

# **The Morris County Open Space, Farmland, Floodplain Protection and Historic Preservation Trust Fund**

## **5. Historic Preservation**

### **5.1 Introduction**

The Morris County Historic Preservation trust fund was created by the Morris County Board of Chosen Freeholders to help support the preservation of the county's exceptional abundance of historic resources. The trust fund is being established under N.J.S.A. 40:12-15, et seq., which states that the selection of projects must be in agreement with a historic preservation plan prepared and adopted by the county. The county's Historic Preservation Element of the county Master Plan, together with the Morris County Historic Sites Survey, are the principal documents that have guided county and municipal preservation planning efforts for the last two decades. Reflecting its diverse history as the military capital of the American Revolution and as an important iron-producing region and agricultural center, Morris County has hundreds of sites and scores of districts listed on the New Jersey Register of Historic Places. The State Historic Preservation Office's most recently published list of county sites on the New Jersey and National Register of Historic Places can be viewed at the following website:  
[http://www.nj.gov/dep/hpo/1identify/nrsr\\_lists/Morris.pdf](http://www.nj.gov/dep/hpo/1identify/nrsr_lists/Morris.pdf)

### **5.2 Historic Preservation Planning in Morris County**

To assess the financial and technical assistance needs related to historic preservation, the County's former Department of Planning & Development conducted a survey of municipalities and historic sites and organizations in the spring of 2002. The survey results, and other counties' and state preservation grant programs were reviewed and carefully considered by a Freeholder-appointed Blue Ribbon Advisory Committee on Historic Preservation which developed rules and regulations for a historic preservation funding program. Morris County voters approved a referendum on November 5, 2002 authorizing the Board of Chosen Freeholders to permit historic preservation funding under the Open Space Trust Fund, as allowed by state law. The Board of Chosen Freeholders adopted the Historic Preservation Trust Fund Program Guidelines on December 11, 2002.

### **5.3 Program Overview**

The Morris County Historic Preservation Trust Fund will consider grants for the acquisition, stabilization, rehabilitation, restoration or preservation of historic resources by the County, municipalities and qualified charitable conservancies whose purpose includes historic preservation. Grant applications for plans and reports associated with the implementation of a historic preservation project are also eligible. All historic resources must be eligible, or certified as eligible, for the New Jersey and National Registers of Historic Places.

There are three types of applications available. Projects that are principally construction-related should be detailed in the Construction application. Grant requests for acquisition and preservation planning documents should be completed on the Preservation Planning application. Grant requests for the preparation of Construction Documents should be completed on the Construction Documents application. All applications should be submitted to the Morris County Office of Planning & Preservation whose staff will conduct a preliminary review to determine eligibility and application completeness. The application will then be reviewed by the Historic Preservation Trust Fund Review Board, who will also visit the site and rate each application according to established criteria. The Review Board's recommendations will be forwarded to the Board of Chosen Freeholders who will determine grant awards.

Applicants will be notified of their award and will receive a grant agreement setting out their State statutory and County requirements. The agreement must be executed by the applicant and the Board of Chosen Freeholders prior to any disbursement of funds from the County.

### **5.4 Goals of Program**

## The Morris County Open Space, Farmland, Floodplain Protection and Historic Preservation Trust Fund

1. Foster comprehensive preservation planning to ensure the continued preservation of historic resources.
2. Stimulate preservation activity by providing funding for technical assistance and restoration projects.
3. Encourage long-term facilities planning and capital budget planning of historic resources.
4. Further the stewardship of the built and natural environment by helping preserve historic structures on open space tracts.
5. Heighten the public's awareness of Morris County's irreplaceable historic character.
6. Increase opportunities for heritage tourism in the County.
7. Help insure that preservation planning is an integral part of community development.

### 5.5 Eligible Applicants

1. Municipal governments within Morris County
2. Morris County Government
3. Charitable conservancy that is a corporation or trust exempt from federal income taxation under paragraph (3) of subsection (c) of section 501 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.501(c)(3)), whose purposes include historic preservation of historic properties, structures, facilities, sites, areas or objects, or the acquisition of such properties, structures, facilities, sites, areas or objects for historic preservation purposes. In order to qualify to receive monies from a county trust fund, the board of directors, board of trustees, or other governing body, as appropriate, of an applying charitable conservancy shall demonstrate to the governing body of the county that it qualifies as a charitable conservancy.

### 5.6 Eligible Properties

1. The property must be located in Morris County.
2. The property must be listed on the National Register of Historic Places or the New Jersey Register of Historic Places, individually or as part of a historic district listed on the New Jersey Register and National Register.
3. If not listed on either Register, the property must be certified as eligible for listing by the State Historic Preservation Office, either as an individually listed site or as part of a historic district. A Certificate of Eligibility letter or a State Historic Preservation Officer Opinion (SHPO Opinion) issued by the New Jersey State Historic Preservation Officer or proof of State and National Register status must be included with the application.
4. Any property that is currently used for religious purposes or functions is ineligible for Historic Preservation grant funding.

### 5.7 Ownership of Project Properties

1. Owner consent is required to submit any application, except for an acquisition.
2. For Construction Grants: If the applicant is not the owner, then the applicant must be able to prove possession and significant control over the property through a valid lease. The unexpired term of the lease must be 20 years from the date of application.
3. For Preservation Planning and Construction Documents Grants: If the applicant is not the owner or lessee with a 20 year unexpired lease term, then the applicant must be able to prove significant involvement with the property's preservation. Additionally, applicants for the preparation of a New Jersey Register of Historic Places nomination require an owner's consent to place the

property in the Register.

4. All properties that are to be purchased must be purchased in fee simple and the purchasing entity must have full control of the land.

### 5.8 Eligible Activities

All of the eligible activities listed below must be in conformance with the Standards for the Treatment of Historic Properties 1995 (also known as the Secretary of the Interior's Standards for Rehabilitation). These regulations must be followed as currently in effect or as they may be subsequently modified, changed or amended.

All applicants that plan to submit construction grant requests exceeding \$50,000 must have prepared a Preservation Plan and obtained professional construction cost estimates based on construction documents before they are eligible to apply for funding toward the actual construction. Applicants may apply for a Non-Construction Grant that includes the preparation of a Preservation Plan, construction documents, construction cost estimates by a State of New Jersey-certified professional cost estimator, and/or relevant reports or analysis. The construction cost estimate must be escalated two (2) years to the anticipated construction period.

After obtaining a professional construction cost estimate, the applicant may apply for a Construction Grant that includes bidding, construction, and construction administration.

Construction grant applications must include a Maintenance Plan which conforms to the guidelines in the most current version of *Historic Structure Reports & Preservation Plans – A Preparation Guide* from the New Jersey Historic Preservation Office.

1. Acquisition - the purchase in fee simple of an eligible property, structure, facility, site, area or object by the County, a municipality or charitable conservancy. The applicant must meet the following requirements:
  - a. The property must be purchased by an eligible applicant.
  - b. Applicant must submit at least one independent market appraisal in accordance with the historic preservation appraisal requirements, Section 5.15.
  - c. No grant money may be used toward appraisals, attorney fees or other closing costs.
  - d. The applicant must provide at least 50 percent of the acquisition cost.
  - e. The Historic Preservation Program's match shall not exceed 50% of the Accepted Market Value (AMV) as defined in Section 5.15.5.
  - f. The applicant must provide written assurance that the grant would go toward reducing the mortgage with any balance dedicated to future rehabilitation and restoration of the property.

Generally, an applicant would not have closed on the property prior to the grant award. However, if they have closed on the property prior to award, the above submission criteria would still apply. However, in no event may the title to the property be acquired earlier than one year prior to the application submission deadline.

2. Stabilization - the essential protection of a deteriorated structure, facility or object as it exists at

The Morris County Open Space, Farmland, Floodplain Protection and Historic Preservation Trust Fund

present, establishing structural stability and a weather-resistant enclosure.

3. Rehabilitation - the act or process of making possible the compatible use of a property through repair and alteration while preserving those portions or features which convey its historical, cultural or architectural value.
4. Restoration - the act or process of accurately depicting the form, features and character of a property as it appears at a particular period of time by means of the removal of features from other periods and historically accurate re-creation of missing features from the restoration period.
5. Preservation - the act or process of applying measures necessary to sustain the existing form, integrity and material of a historic property.
6. Plans and Reports - permitted when related to the development, and implementation of historic preservation projects, including the preparation of:
  - a. Architectural plans, designs, specifications, cost estimates and other contract documents
  - b. Feasibility studies
  - c. Historic structures reports
  - d. Historic landscape reports
  - e. Archeological reports
  - f. Engineering reports
  - g. Historic research reports
  - h. Preservation Plans
  - i. National Register of Historic Places nomination forms
7. Cemeteries that are individually listed on or eligible for the New Jersey or National Register of Historic Places: Eligible activities include the preparation of reports, assessments and studies that document the conditions of tombstones or other elements of the cemetery; and the preparation of construction documents and completion of construction activities for all historic cemetery elements.

**5.9 Requirements for Matching Funds**

To be eligible for a grant that requires match funding, the applicant shall, as part of the application, show evidence of matching funds in hand or demonstrate clearly the ability to match the grant requested.

Match Funding Requirements by Grant Type and Amount

Grant Type	Trust Fund will pay:	Applicant will pay:
Construction	80%	20%
Acquisition	50%	50%
Preservation Planning & Construction Documents		
If less than or equal to \$5,000	100%	0%
If more than \$5,000	80%	20%

Once a grant agreement has been signed and proof of match submitted to the Trust Fund, a "Notice to Proceed" authorizing the approved project application will be sent to the applicant.

**5.10 Ineligible Activities**

1. Reconstruction

The Morris County Open Space, Farmland, Floodplain Protection and Historic Preservation Trust Fund

2. Administrative or operational costs of the agency
3. Ceremonial expenses
4. Publicity expenses
5. Bonus payments of any kind
6. Charges in excess of the lowest qualified bid when competitive bidding is required
7. Charges for deficits or overdrafts
8. Interest expense (or other financing costs)
9. Damage judgments arising from construction or equipping a facility, whether determined by judicial process, arbitration, negotiation, or otherwise
10. Contract cost overruns, not approved, which exceed the allowable amount under the contract specifications
11. Fundraising or lobbying
12. Work including construction, research, and preparation of plans and reports performed outside the approved project period
13. Work not intended in the scope of work set forth in the agreement, including construction, research and preparation of plans and reports
14. Work that does not comply with the Secretary of the Interior's Standards. Work performed on behalf of a municipal government that has not been awarded in compliance with the State Contracts Law (N.J.S.A.52:32-1 et seq.)
15. Work performed on behalf of a nonprofit corporation which has not been awarded in compliance with public bidding requirements if the costs of any contract for the historic preservation project funded with a historic preservation grant exceeds \$50,000.
16. Routine or ongoing maintenance work such as grounds maintenance, painting or cleaning that is not part of a comprehensive project.
17. Relocation of structures, buildings or objects unless all of the following standards are met:
  - a. Relocation is necessary to preserve the historic resource; and
  - b. The relocation re-establishes the property's historic orientation, the immediate setting, and the general environment; and
  - c. The State Historic Preservation Officer determines that the property, as relocated, will continue to meet New Jersey Register criteria.
18. Interpretive activities such as displays, signs, etc.

**5.11 Historic Preservation Trust Fund Review Board**

The Historic Preservation Trust Fund Review Board (“Review Board”) shall review, prioritize and make recommendations to the Morris County Board of Chosen Freeholders on the funding of historic preservation projects under the Historic Preservation Trust Fund.

All nominees to the eleven member Review Board shall be reviewed according to standard County procedures in order to avoid any potential conflict of interest. The Morris County Board of Chosen Freeholders shall appoint the Review Board based upon the recommendations from the various municipalities and/or entities as follows:

The Morris County Open Space, Farmland, Floodplain Protection and Historic Preservation Trust Fund

Number of Appointees	Appointee Representation
4	Municipal representatives, with one representative from each of the Historic Preservation Regions as stipulated below and on Figure 2
2	At-Large members
1	Morris County Heritage Commission from its membership
1	Professional with expertise in Historic Preservation from the discipline of Preservation Architecture
1	Professional with expertise in Historic Preservation from the discipline of Architectural History
1	Professional with expertise in Historic Preservation from the discipline of Building Restoration
1	Professional with expertise in Historic Preservation, with a background as an archeologist, historic landscape specialist, historic site manager, historic site curator or engineer with historic preservation expertise

Region	Municipalities
I	Chester Boro., Chester Twp., Dover, Mendham Boro., Mendham Twp., Mine Hill, Mt. Olive, Randolph, Victory Gardens, Washington
II	Denville, Jefferson, Mt. Arlington, Netcong, Rockaway Boro., Rockaway Twp., Roxbury, Wharton
III	Boonton Town, Boonton Twp., Butler, Kinnelon, Lincoln Park, Montville, Mt. Lakes, Parsippany, Pequannock, Riverdale
IV	Chatham Boro., Chatham Twp., East Hanover, Florham Park, Hanover, Harding, Long Hill, Madison, Morris Plains, Morristown, Morris Twp.

All municipal and at-large representatives shall have served on a historic preservation commission, committee or board for five years or have demonstrated related historic preservation experience.

All members shall abide by the County’s Policy and Procedures for Attendance of Volunteer Members of Advisory Bodies at Scheduled Meetings and Conflict of Interest.

All Committee members shall be residents of Morris County and shall be required to properly file a financial disclosure statement as required by N.J.S.A. 40A:9-22.1.

**5.12 Term of Office**

The municipal members shall serve for no more than two terms of three years each. The Heritage Commission appointee shall serve no more than two terms of three years each. The At-Large representatives shall be appointed for no more than two terms of four years each.

In order to create staggered terms for the appointees with professional expertise in historic preservation, the following terms of office shall be applied for members with professional expertise in historic preservation. No explicit term limits apply to the members with professional expertise.

The appointment for the appointee with background as an archeologist, historic landscape specialist, historic site manager, historic site curator or engineer with historic preservation expertise, shall commence for 1 year for calendar year 2011. Subsequent appointments shall be for terms of 4 years each.

The appointment for the appointee with professional expertise in historic preservation from the discipline of preservation architecture shall commence for 2 years for calendar years 2011 and 2012. Subsequent appointments shall be for terms of 4 years each.

The appointment for the appointee with professional expertise in historic preservation from the discipline of architectural history shall commence for 3 years for calendar years 2011 through 2013. Subsequent appointments shall be for terms of 4 years each.

The appointment for the appointee with professional expertise in historic preservation from the discipline of building restoration commencing in calendar year 2011 and subsequent appointments shall be for terms of 4 years each.

### **5.13 Application Review**

The Morris County Office of Planning & Preservation will review submitted applications for eligibility and completeness. Applicants are encouraged to consult with the Department staff about any aspect of the application that requires clarification. All eligible and complete applications will be forwarded to the Historic Preservation Trust Fund Review Board who will evaluate them and may visit the sites under consideration during the application review period.

#### **5.13.1 Evaluation Criteria**

a. Construction Projects

1. Significance of the resource
2. Physical condition of the property
3. Proposed use of the site and/or quality of the interpretive program
4. Quality of the preliminary planning or contract documents, including credentials of the project team, and feasibility of the budget and work schedule
5. Ability of the applicant to match the funds requested
6. Ability of the applicant to complete the proposed work, maintain the property, administer the grant funds, and develop programs to sustain and interpret the property
7. Relationship of the project to community revitalization, preservation of the built or natural environment, and heritage education and tourism
8. Degree to which the project promotes preservation activity and represents innovative design and extent to which the project reaches new audiences

b. Preservation Planning & Construction Documents Projects

1. Significance of the resource
2. Physical condition of the property
3. Ability of the applicant to match the funds requested
4. Ability of the applicant to complete the proposed work
5. Potential of the project to foster preservation of the historic property; to promote other preservation activity or related cultural or economic activity; and to foster appropriate site management practices that sustain the long-term use of a property
6. Overall quality of the work proposed for funding
7. Degree to which the project promotes preservation activity and represents innovative design

and/or reaches new audiences

8. Impact of the project, including:
  - a. Heritage tourism opportunities and public access
  - b. Proposed use and interpretive program for the site
  - c. Plans for the continued preservation of the structure after the expenditure of historic preservation grant money.

**5.14 Application Procedures**

**5.14.1 Schedule**

January	Applications available
Last Friday in March	Applications must be received by the Morris County Office of Planning & Preservation by this date
June	The Historic Preservation Trust Fund Review Board will make its grant recommendations to the Board of Chosen Freeholders

**5.14.2 Professional Services Checklist**

All applicants seeking funding for a) Professional Services and/or b) Construction activities requiring Professional Services shall complete and submit the Professional Services Checklist, which is incorporated by reference herein. “Professional Services” shall mean services provided by professionals that are involved with the planning, designing and construction of historic preservation projects, including Architect, Structural Engineer, MEP (Mechanical, Electrical, Plumbing) Engineer, Landscape Architect, Cost Estimator, Conservator, Contractor/Craftsman, and personnel responsible for Paint Analysis and Mortar Analysis, and others.

This checklist is intended to clearly identify all consultants involved in a proposed project; and to clarify the associated requirements pertaining to the submission of documentation and affiliated services by Preservation Professionals if funding is awarded. This checklist and its associated Professional Proposals must be submitted as part of the applicable grant application or the application would not be considered for funding. If funded by the Trust Fund, this completed checklist and associated Professional Proposals will become the basis for the review of Professional Services.

**5.14.3 Historic Structure Report & Preservation Plan Checklist**

All applicants seeking funding for the preparation of Historic Structure Reports or Preservation Plans shall complete and submit the Historic Structure Report & Preservation Plan Checklist, which is incorporated by reference herein. This checklist and the Project Personnel sections should reflect the information that will be provided and the participating team members if the project is funded by the Trust Fund. If funded, the completed checklist will become the basis for the document review.

**5.15 Requirements for Historic Property Appraisals**

**5.15.1 Purpose**

To establish requirements for appraisals and appraisal reports submitted by County, municipalities and Charitable Conservancies seeking funding for acquisition of property through the Morris County Historic Preservation Trust Fund.

**5.15.2 Applicability**

All applicants seeking funding for acquisition of real or personal property shall have one real or personal property appraisal that is documented by a written report that is prepared in compliance with Section 5.15. All appraisals and reports of real and personal property must be prepared by an appraiser who is either a

## The Morris County Open Space, Farmland, Floodplain Protection and Historic Preservation Trust Fund

New Jersey State Certified General Real Estate Appraiser for real property appraisals or an Accredited Member or Accredited Senior Appraiser of the American Society of Appraisers, or an equivalent professional organization specializing in the valuation of personal property, and who is registered to do business in the State of New Jersey.

The Office of Planning & Preservation staff shall have the right to disqualify any appraisal that does not meet the criteria outlined in Section 5.15.

### 5.15.3 Submission Requirements

The deadline for appraisal submission shall be the same as the application deadline. Applicants are required to submit two hard copies of the appraisal report and an electronic copy in PDF format to the Office of Planning & Preservation staff. Any applicant that does not meet the appraisal submission deadline shall have its application deemed incomplete and not be eligible for consideration in that funding year.

### 5.15.4 Appraisal Requirements

All appraisals must specifically include the Morris County Open Space, Farmland and Historic Preservation Trust Fund as an Intended User of the appraisal and appraisal report.

For purposes of Section 5.15, “pre-appraisal estimated value” shall mean the anticipated appraised value for the subject property and is only for use in determining which type of appraisal to prepare. The applicant may consult tax records and/or the municipal tax assessor for assistance and guidance in this determination.

For properties that have a pre-appraisal estimated value approaching the \$250,000 limit, the applicants are encouraged to have an appraisal report prepared in compliance with 2014-2015 USPAP Standard 2.2 (a) for valuations of real property and Standards 8.2 (a) for personal property.

If the applicant chooses to prepare the Restricted Use Appraisal Report as defined by 2014-2015 USPAP Standard 2.2(b) or Standard 8.2(b), documentation must be provided with the funding application that substantiates the estimated value of the property at less than \$250,000. Based on the pre-appraisal estimated value, the following Appraisal Requirements shall apply:

a. For Acquisition of Real Property (Fee Simple)

The applicant’s appraiser shall prepare an appraisal of the subject property and submit a written report, commonly known as a “**Summary Appraisal Report**,” of its opinion of the market value of the subject property in accordance with the definition of “Market Value” as set forth in the most current edition of the Uniform Standards of Professional Appraisal Practice (USPAP).

The appraisal and report must contain at a minimum the Scope of Work necessary to develop credible assignment results. The Appraisers specific Scope of Work for the assignment must be expressly disclosed in the appraisal report.

The appraiser must fully comply with the most recent requirements of USPAP's COMPETENCY RULE that states an appraiser must be competent to perform the assignment; or must acquire the necessary competency to perform the assignment; or must decline or withdraw from the assignment. An affirmation of the appraiser’s competency must be included in any appraisal report submitted for consideration.

The “As of Date” of the appraisal shall be the application deadline of the application year or the date of the property inspection with the property owner, whichever date is more current to the date of the appraisal. If an appraisal and report have already been prepared, the "As of Date” must be no earlier than April 1 of the year prior to making the application.

## The Morris County Open Space, Farmland, Floodplain Protection and Historic Preservation Trust Fund

The applicant's appraiser shall separate the land value from the value of all structures or improvements for all properties that are the subject of the application, and shall provide a discrete land value separated from the value of all structures and improvements.

The applicant's appraiser shall be provided with a structural engineer's report from a licensed professional detailing the structural integrity and weaknesses of the improvements on the subject land. A copy of this report, which is signed and sealed by the licensed professional, shall be included and attached in the appraisal report. The Office of Planning & Preservation staff, at their sole discretion, shall have the right to disqualify any structural engineering report that does not contain sufficient detail.

Where there is an assertion of development potential for the land, the applicant's appraiser shall be provided with a report from the municipal engineer or licensed professional planner of the municipality in which the subject property is located, demonstrating the development potential of the subject property.

This report shall include an evaluation of the development potential of the Subject Property including but not limited to: municipal land use ordinances and regulations, environmental restrictions; such as, wetlands, Category 1 streams, sub-soil conditions and steep slopes. A copy of this report, which is signed and sealed by the municipal engineer or licensed professional planner, shall be included and attached in the appraisal report. The Office of Planning & Preservation staff, at their sole discretion, shall have the right to disqualify any development potential report that does not contain sufficient detail.

The applicant's appraiser shall not prepare an appraisal or issue a report based on any unsubstantiated "extraordinary assumptions and/or hypothetical conditions" relative to the structural integrity of the improvements, or the development potential or any environmental conditions of the subject property. The appraiser must rely upon the appraiser's expertise as well as the information provided by the structural engineer, and/or the municipal engineer or professional planner in formulating their opinion of the Market Value of the Subject Property.

If the municipal engineer or professional planner does not provide such analysis, the municipality or the non-profit must hire independent consultants to prepare reports on the structural integrity of the improvements, and/or the land's development potential for consideration by the appraiser.

### b. For Acquisition and Funding of Personal Property

All applicants seeking funding for acquisition of personal property shall have one personal property appraisal that is documented by a written report, which is prepared in compliance with Section 5.15.

An appraiser who is currently an Accredited Members or Accredited Senior Appraiser of the American Society of Appraisers, or an equivalent professional organization specializing in the valuation of personal property and who is registered to do business in the State of New Jersey must prepare all appraisals and reports of personal property submitted for funding consideration.

Two hard copies of the appraisal report and an electronic copy in PDF format shall be submitted to the Office of Planning & Preservation staff.

The applicant's appraiser shall prepare an appraisal of the subject property and submit a written report, commonly known as a "**Summary Appraisal Report**," of their opinion of the market value of the subject property in accordance with the definition of "Market Value" as set forth in the most current edition of the Uniform Standards of Professional Appraisal Practice (USPAP).

The appraisal and report must contain at a minimum the Scope of Work necessary to develop credible assignment results. The Appraisers specific Scope of Work for the assignment must be expressly

disclosed in the appraisal report.

The appraiser must fully comply with the most recent requirements of USPAP's COMPETENCY RULE that states an appraiser must be competent to perform the assignment; or must acquire the necessary competency to perform the assignment; or must decline or withdraw from the assignment. An affirmation of the appraiser's competency must be included in any appraisal report submitted for consideration.

The "As of Date" of the appraisal shall be the application deadline of the application year or the date of the property inspection with the property owner, whichever date is more current to the date of the appraisal. If an appraisal and report have already been prepared, the "As of Date" must be no earlier than April 1 of the year prior to making the application.

All appraisals must be prepared in accordance with 2014-2015 USPAP Standard 7, Personal Property Appraisal Development, and reported in compliance with Standard 8, Personal Property Appraisal Reporting. All appraisal reports must be prepared using at minimum the requirements of 2014-2015 USPAP Standard 8.2 (a).

#### **5.15.5 County Appraisal Review**

All appraisals submitted for funding through the Morris County Historic Preservation Trust Fund shall be reviewed by an appraiser hired by Morris County ("Review Appraiser") who is currently at a minimum a New Jersey State Certified Real Estate Appraiser (SCGREA) and is on the current List of Approved Appraisers of the New Jersey Green Acres program.

The Review Appraiser shall review the appraisal and issue a written review report in accordance with the most current edition of USPAP's Standard 3, Appraisal Review, Development and Reporting, requirements. If applicable, the Review Appraiser shall develop questions regarding development of the opinion of value and transmit these to the applicant's appraiser with copy to the applicant.

The Review Appraiser shall contact the applicant's appraiser (via e-mail, phone, or letter) to address any questions regarding the development of the opinion of value that are not addressed in the appraisal report or resolved via written correspondence from the applicant's appraiser.

It is the applicant's sole responsibility to directly contact their appraiser to respond to the Reviewer's questions regarding development of the value conclusion and the final value conclusion that may occur because of the appraisal review.

The Review Appraiser shall develop an opinion as to the credibility, completeness, accuracy, relevance, adherence to appraisal guidelines and reasonableness of the analysis in the work under review given law, regulations and intended user requirements applicable to the work under review.

If the Review Appraiser concludes the applicant's appraiser provides reasonable and credible documentation to support the assumptions and analysis in the report and adequately addresses all questions raised, the value conclusion shall be deemed Morris County's **Accepted Market Value** (AMV) upon which Morris County may provide 50% funding for the project. The AMV is not a certified value for any other purpose whatsoever and is not an average of appraised values.

Various program areas receive funding allocations from the Morris County Preservation Trust Fund. These are the Park Commission, Municipal Utilities Authority, Agriculture Development Board, Municipal/Non-Profit Open Space Program, Historic Preservation Program, and Flood Mitigation Program. Morris County's maximum 50% funding of the cost of acquisition on a project shall include sources of funds from all of these programs, not to exceed the AMV. Funding participation by other partners and the applicant is

encouraged.

The Historic Preservation program may provide no more than 50% funding of the cost of acquisition on a project up to the lower of either the contract value or AMV.

If the Review Appraiser concludes the applicant's appraiser does not provide reasonable and credible documentation to support the assumptions, analysis and value conclusion in the report, and if the applicant's appraiser fails to adequately address all questions raised leaving significant issues unresolved, then the Review Appraiser shall, at the direction of the Historic Preservation Trust Fund Review Board, develop an independent opinion of value which shall be deemed the AMV for Morris County acquisition funding.

#### **5.16 Conditions for Receiving Grant Funds**

All applicants selected for funding must complete and sign a grant agreement within 60 days of receipt of the grant agreement which details the scope of work and project schedule, as well as schedules for project reports and reimbursement requests. All grantees agree to abide by the Secretary of the Interior's Standards in performing funded work. Grant recipients must also agree to meet other conditions of the grant program before money is disbursed. These include, but are not limited to:

1. Easements – The County will draft, and the applicant (and all others with an ownership interest in the property) must execute an easement agreement with a 30-year term with the County of Morris. An easement is a deed restriction that is used to assure long-term preservation of a historic property through proper maintenance and by limiting changes in use or appearance and preventing demolition of the property. An easement is required for a) all acquisition projects at time of funding and b) construction grants over \$50,000, applied cumulatively over any number of funding cycles. The easement must be executed prior to the County's final payment on the particular construction grant. Once an easement has been executed, the scope of subsequent construction projects will be added as amendments to the existing easement with new 30-year terms. Easements are not required for non-construction projects resulting in plan development. In no way does this easement supersede any requirements pursuant to Section 106 of the National Historic Preservation Act of 1966 or New Jersey Register of Historic Places Act.
2. Public Access - Public access to all properties funded through this grant program is required. The County and the grantee will negotiate the days and hours that the property will be open to the public, based on the type of work funded by the grant. Public access requirements are stipulated in the easement agreement. No additional public access is necessary for properties open to the public on a regular basis, such as museums.
3. Required Historic Preservation Office Review - The County of Morris and the New Jersey Historic Preservation Office (HPO) have executed a Memorandum of Understanding which permits the County to retain qualified professional staff to review funded projects for compliance with the Secretary of the Interior's Standards. If the project, for which funding is requested, has already been authorized by the HPO, the authorization letter must be submitted with the grant application. For more information, contact the New Jersey Historic Preservation Office, Technical Review Section at (609) 292-2023. No construction can begin on any project until an administrative approval letter is received from the County of Morris.
4. Project Timetable - All work on projects funded through this program must be completed within two years of appropriation of grant funds. If an applicant is unable to complete the work within the two years of appropriation of grant funds, the applicant must come before the Historic Preservation Trust Fund Review Board before the expiration of the two years to officially request an extension. The Review Board may recommend to the Board of Chosen Freeholders an initial grant extension not to exceed two years from the date of the expiration of the original grant agreement. The Review Board may recommend a second grant extension not to exceed one year.

In order to receive a second grant extension, more than 50% of the work must be completed and the applicant must provide proof that the lack of project completion is due to circumstances beyond the applicant's control.

5. National and New Jersey Register of Historic Places - All applicants receiving funding must list their property on the National and New Jersey Registers of Historic Places. The Grant Agreement between the applicant and the County will outline a timetable for the submission of a nomination to the State Historic Preservation Office. An applicant that has received funding for an individual property not yet listed on the National and New Jersey Registers of Historic Places must have a Register nomination accepted by the State Historic Preservation Office for transmission to the New Jersey State Review Board for Historic Sites before additional funding from the Trust Fund can be considered.
6. Accountability - All money dedicated for the preservation project must be kept separate from other agency or organization funds; funds may not be diverted from eligible to ineligible activities once a grant agreement has been approved. Any misuse of funds, misrepresentation, or non-compliance will result in termination of the grant agreement and penalties as specified in the agreement. Receipts and invoices submitted for activities deemed ineligible for funding under this program will not be reimbursed. Grantees must retain all financial records and other documents pertinent to their projects for three years after completion of the project.
7. County Payments – County payments for Construction grants will be limited to the amount of the grant, consisting of a Construction portion and a Professional Fees portion as provided in the Scope of Work section in the grant agreement. Payments for construction related activities will be capped at the total of the Construction portion in the Scope of Work, and payments for Professional Fees will be capped at the total of the Professional Fees portion in the Scope of Work. At the County's discretion, Professional Fees for partially funded Construction projects may be reduced to reflect the reduced scope of work. Upon the applicant's request and at the County's discretion, unused funds in the Construction portion of the grant may be used to pay for Professional Fees, and unused funds in the Professional Fees portion of the grant may be used to pay for Construction activities. Upon the applicant's request and at the County's discretion, unused funds in the Construction portion of the grant may be reallocated toward scope which has been determined by the County's Historic Preservation Consultant to relate to the approved scope of the grant. The HP Review Board reserves the right to request for additional documentation prior to approving / denying the reallocation request. For purposes of this section, Professional Fees include the preparation of Construction Documents, bidding / negotiations, construction administration and project closeout. For Construction grant projects, the cumulative total for Professional Fees should generally not exceed 15% of the value of the Construction budget. The County reserves the right to request additional documentation for those Professional Fees exceeding 15% of the value of the Construction budget.

### **5.17 Termination of Easements on Preserved Historic Properties**

The County of Morris strongly discourages the termination of easements on historic properties preserved with funding assistance of the Morris County Historic Preservation Trust Fund for other uses. Termination of the protections afforded historic properties impacts the use and enjoyment of historic properties in potentially many ways including the degradation of historic properties and the loss of public access to historic properties. Any termination of the protections afforded historic properties must fulfill a compelling public need or significant public benefit or service.

#### **A. Purpose**

To establish procedures for all grant recipients seeking to terminate any active Historic Preservation Easement or other legal protections on property, or any improvements thereto, funded entirely or in part through the Morris County Historic Preservation Trust Fund.

**B. Applicability**

All grant recipients shall abide by these requirements.

**C. Morris County Termination Requirements**

1. The applicant must demonstrate that it is no longer able to satisfy the terms and conditions of the Grant Agreement or Historic Preservation Easement governing the Historic Property, through no fault of its own.
2. The applicant must provide an ordinance or resolution authorizing the application for the termination of the protections afforded the Historic Property.
3. The applicant must have one public hearing on the proposed termination of the legal protections afforded the Historic Property. The public hearing must be advertised in accordance with the same requirements governing public hearing of the governing body. In addition, at least thirty (30) days prior to the hearing, the applicant must: (a) Publish legal notice of the hearing in the official newspaper of the municipality where the Historic Property is located; (b) Post conspicuous notices on the official website of the governing body; (c) Provide written notice to the County, the Governing Body, and local Historic Preservation Commission of the Municipality where the Historic Property is located; (d) Provide written notices to all easement holders; (e) Provide written notice to all property owners and municipalities within 200 feet of the Historic Property; and (f) Post and maintain a sign to advise the public of the proposed termination, the public hearing, and the opportunity for public comment. The sign shall be placed in a conspicuous location at or near the entrance to the Historic Property and shall remain posted and maintained until the conclusion of the public comment period.
4. The applicant must submit a summary of the public comments received at the public hearing and the applicant's response to the public comments. In addition, the applicant shall post on its website its request for the termination and its supporting documentation. The applicant shall issue at least one press release at least ten (10) days prior to the public hearing describing the proposed termination.
5. The applicant must demonstrate that there is no reasonable reuse of the Historic Property and that extensive efforts have been made to find a suitable use and steward of the Historic Property.
6. The Historic Property must be protected by a perpetual easement approved by the Morris County Board of Chosen Freeholders.

The Morris County Open Space, Farmland, Floodplain Protection and Historic Preservation Trust Fund

7. The New Jersey Historic Trust (or a similarly qualified non-profit or government entity that has a track record of stewarding historic preservation easements in New Jersey) shall be the steward of the perpetual easement.
8. There is a finding by the State Historic Preservation Office that the termination of the original easement or grant agreement and the execution of a new perpetual historic preservation easement to be held by the NJ Historic Trust does not constitute an encroachment to the historic property under the New Jersey Register of Historic Places Act N.J.S.A. 13:1B-15.128 et. seq.
9. The applicant must demonstrate that the Historic Property shall continue to be reasonably accessible to the public without the payment of a fee.
10. The applicant shall provide reasonable compensation as determined by the Board of Chosen Freeholders of the County of Morris at its sole discretion.
11. The applicant shall submit any additional information the County deems necessary to fully consider the applicant's request.
12. Upon request, the applicant shall make a presentation to the Historic Preservation Trust Fund Review Board regarding its application prior to the Board's recommendation to the Board of Chosen Freeholders.