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June 17, 2014

Public Notice:

The New Jersey Pinelands Commission is seeking public input on a proposed plan to amend the policies that guide the use of its Pinelands Conservation Fund. The proposed plan is attached below, and it includes two main amendments: the establishment of a new Education and Outreach component and an increase in funding for Land Acquisition.

Increased funding for Land Acquisition would allow the Commission to:

- Continue its partnerships with state and local governments, as well as non-profit conservation organizations, to permanently preserve ecologically sensitive lands in the Pinelands Area; and
- Establish a conservation easement monitoring program to better track the condition and use of properties after they have been preserved through Commission acquisition programs.

The new Education and Outreach component would support projects that raise awareness and appreciation of the Pinelands and provide the public with access to information and tools that will result in better stewardship, better decision-making and the long-term protection of the Pinelands. Such projects may include:

- Redesigning the Commission's website, in cooperation with the State's Office Information Technology, to make the website more visually appealing and easier to use. This project would also include creation of an interactive mapping system that the public can access from the website to look up zoning and environmental limitations by block and lot.
- Converting the Richard J. Sullivan Center for Environmental Policy and Education into a Pinelands Visitors Center through the installation of educational, Pinelands-themed exhibits in the lobby and technical center of the building. Upon completion of the project, monthly educational programs could be hosted in the Sullivan Center.
- Updating and enhancing the Pinelands Curriculum guides to include new lessons, digital videos and other interactive features. The Commission's current curriculum guides were created in the 1990's and no longer meet New Jersey Core Curriculum Standards.

Comments and suggestions can be sent by mail to the Pinelands Commission, P.O. Box 359, New Lisbon, NJ, 08064 or via e-mail to info@njpines.state.nj.us. The public can also provide input during a public meeting set for 7 p.m. on July 9, 2014 at the Richard J. Sullivan Center for Environmental Policy and Education on 15 Springfield Road, New Lisbon, NJ. Written comments will be accepted until July 11, 2014.

New Jersey Pinelands Commission
PINELANDS CONSERVATION FUND
April 7, 2005, Revised August 14, 2009 and _____, 2014

Introduction

The Pinelands Conservation Fund (Fund) was initially established pursuant to a 2004 agreement (Agreement) between the Pinelands Commission (Commission) and the Board of Public Utilities. As specified in the Agreement, this Fund shall be used to “further the Pinelands protection program and ensure a greater level of protection of the unique resources of the Pinelands Area.” It was initially financed through a \$13 million payment to the Commission from Conectiv (now known as Atlantic Electric) and has since been supplemented as follows:

- \$5,393,150.78 from the Cape May Municipal Utilities Authority pursuant to a 2006 amendment to the Pinelands Comprehensive Management Plan that authorized a modest expansion of the Cape May County Municipal Utilities Authority landfill.
- \$915,000 from the New Jersey Turnpike Authority to partially address secondary impacts from the Garden State Parkway project pursuant to a 2008 agreement with the New Jersey Turnpike Authority that authorized improvements to the Garden State Parkway.
- \$75,000 for conservation planning and research pursuant to the 2005 Sanctuary settlement agreement.
- \$152,900 to complete an assessment of existing landfills in the Pinelands Area pursuant to a 2010 amendment to the agreement with Stafford Township and Ocean County that authorized closure of two landfills and redevelopment of the Stafford Business Park.

To ensure that the Fund supports the original goals of the 2004 Agreement between the Commission and the Board of Public Utilities, as well as subsequent contributions, the Commission has established the following policies to govern the use and management of the Fund.

Fund Objectives

Four principal objectives are established for the Fund. They are to:

1. Permanently protect important natural, cultural, historic and agricultural resources through the purchase of land or interests therein. \$6 million of the Fund’s initial proceeds were dedicated for this purpose. In 2008, \$915,000 from the New Jersey Turnpike was dedicated to the Land Acquisition account. In 2009, \$2,500,000 was dedicated to the Land Acquisition account from the funds received from the Cape May County Municipal Utilities Authority.
2. Support planning and research initiatives that directly benefit the conservation of Pinelands resources. \$3½ million of the Fund’s initial proceeds were dedicated for this purpose. Subsequently, \$75,000 was added from the 2005 Sanctuary settlement agreement. In 2009, \$2,314,520.63 was

dedicated to the Conservation Planning and Research account from the funds received from the Cape May County Municipal Utilities Authority. In 2010, an additional \$152,900 was added to the account for purposes of completing an assessment of landfills in the Pinelands Area.

3. Support community planning and design initiatives that help to create sustainable communities which serve as an essential component of the Pinelands protection program. \$3½ million of the Fund's initial proceeds were dedicated for this purpose. In 2009, \$578,630.16 was dedicated to the Community Planning and Design account from the funds received from the Cape May County Municipal Utilities Authority.

4. Support education and outreach initiatives that raise awareness and appreciation of the Pinelands and provide the public with access to information and tools that will result in greater stewardship, better decision-making and the long-term protection of the Pinelands.

Except as otherwise provided herein for administrative expenses, all Fund proceeds and income derived pursuant thereto shall be used exclusively for the objectives enumerated above.

Investment Policies

Funds dedicated for the acquisition of land and interests therein shall remain liquid so that they are available for use on an as-needed basis. These funds shall be deposited in the New Jersey Cash Management Fund and maintained as a separate cash account such that the interest income is credited to the account.

Separate New Jersey Cash Management Fund accounts shall also be maintained to support conservation planning and research initiatives and to support community planning and design initiatives. Interest income shall be credited to each such account.

The Executive Director is authorized to identify one or more secure, long term investment options with favorable terms for some or all of the conservation planning and research funds and for some or all of the community planning and design funds. In analyzing such options, the Executive Director shall consult with the New Jersey Department of the Treasury, Division of Investments. Upon approval by the Personnel and Budget Committee, the funds may be transferred from the appropriate Cash Management Fund account(s) to finance such long term investments. Investment income shall be credited, as appropriate, to each of the accounts.

Program Policies

Land Acquisition

The Commission shall appropriate, through the Pinelands Conservation Fund Budget, such money from the Cash Management Fund account as may from time to time be needed to assist other

governmental and qualifying, tax exempt non-governmental organizations purchase fee or lesser interests in real property so as to permanently protect their important natural, agricultural, cultural or historic attributes. Funds in the Land Acquisition account may also be used for the monitoring of conservation easements in the Pinelands Area, maintenance of a permanent land protection database, and other programs that serve to further permanent land protection efforts in the Pinelands Area.

Pursuant to the 2006 Comprehensive Management Plan amendment regarding the Cape May landfill expansion, eight (8) percent of any portion of those funds that the Commission decided to dedicate for land acquisition were reserved and allocated for the purchase of land within Cape May County.

Pursuant to the 2008 agreement with the New Jersey Turnpike Authority, funds provided for the purchase of specific properties identified in the 2008 agreement were reserved for such purposes until June 30, 2014. The funds are now available for acquisition of other lands within the Pinelands Area.

Nothing herein shall be construed to prevent the Commission from recouping its program operating costs from this account or limit the Commission's authority to use a portion of these funds to contract with another party to administer this acquisition program on its behalf, provided that the Commission determines that such an arrangement is consistent with applicable contracting requirements, implements the objectives enumerated in the above paragraphs and is cost effective, taking into account the contractor's administrative expenses in comparison to the Commission's expenses if it administered the program.

Conservation Planning and Research

The Commission shall appropriate, through the Pinelands Conservation Fund Budget, such money from the Cash Management Fund account as may from time to time be needed to support qualifying conservation planning or research projects. Such projects may be undertaken by the Commission or by another governmental organization and may include all reasonable expenses associated with the project or its implementation.

Qualifying projects shall consist of (1) the preparation of an ecologically based electric transmission right-of-way maintenance plan as provided for in the Agreement, (2) the natural resource assessment project initiated pursuant to Commission Resolution PC4-05-20, (3) other regional or sub-regional conservation planning projects that are duly authorized by the Commission, or (4) applied research or conservation planning projects that will directly benefit Pinelands resource protection, as duly authorized by the Commission.

When other governmental projects are considered, priority shall be given to those which supplement Fund proceeds with other state, federal, local or private funding.

Community Planning and Design

The Commission shall appropriate, through the Pinelands Conservation Fund Budget, such money from the Cash Management Fund account as is needed to sustain a community planning and design technical assistance program¹ and support other qualifying projects. The community planning and design technical assistance program and other qualifying projects may include all reasonable expenses associated with the project or its implementation. Capital expenditures may be included only in association with the establishment of the grant program described below.

Other qualifying projects shall consist of (1) the timed growth assessment authorized pursuant to Commission Resolution PC4-05-20, (2) administration of the Pinelands Development Credit program, (3) contracts with or grants to other governmental agencies to undertake specific community planning or design projects, provided such projects further the Pinelands protection program and are duly authorized by the Commission, (4) administration of the Pilot Program for Alternate Design Wastewater Treatments Systems and long-term septic management, and (5) other community planning and design projects undertaken by the Commission.

When contracts with or grants to other governmental agencies are considered, priority shall be given to those which supplement Fund proceeds with other state, federal, local or private funding. Establishment of a grant program with specific criteria for allocation of Pinelands Conservation Fund monies should be considered, particularly if funding for capital expenditures is involved.

Education and Outreach

The Commission shall appropriate, through the Pinelands Conservation Fund Budget, such money from the Cash Management Fund account as may from time to time be needed to support qualifying education and outreach initiatives and projects. Such initiatives and projects may be undertaken by the Commission or by another governmental or non-profit organization and may include all reasonable expenses associated with the project or its implementation, including capital expenditures necessary for establishment of a Pinelands Visitors Center.

¹ One of the original purposes of the community planning and design technical assistance program was to build upon the Dodge Foundation-supported Pinelands Excellence Program by institutionalizing within the Commission's staff the capability to provide community planning and design assistance to Pinelands municipalities on an ongoing basis. The Executive Director was authorized to present to the Commission for its approval an annual budget for this technical assistance program that finances one community planning/design position and associated expenses. Since 2005, however, the Commission has been unable to fill the anticipated community planning/design position. As a result, establishment of the technical assistance program envisioned when the Pinelands Conservation Fund was created has not been possible. In recognition of that fact, the Commission will continue to focus its efforts on the other qualifying projects identified above and funds will be shifted from Community Planning and Design to other Pinelands Conservation Fund accounts.

Qualifying projects may include (1) conversion of the Richard J. Sullivan Center for Environmental Policy and Education into a Pinelands Visitors Center, (2) redesign of the Commission's website, (3) updating and enhancement of the Pinelands curriculum guides, (4) reprinting of the Pinelands National Reserve brochure, and (5) other education and outreach initiatives undertaken by the Commission.

When contracts with or grants to other governmental agencies or non-profit organizations are considered, priority shall be given to those which supplement Fund proceeds with other state, federal, local or private funding. Establishment of a grant program with specific criteria for allocation of Pinelands Conservation Fund monies should be considered.

Administrative Policies

The Executive Director shall be responsible for managing Fund proceeds in accordance with applicable Commission policies and procedures. To ensure appropriate management, administration and oversight of the Fund and the programs it supports, a portion of the Fund's income shall be allocated for administrative purposes in accordance with the following policies.

- An annual assessment of \$20,000 shall be made against each of the four Cash Management Fund accounts to finance indirect costs associated with the management of the investments, accounting services, contracting and purchasing services and other centralized support services.
- All interest accrued in the Cash Management Fund account for land acquisition shall be reserved in that account to pay for the above specified indirect cost assessment and any direct administrative expenses of the land acquisition program. Should any portion of this reserve remain after the principal has been expended, the Commission shall determine whether the remaining amount is sufficient to finance additional acquisitions or, if not sufficient, should be transferred to either or both of the conservation planning/research or community planning/design accounts.

Implementation

Fund Status as of June 30, 2014

The reserve fund balance in the Land Acquisition account approximated \$900,000.

The reserve fund balance in the Conservation Planning and Research account approximated \$4,500,000.

The reserve fund balance in the Community Planning and Design account approximated \$3,600,000.

2014 Reallocation of Funds

As of the effective date of this amended financial plan, \$500,000 from the Community Planning and Design account shall be transferred to the Land Acquisition account. An additional \$1,250,000 from the Community Planning and Design account shall be transferred to the Education and Outreach account.