

**WOOLWICH TRANSFER OF DEVELOPMENT RIGHTS
CREDIT AUCTION PROCEDURE**

A. Preparation

- The Township TDR Bank (“TDR Bank”) shall prepare a notice of its intent to purchase development credits that includes all requirements deemed necessary and appropriate for potential sellers to submit proposals along with the methodology that the Township will utilize to evaluate and rank proposals received from the sellers.
- At no time during the proposal solicitation process shall the TDR Bank, the Township or any of its employees, professionals or consultants convey information, including any minimum or maximum price, to any potential sellers, their representatives or other members of the public that could confer an advantage upon a seller over any other potential seller.
- The TDR Bank shall adopt a resolution authorizing the purchase of development credits through a reverse auction. The authorizing resolution shall set forth, at a minimum:
 - The date, time and place for the public information sessions;
 - When and where any potential sellers may obtain information and application packages for submission of proposals;
 - The deadline for submission of proposals;
 - The date, time and place when the proposals will be opened;
 - The methodology that the Township will utilize for selecting which sellers it will purchase development credits from;
 - The deed restrictions that will be recorded against the seller’s property in the event the Township purchases the development credits from that seller;
 - An attached copy of the “Agreement to Sell Deed of Easement Restriction and Enrollment” (Agreement) that successful bidders will have to enter into;
 - The time within which the sale of the development credits must close; and
 - Any other information the Township deems pertinent to accurately advise the potential sellers of the process and qualifications for sale.
- The TDR Bank shall advertise the TDR Bank’s intention to acquire development credits and the process and requirements for submission.

- The TDR Bank shall publish notice of the TDR Bank’s request for interested sellers to submit proposals for the sale of development credits and notice of the submission deadline in a newspaper of general circulation within the Township by at least two insertions with the first at least 60 days prior to the deadline for submission of bid proposals and with the last publication being not earlier than 14 days prior to the deadline for submission of bid proposals. The notice shall also include the following:
 - The date, time and place when the bids will be opened;
 - The methodology that the TDR Bank will utilize for selecting the sellers from whom it will purchase development credits;
 - The fact that successful bidders will be required to enter into the Agreement with the TDR Bank and the time within which the sale of the development credits must close;
 - A summary of the deed restrictions that will be recorded against the seller’s property in the event the Township purchases the development credits from that seller;
 - When and where any potential sellers may obtain information and application packages for submission of proposals; and
 - Any other information the TDR Bank deems pertinent to accurately advise the potential sellers of the process and qualifications for sale.
- The TDR Bank will also provide personal notice by first class mail to property owners within the sending area.
- The TDR Bank will hold two community information meetings to inform the public of the process and qualifications for sale.

B. Bid Submission

- The bid submission shall include a copy of the most recent deed to the property and if the owner is a business entity, documentation signed by the appropriate official(s) of the entity authorizing the submission of the bid.
- All sale proposals must be submitted at a date, time and place selected by the TDR Bank. Failure to submit any proposal by the specified deadline shall disqualify the proposed seller and its proposal from consideration by the TDR Bank.
 - Note: Landowners may offer to sell all of the credits associated with their submitted property or just a portion of those credits. However, if they choose to sell just a portion of those credits, and their bid is selected, their

entire property will be subject to the recorded deed restrictions. Also, landowners should determine whether they should retain a credit for future housing or other permitted development prior to bid submission.

- In addition, failure to submit a complete application package, including any required qualification materials, shall disqualify the proposed seller and its proposal from consideration by the TDR Bank.

C. Sale Price/Auction/Methodology

- Sellers will be informed of the total amount of public money available to purchase credits; however, sellers will not know the maximum purchase price per credit the TDR Bank is willing to pay nor the maximum number of credits the TDR Bank is willing to purchase.
- Each seller will set the minimum purchase price per credit that it is willing to accept and the number of credits the seller is willing to sell.
- If the seller's minimum price per credit is matched or exceeded by the TDR Bank ("qualifying credit"), the seller shall enter into the Agreement with the TDR Bank for the seller's offered price unless the seller withdraws from the auction before the TDR Bank determines whether it is a qualified bidder. In the event that the minimum price per credit is matched or exceeded by the TDR Bank, but the TDR Bank has insufficient funding to purchase all of the seller's credits, the seller may either sell as many credits as the TDR Bank is able to purchase or reject the purchase by the TDR Bank.

D. Opening of Sale Proposals

- The TDR Bank shall open the sale proposals in public at the time selected and advertised by the TDR Bank.
 - As each bid is opened, the sale proposal shall be read out loud and recorded.
 - The TDR Bank shall review each proposal to ensure that the seller submitted a complete application package along with all necessary qualification materials.
 - In the event a sale proposal is disqualified for failure to submit all necessary materials, for exceeding the TDR Bank's maximum purchase price per credit, for the proposed seller not being the owner of the property or otherwise, the TDR Bank shall note, in writing, the reasons for disqualification, and provide written notice of same to the disqualified seller within ten (10) business days of bid opening.
 - Of the qualified proposals, the TDR Bank shall announce its intention to purchase credits beginning with the lowest bid proposal and continuing with the next highest bid proposals until it has committed the full amount of money available

for the purchase of development credits or all remaining bids exceed the maximum purchase price. The TDR Bank shall provide to each winning bidder a form of the deed restriction that is required to be recorded on the property.

E. Contract with Winning Bidders

- At its next meeting following the auction, the Woolwich TDR Bank shall adopt a resolution authorizing it to enter into the Agreement with the winning bidders.
- After the adoption of this resolution, the Woolwich TDR Bank and each winning bidder shall enter into the Agreement.
- After the Agreement has been executed by the Woolwich TDR Bank and each winning bidder, the Woolwich TDR Bank shall obtain a 60 year title search and a 20 year upper and lower court search of liens and judgments for the subject property of that winning bidder. The TDR Bank may, if deemed necessary, conduct a survey and obtain a metes and bounds description of the subject property. The winning bidder may also, at its own cost, obtain a survey and metes and bounds description.
- The Woolwich TDR Bank shall submit the title and court searches and, if applicable, the survey and metes and bounds description, to the State TDR Bank. The State Agriculture Development Committee (SADC) staff will review the materials submitted on behalf of the State TDR Bank.
- Woolwich TDR Bank and the winning bidder shall cooperate with the SADC staff as it undertakes this review in order to confirm that the winning bidder's title is valid, marketable and insurable. This may include obtaining/executing additional documents. SADC staff's review of title on behalf of the State TDR Bank for the subject property is subject to review by the Attorney General's Office.
- The State TDR Bank will not contribute funding for the acquisition and, therefore, closing will not occur, until the SADC staff is satisfied that the title is valid, marketable and insurable.
- Under the Agreement, the "Commitment Period" shall be defined as the period of time between the date the Woolwich TDR Bank signed the Agreement and nine months after that date. This Commitment Period may be extended if the title insurance agent encounters difficulty in confirming the winning bidder's title to the subject property. The winning bidder shall be responsible for assisting the Woolwich TDR Bank, the SADC staff, and the title insurance agent in confirming the winning bidder's title.
- If closing does not occur, the winning bidder may be responsible for reimbursing the Woolwich TDR Bank's processing costs.
- If any winning bidder fails to qualify to have the TDR Credits purchased by the Woolwich TDR Bank or withdraws its bid, and if there are remaining bids that do not

exceed the maximum purchase price, then the TDR Bank shall identify the next lowest bid proposal(s) until it has committed the full amount of money available for the purchase of the development credits or all remaining bids exceed the maximum purchase price. The procedures and timetables for any such winning bidders shall be the same as the procedures and timetables for the initial winning bidders.