

Pine Barrens Credit Clearinghouse

James T.B. Tripp, Esq., Chairman
Andrew P. Freleng, Vice Chairman
Daniel P. McCormick, Esq., Member
Mitchell H. Pally, Esq., Member
Robert Anrig, Member

Pine Barrens Credit Clearinghouse Board of Advisors Meeting Summary (Approved 9/10/2021) For May 16, 2018 11:30 a.m. Wertheim National Wildlife Refuge, Visitor Center, Shirley, NY

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. Mitch Pally (representing New York State), Mr. Dan McCormick (representing Town of Riverhead)

Mr. John Pavacic, Ms. Judy Jakobsen, Ms. Julie Hargrave, Ms. Carol Ostrowski, Mr. Jerry Tverdy, and Mr. John Milazzo (from the Commission), Mr. Richard Amper (from Long Island Pine Barrens Society).

Administrative

The meeting began approximately at 11:30 p.m. with a quorum present.

Public Comment

No public comments were made.

Minutes

The motion was made by Mr. Freleng and seconded by Mr. Anrig to approve the December 1, 2017 minutes. The motion was approved unanimously.

Financial Report and the Program Overview

The attached financial and program overview reports were distributed and reviewed by the members. The financial report ending balance as of April 31, 2018 was \$2,525,506.67 with interest earnings for the year totaling \$3,374.29 with no recent disbursements.

Program Overview - Overall Program Report and Statistics

Mr. Tverdy reviewed the program statistics including, 7 new parcels received conservation easements which generated 0.7 Credits, 12.3 Credits were redeemed between the three Towns related to health department commercial projects, 8.28 Credits have been sold and the average price was \$80,000 per credit. The Clearinghouse owns 10.19 Credits.

Mr. Tverdy explained that the average price per Credit for Brookhaven and Southampton Towns is \$80,000 per credit and Riverhead Town's average price is typically lower at \$70,000 per Credit. Additional items that Mr. Tverdy discussed included, currently there are 25 pending LOI applications, the status of the last mailing to Core property owners with information about the Credit program and the possibility for a new mailing to Core property owners in all three towns. It was noted that the last mailing to Core property owners, five years

ago was related to the Carmans River Core boundary expansion. Mr. Pavacic discussed Brookhaven Town's new zoning code which was developed as an incentive for builders to use Credits in exchange for increased density on their residential projects. Mr. Pally discussed the case of a builder that has two projects pending in Selden and Farmingville who intends to use PBCs to obtain additional density. Mr. Tverdy noted that the Girl Scouts property, which is within the Carmans River Core Expansion area, has received an LOI and that they have not moved forward with the Credit application process. A discussion ensued pertaining to other pending Credit applications including, the owner of the Bide-a-wee property located in Westhampton that is seeking relief from the Commission's title insurance requirements and the status of a Tuccio property that has issues related to the potential conservation easement and encroachments. Mr. Tripp noted that the Girl Scout camp property should be protected with a conservation easement and he urged staff to reach out to the Girl Scout's to facilitate the final steps towards that goal.

Overview of potential sending and receiving sites

Mr. Tverdy discussed recent changes in town zoning and the effects on sending and receiving sites such as, Brookhaven Town's multifamily requirement for the redemption of Credits, the special permit requirement for gas stations, convenience stores and fast food restaurants. He noted that the Core expansion caused an increase in the number of Credits on the market. Mr. Freleng noted that the Clearinghouse has made several requests to the Towns to provide updated statistics related to their sending and receiving area ratios and Ms. Hargrave mentioned that Brookhaven Town prepared the Carmans River analysis that she received.

Mr. Pally noted that there are concerns related to the possible impacts to A1 and A2 zones from allowing increases in density. A discussion ensued pertaining to developers needing to purchase Credits to redeem at the town to meet requirements for additional density and then a separate purchase is needed to satisfy the increased sewage flow requirements for the health department.

Additional discussion items included, the availability of Credits for builders to purchase, the status of the 10 Credits owned by the Clearinghouse and options for the Clearinghouse to hold a reverse auction to sell the Credits based on the 2017 Credit Appraisal report. Mr. Tverdy answered specific questions related to the Credit Registry that is available on the Commission's website.

Reverse auction to sell Pine Barrens Credits owned by the Clearinghouse

Mr. Tverdy discussed the attached draft letter to the Commission Members, dated May 16, 2018 informing the Commission of the intention of the Clearinghouse Board to hold a reverse auction to sell the Credits owned by the Clearinghouse to builders with approved development projects. Mr. McCormick expressed concerns pertaining to the minimum price that the Clearinghouse should accept from the buyers and he stated it should be included in the conditions of the reverse auction. Additional points that were discussed included, other conditions of the auction such as that the buyers have an approved development project requiring the redemption of Credits, the Credits that are purchased from the Clearinghouse should be redeemed, a limit should be placed on the timeframe of the offered price being accepted and the successful bidders must close within an established timeframe. A discussion ensued pertaining to Southampton Town's purchase of PBCs using Community Preservation funds and retiring the Credits instead of them being redeemed.

Additional points were discussed including, a time frame for builders to follow for acquiring the Credits they would redeem for an approved project, a specific point in the approved project time line that the Credits would be purchased and redeemed, and Mr. Tverdy would inquire at the Town if the reverse auction should be restricted to Brookhaven Town projects using Brookhaven

Town Credits. Mr. Milazzo recommended that the reverse auction letter to builders from the Clearinghouse should clearly state the conditions of each sale. A discussion ensued pertaining to the Towns of Southampton and Riverhead and their status related to the utilization of the Credit program and identifying criteria for the redemption of Credits for building projects within the towns.

The motion was made by Mr. Pally and seconded by Mr. Anrig to approve sending the draft letter to the Commission Members with the suggested parameters to conduct a reverse auction to sell the Clearinghouse owned Credits. The motion was approved 4:0:1 with Mr. McCormick abstaining until after consulting with Supervisor Jens-Smith.

Mr. Tripp expressed his concerns related to the parcel overlap issues with Suffolk County property and points he discussed included, the collection of property taxes associated with the overlapped parcels and resolving the overlap issues which would allow property owners to benefit from the Credit program. Mr. Milazzo noted that the Commission could address the title policy requirements associated with an owner who has an overlapped parcel with the Suffolk County as a possible resolution to the overlap issues. Mr. Tripp then summarized today's discussion and noted that the Clearinghouse will recommend that the Commission contact the three Towns and ask them to provide the current status of their receiving area capacity associated with the Credit program and the decision was made to send the memo to the Commission about the Clearinghouse intention to hold a reverse auction to sell the 10 Credits owned by the Clearinghouse.

The motion was made by Mr. Freleng and seconded by Mr. Tripp to adjourn the meeting. The motion was approved unanimously.

Attachments:

1. Sign in sheet
2. Meeting Minutes of 12/1/17
3. Credit Program Financial Report for April 30, 2018