, Mr. Jerry Tverdy, Mr. John Milazzo (from the Commission).

Administrative

The meeting began approximately at 9:10 am.

Minutes

The motion was made by Mr. Freleng and seconded by Mr. Anrig to approve the minutes from the February 9, 2011 Clearinghouse Board Meeting, that was unanimously passed.

County Treasurer's Report

The Pine Barrens Credit Program's financial reports were distributed for the months of January-March 2011. The ending balance as of March 1, 2011 was \$3,385,136.42 and interest earned was \$4,170.02.

Program Overview: Overall Program Report and Statistics

Mr. Tverdy reviewed the handout that contained a summary table entitled "Easement Protected Lands and Pine Barrens Credits As of January 1, 2011" and noted the increases in parcels and acreage from January 1, 2010. He mentioned that there were 37 additional easement protected parcels, an increase of 53 acres resulting in 12 more Credits, 14 Credits were redeemed and 54 Credits were sold between the three Towns. Mr. Tverdy mentioned that there has not been much activity this year, and he stated that currently there are 4 parcels in Riverhead Town and 3 parcels in Southampton Town, totaling 7 parcels pending Conservation Easements. He furthered, no new parcels have been acquired and only 1.43 Credits have been redeemed in the Town of Brookhaven.

Mandatory Redemption of Pine Barrens Credits and Comprehensive Plan Amendments/status and discussion

Mr. Milazzo mentioned a hearing on the proposed amendments to Chapters 5 and 6 that took place at the March 23rd Commission meeting. He summarized previous adopted Commission resolutions and the methodology involved in Credit allocation. There were no comments regarding this section.

The portion of the hearing that was dedicated to Chapter 5 included a discussion on the proposed amendment to implement a policy and add standards to the Pine Barrens Comprehensive Land Use Plan, which would require the mandatory redemptions of Pine Barrens Credits for any projects that result in an increase in flow intensity or density. The amendment includes the formula the Towns would use to determine how many Credits are needed for a project to satisfy a 15% Credit redemption requirement.

At the hearing comments were heard including, the Carmans River Plan will increase the amount of Credits in circulation, the Long Island Builders Institute (LIBI) would support the 15% mandatory redemption, but in the CGA it should be viewed as a community benefit. There were also comments about the value of Credits. Mr. Hanley arrived at the meeting at 9:25 am.

The Town's of Riverhead and Southampton are still considering the mandatory redemption requirements. Other points discussed included, the mandatory redemption proposal that does not consider additional sanitary systems used on projects, possible changes to the health department conversion charts, and possibly adding to the proposed mandatory redemption requirements a reference date to specify which conversion charts should be used. Mr. Meyers, representing (SCDHS), stated that he does not anticipate changes in the current health department conversion charts and nitrogen load values.

Mr. Milazzo stated that the Town of Southampton submitted comments regarding the Chapter 5 proposed Amendments and they expressed concerns regarding the amount of Credits available in Southampton and the actual number of receiving sites. Other comments expressed concern that there may be the possible loss of public benefits on projects including, Planned Development Districts (PPDs) if Credit redemption is mandatory. A discussion ensued regarding the definition of community benefits and the original intent of the Pine Barrens Credit program.

Mr. Hanley stated that the Town of Riverhead is willing to support the requirement for its existing receiving areas.

The motion was made by Mr. Tripp and seconded by Mr. Pally to send a letter to the Commission regarding the Plan Amendments, the mandatory redemption requirement and some of the Towns and LIBI's concerns. The motion was unanimously passed.

Letter to parcel owners not in PBC program

Ms. Jakobsen stated that the letter inviting Core owners to participate in the Pine Barrens Credit program has not been sent because it needed to be revised and there were concerns about sending it at the same time as the Reverse Auction letter. She stated it will be sent out by the end of April.

Conservation Easements – resolution to redefine “passive recreation”

Mr. Milazzo discussed the proposed recommendation to the Commission that would redefine the words “passive recreation” in conservation easements. The purpose would be to eliminate ATV use on conservation easement parcels and a discussion ensued regarding specific language that should be applied.

The decision was made that Mr. Milazzo will write new language for the Clearinghouse Board to review before the recommendation is presented to the Commission.

The next Clearinghouse meeting is scheduled for May 13, 2011.

The motion was made by Mr. Pally and seconded by Mr. Anrig to go into executive session, after which no further business is conducted.

Executive Session

Attachments:

1. Sign in sheet
2. Meeting minutes of February 9, 2011
3. Credit program financial report for December 2010 – January 2011 and January 2011 – March 2011
4. Handout: Pine Barrens Credits as of January 1, 2011 and as of April 1, 2011
5. Reverse Auction letter

Pine Barrens Credit Clearinghouse

James T.B. Tripp, Esq., Chairman
Andrew P. Freleng, Vice Chairman
Richard W. Hanley, Member
Mitchell H. Pally, Esq., Member
Robert Anrig, Member

Pine Barrens Credit Clearinghouse Board of Advisors Meeting Summary (Final - approved 7/26/2011) For June 28, 2011 9:00 am Commission Office, Great River, New York

Present: Board members: Mr. James Tripp (representing the Town of Brookhaven); Mr. Andrew Freleng (representing the County of Suffolk); Mr. Mitch Pally (representing the State of New York), Mr. Robert Anrig (representing the Town of Southampton), Mr. Rick Hanley (representing the Town of Riverhead) also in attendance were, Mr. Bill Spitz (NYSDEC), and Mr. John Pavacic, Ms. Judy Jakobsen, Mr. Jerry Tverdyy, Mr. John Milazzo (from the Commission).

Administrative

The meeting began approximately at 9:10 am.

Minutes

The motion was made by Mr. Freleng and seconded by Mr. Pally to approve the minutes from the April 8, 2011 Clearinghouse Board Meeting, that was unanimously passed.

County Treasurer's Report

The Pine Barrens Credit Program's financial reports were distributed for the months of April-May 2011. The ending balance as of May 31, 2011 was \$3,387,371.89 and interest earned was \$2,235.47.

Program Overview: Overall Program Report and Statistics

Mr. Tverdyy reviewed a summary table entitled "Easement Protected Lands and Pine Barrens Credits As of June 28, 2011" and noted the increase in the number of parcels and acreage protected since January 1, 2011. He mentioned that there were 9 additional easement protected parcels, with an increase of 4.01 acres that results in 3.13 more Credits generated. He further noted that there were 6.57 Credits redeemed and 4.96 Credits sold between the three Towns. Mr. Tverdyy confirmed that the number of Credits sold was comprised of fractional Credits.

Title Policy Requirements

Mr. Milazzo stated that Mr. Eagan has participated in the Credit program for many years and through his lawyer Mr. Mark Antos, Esq. has expressed some concerns related to the current title policy requirement. Mr. Milazzo explained that the Commission made a decision to refer this matter to the Credit Clearinghouse Board for their consideration and recommendation.

Mr. Milazzo explained the rationale behind the Commission's decision to require title insurance for the parcels with conservation easements. According to the New York State Insurance Department, policies cannot be written for less than \$35,000 and due to the

Commission's title policy requirement, parcels that are allocated less than a Credit would be over insured since it currently requires the owner to purchase a policy for each parcel which would insure the parcel for more than the value of the fractional Credit allocated to that parcel.

Mr. Milazzo mentioned that current Credit holders tend to purchase parcels for the purpose of participating in the Credit program and the issues of overlapping ownership are occurring less often. He suggested that the current title policy requirement could be adjusted to allow up to 3 parcels at .10 PBC each that are under the same ownership to be covered by one title policy. Bundling the parcels under one policy premium would allow 3 parcels to be insured for \$400, instead of 3 separate premiums with an associated cost of about \$1,200.

A discussion ensued concerning whether lower title insurance premiums would affect a parcel's sale price and whether the Commission would receive better market value if the parcels are under one policy in the case of a settlement. It was mentioned that typically the Commission avoids title issues on easement protected parcels at the title search stage of the Credit application process and it was also noted that the Commission did not create the title policy premium issues. The Clearinghouse concluded that it would recommend to the Commission that the last 8 words of the language in the second paragraph of the current Commission's Title Policy be eliminated.

Mr. Eagan expressed additional concerns with the fact that the owner versus the Commission has to purchase the title policy to which Mr. Pally suggested that Mr. Eagan should address his concerns to the Commission at their next meeting.

The motion was made by Mr. Pally and seconded by Mr. Freleng to recommend to the Commission that they amend the current Commission Title Policy by eliminating the last eight words of the second paragraph. The motion was unanimously passed.

Mandatory Redemption of Pine Barrens Credits and Comprehensive Plan Amendments/status and discussion

Mr. Pavacic mentioned that the Commission's staff met with the Town Board members from Riverhead and Southampton to discuss their concerns related to the Plan Amendments, in particular the mandatory credit redemption requirement. Commission staff has also met with Brookhaven Town's Planning Department staff that discussed their desire for the Commission to change the allocation formula for commercial properties so it is based on the minimum lot size allowed under Town zoning instead of the current allocation formula that allocates 1 PBC per acre.

Mr. Pavacic further discussed that the staff is currently preparing a document that will compile both the written and verbal comments received on the Amendments along with staff responses to these comments. A copy of this draft document will be provided to the Commission members prior to their July 20th meeting.

Mr. Pavacic stated that most of Riverhead Town's concerns related to EPCAL and whether they will be required to redeem Pine Barrens Credits from the other Towns, once they have retired all of their available Credits in Riverhead. Mr. Freleng mentioned that the County supports the mandatory credit redemption requirement. A discussion ensued concerning

whether there could be a possible sunset provision for Riverhead's Credit Program if the Town was able to redeem all of their Credits.

Carman River Watershed Protection Plan - Status

Mr. Pavacic mentioned that the New York State Legislature has passed the Amendment to the NYS ECL Article 57 that expands the Core Preservation area to ensure the protection of the Carmans River Watershed. The Amendment includes a provision that imposes a timeframe for the completion of specific milestones that must be completed by Brookhaven Town and the Commission otherwise the amendment to expand the Core will sunset. Brookhaven Town will need to finalize the Carmans River Watershed Protection Plan including its SEQRA review and amend its zoning code and the Commission will need to amend its Comprehensive Land Use Plan (CLUP) to incorporate the Carmans River Watershed Plan's provisions. In addition, the Commission is required to undertake a study of agriculture and horticulture within the Core and CGA in the Carmans River area.

The goal is to have a final Carmans River Watershed Protection Plan and Environmental Impact Statement for adoption by September. The amendment to expand the Core has not yet been signed into law by the Governor; therefore all time frames related to the completion of the required provisions will not start until it is signed.

Additional points discussed included, a sunset provision to the Core expansion amendment if legislated time frames are not met, the Amendment to Article 57 does not include a mandatory redemption requirement, however this would be included in the amendments to the Comprehensive Land Use Plan (CLUP), and receiving areas will need to be established for the new Credits to be generated from the expanded Core.

Letter to Brookhaven Core Area private landowners not in the PBC Program

Mr. Tverdy explained that over a thousand letters were sent out from the Clearinghouse to the Brookhaven Town Core private property owners inviting them to participate in the Credit Program. Approximately 28 Letters of Interpretation (LOI) applications were received and about half of those were eligible to receive Credits which could generate a total of 3 new Credits.

The next Clearinghouse meeting is scheduled for Tuesday, July 26, 2011 at 9:15.

The motion was made by Mr. Anrig and seconded by Mr. Freleng to go into executive session to discuss the Brookhaven Reverse Auction results, after which no further business would be conducted.

Executive Session

Meeting ended approximately 11:30 am.

Attachments:

1. Sign in sheet
2. Meeting minutes of February 9, 2011
3. Credit program financial report for April-May 2011
4. Pine Barrens Credit Program Summary as of June 28, 2011

Pine Barrens Credit Clearinghouse

James T.B. Tripp, Esq., Chairman
Andrew P. Freleng, Vice Chairman
Richard W. Hanley, Member
Mitchell H. Pally, Esq., Member
Robert Anrig, Member

Pine Barrens Credit Clearinghouse Board of Advisors Meeting Summary (Final-Approved 8/26/11) For July 26, 2011 9:15 am Commission Office, Great River, New York

Present: Board members: Mr. James Tripp (representing the Town of Brookhaven via conference call); Mr. Andrew Freleng (representing the County of Suffolk); Mr. Mitch Pally (representing the State of New York), Mr. Robert Anrig (representing the Town of Southampton), Mr. Rick Hanley (representing the Town of Riverhead) also in attendance were, Mr. Bill Spitz (NYSDEC), and Mr. John Pavacic, Ms. Judy Jakobsen, Mr. Jerry Tverdy, Mr. John Milazzo (from the Commission).

Administrative

The meeting began approximately at 9:25 am without a quorum present.

Public Comment

Mr. Nicolazzi voiced his concerns with the Clearinghouse Board's reverse auction offer to purchase Credits from Credit owners in the Town of Brookhaven. He was concerned how this may affect the Credit program and Credit market since the Credit Clearinghouse is supposed to be the purchaser of last resort. Mr. Freleng reviewed the reverse auction process. He stated that the purpose of today's meeting was for the Board to approve the contracts received from Credit owners who want to sell their Credits to the Clearinghouse as a result of the reverse auction. Mr. Nicolazzi stated his desire to purchase Credits directly from the individuals involved in the reverse auction. There was a discussion on when does the list of people that responded to the auction become public information. Mr. Milazzo mentioned that according to the Open Meetings Law, if an agency is negotiating an asset, it is not public information. The Board can refrain from releasing the information until the transactions are consummated. A general discussion occurred on the terms of the reverse auction and how the wording in the offer stated that it was not binding and therefore the Clearinghouse was not obligated to buy Credits. Potential issues with making the list of sellers public, and at what price to resell Credits was also discussed. Mr. Pavacic stated that the offer letters sent from the Clearinghouse were very detailed to make sure that the potential sellers understood the process and intent of the Clearinghouse. The sellers would not be aware upfront that the Clearinghouse may be entertaining another scenario now that might of affected the price they would have offered to sell their Credits to the Clearinghouse.

Mr. Hanley arrived at 9:45 am and a quorum was now present.

Minutes

The motion was made by Mr. Freleng and seconded by Mr. Pally to approve the minutes from the June 28, 2011 Clearinghouse Board Meeting, which was passed by a 4:0 vote.

County Treasurer's Report

Mr. Tverdy discussed the Pine Barrens Credit Program's financial report for June 2011. The ending balance as of June 30, 2011 was approximately \$3,388,000 with \$835 in interest earned.

Proposed Amendments for Ch 5 and 6 related to the mandatory redemption of credits and non-residential allocation formula

Mr. Pavacic provided an update on the Commission's Plan amendments proposed for Ch 5 and 6. He mentioned that a draft response document has been provided to the Commission that contains all verbal and written comments received on the proposed Plan amendments from the public hearing process and separate meetings held with the individual Towns. The earliest the Commission could take action on the proposed amendments would be at their September meeting since they are not having a meeting in August. It was noted by Mr. Pavacic that the Commission must provide 30 day prior notice in a newspaper as per NYSECL 57 to notify the public of its intent to vote on the Plan amendments. Mr. Pavacic stated he hopes to get input between now and the September meeting as to what direction the Commission wants to take with regard to the Plan amendments. Mr. Freleng stated that the Clearinghouse Board would like to receive a copy of the draft response document. He discussed the response to the Town of Southampton's comment on RADs which was in the response document that stated the 15% mandatory credit redemption requirement would not apply to as of right receiving areas. It was discussed that the as of right receiving areas require a higher redemption rate than what is required by the mandatory redemption program, therefore, the mandatory requirement will not apply to these areas to avoid undercutting the current program.

Carman River Watershed Protection Plan - Status

Mr. Pavacic mentioned that the New York State Legislature has passed the amendment to NYS ECL Article 57 that expands the Core Preservation area to ensure the protection of the Carmans River Watershed. The amendment legislation is waiting to be signed into law by the Governor. The amendment includes a provision that imposes a timeframe for the completion of specific milestones by Brookhaven Town and the Commission otherwise the amendment to expand the Core will sunset. Brookhaven Town will need to finalize the Carmans River Watershed Protection Plan including its SEQRA review and amend its zoning code and the Commission will need to amend its Comprehensive Land Use Plan (CLUP) to incorporate the Carmans River Watershed Plan's provisions.

The goal is to have a final Carmans River Watershed Protection Plan and Environmental Impact Statement for adoption by September. Since the amendment to expand the Core has not yet been signed into law by the Governor, the legislated time frames for completion of this process have not yet started.

Mr. Pavacic mentioned new receiving areas will need to be identified to absorb the Credits that will come from parcels in the expanded Core area. The legislature is also requiring a metes and bounds description of the expanded Core area which currently has parcels in the expanded Core area identified by Suffolk County Tax Map number. It was discussed whether this would require a full survey since the original Core boundary was not done that way, but rather by roads, markers and parcel tax map numbers. Mr. Pavacic discussed that it was not the intent of

the NYS legislature to require a full survey with a hired surveyor, however some cost estimates are being obtained to perform this type of survey to satisfy the legislature.

Title Policy Requirements

Mr. Milazzo mentioned that the Commission at its last meeting passed a resolution to accept the Clearinghouse Board's recommendation to amend the current Commission Title Policy by eliminating the last eight words of the second paragraph.

Reverse Auction

The results of the reverse auction were discussed along with the need for the Clearinghouse Board to authorize the purchase of Credits as per contracts tendered. Mr. Nicolazzi inquired if he withdrew his offers to sell credits, would the Clearinghouse then purchase additional credits from other sellers on the list. It was then discussed how to proceed with the purchase of Credits now that some of the sellers have withdrawn their offer, whether to move up the list of sellers and send contracts out to selected sellers to purchase up to \$1 million worth of Credits or should the list be put on the Commission's web site and made public for potential buyers other than the Clearinghouse. It was discussed that when government wants to make such a purchase that it does not need make it public and that the Clearinghouse Board is allowed to discuss such matters in closed session to avoid being undercut by another buyer. It was noted however, the policy issue on how to select the additional Credits to purchase could be made in public session. A discussion ensued on how to select additional Credits to purchase by moving up the list until the \$1 million purchase limit is reached.

The motion was made by Mr. Pally and seconded by Mr. Hanley to move into executive session which was passed by a 4:0 vote. Mr. Tripp did not participate in the executive session.

The Board went into executive session at 10:10 am and returned to public session at 10:30 am.

The motion was made by Mr. Pally and seconded by Mr. Hanley to authorize Mr. Freleng to approve and sign on behalf of the Clearinghouse Board the contracts submitted to the Clearinghouse in response to the reverse auction. The motion was approved by a 4:0 vote.

The next Clearinghouse Board meeting is tentatively scheduled for August 26, 2011 at 9:15 am to accept any new contracts related to the reverse auction and a regular meeting was scheduled for September 30, 2011.

It was noted that the Clearinghouse Board will still be spending up to \$1 million to purchase Credits from the Credit sellers participating in the reverse auction.

The meeting ended at 10:40 am.

Attachments:

1. Sign in sheet
2. Meeting minutes of June 28, 2011
3. Credit program financial report for May-June 2011

Pine Barrens Credit Clearinghouse

James T.B. Tripp, Esq., Chairman
Andrew P. Freleng, Vice Chairman
Richard W. Hanley, Member
Mitchell H. Pally, Esq., Member
Robert Anrig, Member

Pine Barrens Credit Clearinghouse Board of Advisors Meeting Summary (FINAL- approved 10/20/2011) For August 26, 2011 9:15 am Commission Office, Great River, New York

Present: Board members: Mr. James Tripp (representing the Town of Brookhaven); Mr. Andrew Freleng (representing the County of Suffolk), Mr. Robert Anrig (representing the Town of Southampton), Mr. Rick Hanley (representing the Town of Riverhead) also in attendance were Mr. John Pavacic, Mr. Jerry Tverdy and Mr. John Milazzo (from the Commission).

Administrative

The meeting began approximately at 9:25 am without a quorum present.

Public Comment

No public comments were made.

Mr. Hanley arrived at 9:35 am and a quorum was now present.

County Treasurer's Report

Mr. Tverdy discussed the Pine Barrens Credit Program's financial report. The ending balance as of July 30, 2011 was \$3,389,014.73 with July's interest of \$807.60. Disbursements for Credit purchases in August amounted to \$400,000 for approximately - 5 Credits. Mr. Tverdy stated that there is one outstanding purchase agreement that needs to be signed for the Clearinghouse to buy 5 additional Credits.

Mr. Freleng mentioned the Credit amounts that are proposed to be retired for the Sandy Hills and the Meadows at Yaphank projects. Additional points discussed included:

- The Town Board's concern with public benefits.
- The average amount of Credits per acre for the Sandy Hills and the Meadows at Yaphank projects.
- The Sandy Hills project litigation.
- The AVR property owners own a substantial amount of Credits to retire.
- The amount of Credits the Meadows at Yaphank project would need to retire under the proposed 15 percent mandatory credit redemption requirement.

The motion was made by Mr. Anrig and seconded by Mr. Freleng to authorize a letter to be sent to the Commission that recommends the Meadows at Yaphank project should retire at least the amount of Credits which would be required under the proposed mandatory credit redemption rate of 15%. The motion was passed by a 4-0 vote.

Copies of the letter will also be sent to the individual Town Supervisors, the Brookhaven Town Board and the Planning Commission.

Mr. Freleng stated that Islip Town is accepting 2.88 Pine Barren Credits - for the Planet Fitness project.

Carmans River Watershed Protection Plan - Status

Mr. Pavacic mentioned that the Commission staff has met several times with the Brookhaven Town Board, the Town Planning Department and Supervisor Lesko to discuss the legislation for the Carmans River Watershed Protection Plan. The Town Board members expressed their concerns regarding the impact of the legislation on private property holders. Additional points discussed included:

- In the legislation to amend Article 57 a number of parcels are missing. Other issues include tax parcels that were previously retired, overlapping parcels and parcels that no longer exist.
- Both Town and Commission staff are working on what should be the correct assemblage of Carmans River Core Area parcels.
- Adding parcels to the legislation in order to create a contiguous Core boundary area.
- Identifying the correct parcels to include in the legislation using aerial surveys, comparing data bases and performing windshields surveys.
- The final draft version of the map will allow staff to review parcels that need further evaluation for complete or partial inclusion in or exclusion from the Core Preservation Area.
- After the final map is drawn of the new Core Boundary area a committee comprised of Town, Commission and others will review the amount of Credits that will be generated from the area to determine new receiving sites.
- The Town needs to analyze potential industrial and commercial receiving sites for multifamily zoning use.
- Receiving sites may be located outside of the CGA.
- With the Core Area expansion, the existing number of receiving sites within the Carmans River Watershed may be reduced.

The suggestion was made that the Board should draft a letter to the Commission indicating the Clearinghouse's experience with as-of-right and non as-of-right Credits and where they have been used. The letter should suggest that the Towns require Pine Barrens Credits to be retired for as-of-right projects and the importance of maintaining a one to one sending to receiving ratio.

Brookhaven Town Reverse Auction for Credit Certificate Holders

Mr. Tverdy explained that there is one contract for the Clearinghouse to sign authorizing the purchase of Credits from Mr. Robert Toussie. He further explained that the Clearinghouse's reverse auction resulted in the purchase of Credits from five Brookhaven Credit owners and he distributed a handout that included their names.

Mr. Milazzo advised the Board to authorize the Chair to sign the contract to buy 5.05 Credits from Mr. Toussie at a price of \$94,000 per credit for a total of \$474,700 and he explained that this action will close the reverse auction.

The motion was made by Mr. Anrig and seconded by Mr. Freleng for the Clearinghouse to authorize the Chair to sign the contract to purchase 5.05 Credits from Mr. Robert Toussie, which was passed by a 4-0 vote.

The motion was made by Mr. Anrig and seconded by Mr. Hanley to authorize Mr. Freleng to sign all documents, including Credit conveyances, in relation to the Reverse Auction, which was passed by a 4-0 vote.

Mr. Milazzo explained that the Clearinghouse Reverse Auction resulted in using approximately \$900,000 of Clearinghouse funds used to purchase 10.19 Credits and additional points discussed included:

- Establishing a policy for selling the Credits the PBC Clearinghouse owns and whether this may include a profit to the Clearinghouse to enable the purchase of additional Credits.
- The merits of holding an auction to sell the Credits.
- The possibility that the Clearinghouse may buy Credits that it previously purchased during the reverse auction.
- Selling the Credits to developers that will use the Credits for their projects.

Minutes

The motion was made by Mr. Freleng and seconded by Mr. Anrig to approve the minutes from the July 26, 2011 Clearinghouse Board Meeting, which was passed by a 4:0 vote.

The next Clearinghouse Board meeting is scheduled for September 30, 2011 at 9:15 am
The meeting ended at 11:00 am.

The motion was made by Mr. Hanley and seconded by Mr. Freleng to adjourn the meeting, which was passed by a 4:0 vote

Attachments:

1. Sign in sheet
2. Meeting minutes of July 26, 2011
3. Credit program financial report for July 2011

Pine Barrens Credit Clearinghouse

James T.B. Tripp, Esq., Chairman
Andrew P. Freleng, Vice Chairman
Richard W. Hanley, Member
Mitchell H. Pally, Esq., Member
Robert Anrig, Member

Pine Barrens Credit Clearinghouse Board of Advisors Meeting Summary (Final- Approved 8/21/12) For October 20, 2011 9:15 am Commission Office, Great River, New York

Present: Board members: Mr. James Tripp (representing the Town of Brookhaven); Mr. Andrew Freleng (representing the County of Suffolk), Mr. Robert Anrig (representing the Town of Southampton), Mr. Rick Hanley (representing the Town of Riverhead), Mr. Mitch Pally (representing New York State) also in attendance were Mr. John Pavacic, Ms. Judy Jakobsen, Mr. Jerry Tverdy, Ms. Carol Ostrowski and Mr. John Milazzo (from the Commission).

Administrative

The meeting began approximately at 9:40 am with a quorum present. Members discussed sending the attached letter, dated October 25, 2011 to the Brookhaven Town Board advising them of the Clearinghouse position regarding the proposed Carmans River Watershed Protection and Management Plan as it relates to the Pine Barrens Credit Program and the transfer of development rights.

The motion was made by Mr. Pally and seconded by Mr. Freleng to send a letter to the Brookhaven Town Supervisor and the Town Board that pertains to the Carmans River Watershed Protection and Management Plan as it relates to the Pine Barrens Credit Program. The motion was unanimously approved.

Public Comment

No public comments were made.

Minutes

Mr. Freleng noted two minor changes to the August 26th Clearinghouse minutes.

The motion was made by Mr. Freleng and seconded by Mr. Pally to approve the minutes from the August 26, 2011 Clearinghouse Board Meeting as amended, which was passed by a 5:0 vote.

Financial Report and the Program Overview

The attached financial and program overview reports were distributed and reviewed by the members without discussion. The financial report ending balance as of September 30, 2011 was \$2,519,327.07, interest earned was \$722.47 and disbursements - \$474,700.00.

Carmans River Watershed Protection Plan - Status

Mr. Pavacic stated that the SEQRA materials pertaining to the Carmans River Watershed Protection Plan are being compiled and should be ready by November 10th. Additional points discussed included:

- The Town is reviewing additional receiving sites.
- Commission staff is working with Town staff revising the Core boundaries and preliminary results are available.
- A final meeting with the Town will be held in a couple of weeks.
- Outer boundaries of the expanded Core will be revised to include developed residential areas that are exempt from restrictions under Article 57.
- There are about 700 new Credits in the expanded Core Preservation Area and about 200 receiving areas that have been identified.
- November 10th is the decision deadline for identifying receiving sites.
- The use of industrial and commercial receiving sites, in lieu of residential sites, to meet the one to one ratio standard of sending to receiving areas.

A discussion ensued regarding the Carmans River Watershed Protection Plan, the Brookhaven Town Multi Family code change and how increasing the number of receiving sites affects the Pine Barrens Credit Program. A further discussion was held about adding more information to the Program Overview report including the number of additional Credits available from privately owned Core parcels that are not protected by Conservation Easements.

Pine Barrens Commission Report and CLUP Amendments Work Session (9/27/11)

Mr. Pavacic mentioned that there were no comments received from Commission members after the September 21st Commission meeting discussion about the proposed Mandatory Credit Redemption Requirement. He noted that a negative declaration SEQRA document is being compiled for the Commission to adopt at the November Commission meeting.

Mr. Pavacic stated that after the November meeting, if the SEQRA document is approved, thirty days public notice can be provided in order for members to adopt the proposed Mandatory Credit Redemption Requirement and other Chapter 5 and 6 Amendments at the December Commission meeting. Additional points discussed included:

- Riverhead Town concerns about the EPCAL parcels being included in the receiving area.
- The towns of Brookhaven and Southampton support the Mandatory Credit Redemption Requirement in the Compatible Growth Area (CGA).

The next Clearinghouse Board meeting is scheduled for December 16th at 9:15 am.

The motion was made by Mr. Pally and seconded by Mr. Freleng to adjourn the meeting and conduct an executive session to discuss a policy for selling the PBC Clearinghouse Credits.

Attachments:

1. Sign in sheet
2. Meeting minutes of August 26, 2011
3. Credit program financial report for August 2011
4. Letter to the Brookhaven Town Supervisor and Town Board, dated 10/25/11
5. Draft SEQRA Negative Declaration
6. SEQRA Assessment form, dated 3/9/11
7. Comprehensive Land Use Plan Amendments document, dated 10/19/11
8. Draft memorandum “Scenarios for Selling Pine Barrens Credits”, dated 10/12/11