



CHRIS CHRISTIE  
Governor

KIM GUADAGNO  
Lt. Governor

## State of New Jersey

Highlands Water Protection and Planning Council  
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JIM RILEE  
Chairman

MARGARET NORDSTROM  
Executive Director

### MEETING AGENDA *(amended 10/19/16)* Thursday, October 20, 2016 at 4pm

- CALL TO ORDER
- ROLL CALL
- OPEN PUBLIC MEETINGS ACT STATEMENT
- PLEDGE OF ALLEGIANCE
- APPROVAL OF MINUTES – July 21, 2016
- CHAIRMAN'S REPORT (and Council Member Reports)
- EXECUTIVE DIRECTOR'S REPORT
- COMMITTEE REPORT:

#### REGIONAL MASTER PLAN UPDATE

- Report
- Presentation – Final Fiscal Impact Assessment

#### LANDOWNER EQUITY & LAND PRESERVATION

- Report
- CONSIDERATION OF RESOLUTION - Support For A Water User Fee As A Dedicated Source Of Funding For Land Conservation *(voting matter with public comment)*

#### AUDIT

- CONSIDERATION OF RESOLUTION – Approval of Contract for Auditing Services *(voting matter with public comment)*

#### BUDGET & FINANCE

- CONSIDERATION OF RESOLUTION – Approval of the Highlands Council FY2017 General Operating Budget *(voting matter with public comment)*
- CONSIDERATION OF RESOLUTION - Approval of the FY2017 Highlands Protection Fund Capital Budget *(voting matter with public comment)*
- CONSIDERATION OF RESOLUTION – Approval Of A Transfer Of Development Rights Receiving Zone Feasibility Grant City Of Jersey City, Hudson County *(voting matter with public comment)*
- OTHER BUSINESS:
  - CONSIDERATION OF RESOLUTION – Authority for Plan Conformance and Highlands Project Review *(voting matter with public comment)*
  - CONSIDERATION OF RESOLUTION – Approval of 2017 Annual Meeting Schedule *(voting matter with public comment)*
- PUBLIC COMMENTS *(to ensure ample time for all members of the public to comment, we will respectfully limit comments to three (3) minutes. Questions raised in this period may not be responded to at this time but, where feasible, will be followed up by the Council and its staff.)*
- EXECUTIVE SESSION *(if deemed necessary)*
- ADJOURN

NEW JERSEY HIGHLANDS WATER PROTECTION AND PLANNING COUNCIL  
MEETING MINUTES OF OCTOBER 20, 2016

**PRESENT**

JIM RILEE	)	CHAIRMAN
KURT ALSTEDE	)	VICE CHAIR
TRACY CARLUCCIO	)	COUNCIL MEMBERS
MICHAEL R. DRESSLER	)	
MICHAEL FRANCIS	)	
ROBERT HOLTAWAY	)	
BRUCE JAMES	)	
CARL RICHKO	)	
RICHARD VOHDEN	)	
JAMES VISIOLI	)	
ROBERT G. WALTON	)	

**ABSENT**

TIMOTHY P. DOUGHERTY	)
MICHAEL SEBETICH	)
MICHAEL TFANK	)

**CALL TO ORDER** 148<sup>TH</sup> meeting of the New Jersey Highlands Water Protection and Planning Council to order at 4:03pm.

**ROLL CALL**

Roll call was taken. Members Carluccio, Dougherty, Dressler, Sebetich, and Tfank were absent. All other Council Members were present. *The following staff members were present: Margaret Nordstrom, John Maher, James Humphries, Corey Piasecki, Kim Ball Kaiser, Maryjude Haddock-Weiler, Carole Ann Dicton, Tom Tagliareni, Herb August, Ranji Persaud, Keri Green. Also present were Lisa LeBoeuf, Assistant Counsel, Governor's Authorities Unit, and Matthew Kelly, Deputy Attorney General.*

**OPEN PUBLIC MEETINGS ACT**

Ms. Tagliareni announced that the meeting is being held in accordance with the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq. The Highlands Council sent written notice of the time, date, and location of this meeting to pertinent newspapers of circulation throughout the State and posted notice on the Highlands Council website.

**PLEDGE OF ALLEGIANCE** was then recited.

*Member Dressler was present at 4:04pm.*

**APPROVAL OF HIGHLANDS COUNCIL MINUTES OF JULY 21, 2016.**

Chairman Rilee asked for a motion on the Minutes of July 21, 2016.

*Member James made a motion to approve the Minutes of July 21, 2016. Mr. Richko seconded it.*

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*A roll call vote was taken. The Minutes of July 21, 2016 were APPROVED 10-0.*

## **CHAIRMAN'S REPORT**

There was no Chairman's Report.

## **Council Reports**

There were no Council reports.

## **EXECUTIVE DIRECTOR'S (ED) REPORT**

Ms. Nordstrom highlighted some of Council staff's activities.

### **Plan Conformance Implementation**

Oakland Borough, Bergen County adopted its Planning Area Petition Ordinance on September 14, 2016; deemed consistent on September 26, 2016.

### **Municipal Issued Exemptions - Preservation Area:**

- Jefferson Township, Morris County: Exemption 4 – 1 issued; Exemption 2 – 1 issued.
- Montville Township, Morris County: Exemption 5 – 1 issued; Exemption 2 – 1 issued.
- Byram Township, Sussex County: Exemption 4 – 2 issued.

### **Personnel Update**

Staff member Jim Hutzelmann, Senior Engineer for the Council resigned from his position and his last day was September 30, 2016. A Civil/Environmental Engineer position was posted to the Highlands Council and New Jersey Civil Service Commission Job Seekers websites on September 28, 2016 and will remain posted through October 21, 2016.

Also, staff member Kelley Curran who was hired as a part-time Resource Management Specialist in November, 2014 will now be working as a full-time Resource Management Specialist. Her anticipated start date for this position is October 31, 2016.

*Member Carluccio was present at 4:07pm.*

## **RMP Update Committee**

At this time Vice Chair and Committee Chair Alstede introduced consultant Steve Gunnells from PlaceWorks to present the final Fiscal Impact Assessment (FIA). The presentation may be found on the Highlands Council website after the meeting:

[http://www.nj.gov/njhighlands/about/calend/2016\\_meetings/oct\\_20/preso\\_fia\\_oct20.pdf](http://www.nj.gov/njhighlands/about/calend/2016_meetings/oct_20/preso_fia_oct20.pdf)

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**Council Comment**

Chairman Rilee asked when the full document will be released. Ms. Nordstrom responded that the full document will be released in time for the December meeting.

Member Holtaway commented that he didn't see the indicator regarding tax per capita in the summary presentation as was discussed in the committee meeting. Mr. Piasecki noted that the tax per capita will be included in the Municipal Fact Book for all municipalities and counties and the Council will receive that section in December along with the complete FIA report. Mr. Piasecki noted "tax per capita" will be an indicator.

Member Francis requested more analysis that directly reflected the Preservation Area, specifically related to jobs and building permits. Mr. Gunnells explained the challenge in providing that level of analysis due to how that data has historically been tracked. He also noted that the state has changed to a digital method for building permits, which will make it easier to delineate between Preservation and Planning Area in future analysis.

Member Dressler asked about northern New Jersey towns that were not included in this analysis. Mr. Gunnells explained that some municipalities that had high density were not included in the analysis to ensure they did not skew the data. Member Dressler asked for a list of those towns that were not included.

Vice Chair Alstede asked for Mr. Gunnells to expand on the large parcel sales and how best to analyze them. Mr. Gunnells suggested that a survey be conducted (hedonistic style) regarding large parcel sales with agricultural value vs. development use vs. water/sewer vs. schools. Mr. Alstede asked when a lack of sales will become an indicator. Mr. Gunnells explained that when comparable large parcel sales begin to be recorded outside the Highlands Region but near it, then there will be a basis for analysis.

Chairman Rilee reiterated that Council will receive the full report of the FIA in December.

**Amending the Regional Master Plan**

At this time, Ms. Nordstrom presented a flow-chart graphic illustrating a conceptual process for amending the Regional Master Plan (RMP). Ms. Nordstrom noted that Chief Counsel John Maher will provide a written procedure for Council's review prior to Council's next meeting. The graphic may be found on the Highlands Council's website:

[http://www.nj.gov/njhighlands/about/calend/2016\\_meetings/oct\\_20/preso\\_rmp\\_amend\\_process\\_oct20.pdf](http://www.nj.gov/njhighlands/about/calend/2016_meetings/oct_20/preso_rmp_amend_process_oct20.pdf)

**Landowner Equity & Land Preservation Committee**

Member Walton gave a report on the committee's activities.



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Programs

Mr. Walton first reported on the funding for the HDC Purchase Program (HDCPP) and the Open Space Partnership Grant (OSPG) Program, noting that Council and the committee had previously agreed to allocate \$9M of the \$18.6M PSE&G mitigation funding across both programs with no set determination of how much would go to each program. Due to the overwhelming response to both programs (over \$20M in requests for the HDCPP alone), the committee recommended to Council to approve the full \$9M towards the highest ranking HDCPP applications based on the criteria established in the Rule (N.J.A.C. 7:70). Mr. Walton noted that staff is still reviewing the OSPG Program applications so the remaining approximately \$9M would be distributed between the OSPG Program and the remaining HDC Program after a review of the OSP applications.

*Committee Chair Walton made a motion to allocate \$9M of the \$18.6M PSE&G mitigation funding to fund the HDC Purchase Program. Member Vohden seconded it.*

Chairman Rilee asked if the motion needs to be in the form of a resolution. Chief Counsel John Maher noted that the funds were approved previously by Council so the motion on the floor is appropriate.

Council Comment

Ms. Carluccio asked if the ranking of applications considered proximity to the PSE&G line a priority and does Council staff feel confident that that is being applied. Council staff responded that all of the properties that are within the buffer of the right-of-way are proposed to be funded through this \$9M mitigation component of the PSE&G Comprehensive Mitigation Plan (CMP).

Public Comment

Chief Counsel noted that Public comment is not required since the Council previously approved these funds and that is when the Public had an opportunity to comment. The actual properties that will be purchased will be selected by the HDC Bank. This is simply a motion recommending that the full \$9M be allocated to HDC credits and as a motion from the floor it is not subject to Public comment.

*A roll call vote was taken. The motion was APPROVED 11-0.*

Committee Chair Walton concluded that at the HDC Bank meeting scheduled on November 3, 2016 the Bank will consider the HDCPP applications and authorize the purchase of HDCs under the HDCPP for properties that meet the criteria specified in the (N.J.A.C. 7:70).

Water User Fee

Committee Chair Walton then reported on the committee's efforts to support a water user fee. Mr. Walton noted that this resolution represents a year's work by the committee to determine

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what would be a fair compensation model to recommend to the Legislature to sign into law. Mr. Walton noted that at the passage of the Act it was promised to landowner in the region that they would be compensated. There was a general recommendation by sponsors of the Act to compensate landowners and that has not yet happened. The TDR Program has issues and is not funded at this time. Mr. Walton added that there have been efforts for open space funding in the Region, but never funding for landowner compensation. The cost of preserving the land that contains the water is not captured in water bills. The committee wants to formalize a recommendation to the Legislature to establish a water user fee to be use to compensate landowners for their role in preserving the land that contains this pristine water. The committee wanted this fee to be fair.

**Resolution** – Support For A Water User Fee As A Dedicated Source Of Funding For Land Conservation

*Mr. Walton made a motion on the Resolution. Mr. Dressler seconded it.*

Council Comment

Chairman Rilee thanked the committee for their efforts to recognize that property owners need to be compensated in the Region and noted that this is a step in the right direction.

Member Visioli conveyed his thanks to Council staff and the committee.

Member Holtaway strongly supports the water user fee, but in his opinion the rate of 0.1 cent per gallon could be increased.

Committee Chair Walton noted that the water user fee would include a review of the property owners' lost value due to the passage of the Highlands Act.

Member Dressler commented that he believes this resolution sends a strong message to the Legislature.

Member Carluccio was concerned about the economic impact of this water user fee and suggested perhaps Council should provide an economic analysis. Ms. Carluccio was also concerned with some of the language used in the resolution related the Highlands Act and RMP.

Member Richko supports the water user fee, but he proposed three changes to the language used in the resolution:

- Eighth WHEREAS Paragraph, page 1 of the resolution - The word "one-half" refers to 2004. The words "now 70 percent" should be added in parenthesis.
- Ninth WHEREAS Paragraph, page 1 of the resolution. The word "some" should be added to read: "...the Highlands Act burdens "some" property owners..."

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- Paragraph 2, page 3 of the resolution - The word “harmed” landowners should be change to “affected” landowners.

*Committee Chair Walton amended his motion to approve the Resolution, as amended with these three changes. Member Visioli seconded the motion.*

Vice Chair Alstede read an excerpt from the Act (C.13:20-2) to support this resolution. Member Carluccio did not agree with the words in the resolution and would consider the words Mr. Alstede recited.

Member Dressler thanked the committee for its work.

**Public Comment**

**Elliott Ruga – NJ Highlands Coalition** – Mr. Ruga spoke in support of the water user fee, but believes there are mischaracterizations of the Highlands Act in the resolution.

*Member James left the meeting temporarily at 5:27pm.*

**Deborah Post, property owner in Chester Township** – Ms. Post spoke in opposition of the resolution and does not agree with the sunset provision.

*Member James returned to the meeting at 5:29pm.*

**Wilma Frey, New Jersey Conservation Foundation** – Ms. Frey stated that she would support a water user fee to be used for conservation purposes as describe in the title of the resolution, but noted conflicting language of “compensation” elsewhere in the resolution and urged Council to table this resolution to rewrite it for clarification purposes.

**David Peifer, Association of New Jersey Environmental Commission** – Mr. Peifer requested more time to review agenda items. His organization supports a water user fee, but agrees with Ms. Frey and feels there is a lack of specificity in the resolution and Council should table.

**George Stafford, Wharton, NJ** – Mr. Stafford supports a water user fee, but agrees that the resolution needs to be reworked.

**Hank Klumpp, Tewksbury, NJ** – Mr. Klumpp made comments on the Holstein Real Estate report and the lost values in the Highlands. Mr. Klumpp spoke in opposition of the sunset provision in the resolution, but would like the resolution to be approved.

**Bill Kibler, Raritan Headwaters Association** – Mr. Kibler supports a water user fee that is used to preserve open space, farms and an existing TDR or HDC program, but cannot support this resolution as written.

**Ed Wengryn, New Jersey Farm Bureau** – Mr. Wengryn spoke in support of the water user fee resolution.

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**David Shope, Lebanon Township, NJ** – Mr. Shope hopes this resolution is approved.

**Council Comment**

Member Richko commented that he agrees with the water user fee, but has concerns with some of the negative language noted in the resolution as it pertains to the Act and feels the resolution should be reviewed further.

*Mr. Richko made a motion to table the resolution. Ms. Carluccio seconded it.*

*A roll call vote was taken. The motion FAILED by 4-7.*

There was continued discussion amongst Council members on the resolution process.

*All members present voted on the Resolution as amended. The Resolution was APPROVED 8-2, with one abstention by Member James.*

Committee Chair Walton thanked Council staff, committee members, Chief Counsel, and Chairman Rilee.

*Member Visoli left the meeting at 5:57pm.*

**Audit Committee**

Committee Chair Walton reported that the Audit Committee approved the recommendation of the Audit Evaluation Committee to approve Mercadien, P.C. as the Council's auditor.

*Mr. Walton made a motion on the Resolution. Ms. Carluccio seconded it.*

**Public Comment**

**Deborah Post, property owner in Chester Township** – Ms. Post requested that the audit include detail regarding how many persons on the payroll will receive government pensions.

There was no Council comment.

*All members present voted on the Resolution. The Resolution was APPROVED 10-0.*

**Budget and Finance Committee**

Committee Chair Holtaway gave an overview of the FY2017 General Operating Budget. Committee Chair Holtaway also noted that there are no staff budgets for increases.

**Resolution - Approval of Fiscal Year 2017 General Operating Budget**

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*Mr. Holtaway made a motion on the Resolution. Mr. James seconded it.*

**Public Comment**

**Deborah Post, property owner in Chester Township** – Ms. Post commented in opposition of the General Operating Budget for staff who will receive pensions and landowners will not be considered fairly.

**Council Comment**

Mr. Richko commented for the record that Council staff has not received a salary increase for at least nine years while deductions from their paychecks have increased.

*All members present voted on the Resolution. The Resolution was APPROVED 9-1.*

*Members James and Walton left the meeting at 6:03pm.*

**Resolution - Approval of the FY2017 Highlands Protection Fund Capital Budget**

Committee Chair Holtaway gave an overview of the FY2017 Highlands Protection Fund Capital Budget.

*Mr. Holtaway made a motion on the Resolution. Mr. Richko seconded it.*

There was no Public comment.

There was no Council comment.

*All members present voted on the Resolution. The Resolution was APPROVED 8-0.*

**Resolution – Approval of a Transfer of Development Rights Receiving Zone Feasibility Grant City of Jersey City, Hudson County**

Chairman Rilee announced that this resolution would be pulled from the agenda to gather additional details. The resolution will be considered at Council's next meeting.

**Other Business:**

**Resolution – Authority For Highlands Plan Conformance and Highlands Project Review**

*Mr. Holtaway made a motion on the Resolution. Mr. Francis seconded it.*

**Council Comment**

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Ms. Carluccio commented that she does not support this resolution and referenced Paragraph #5 on Page 3 that she feels Council should review.

Chairman Rilee pulled this resolution from the agenda and will consider at Council's next meeting.

**Resolution – Annual Meeting Schedule for 2017**

*Mr. Dressler made a motion on the Resolution. Mr. Holtaway seconded it.*

There was no Council Comment.

There was no Public Comment.

*All members present voted on the Resolution. The Resolution was APPROVED 8-0.*

*Member Dressler left the meeting at 6:09pm.*

Chairman Rilee opened the meeting to the general public for comments.

**Public Comment**

**George Stafford, New Jersey Highlands Coalition** – Mr. Stafford commented on the Fiscal Impact Assessment presentation and stated the State Department of Taxation has tax information on all municipalities and counties and questioned why this information was not used in the analysis.

**Elliot Ruga, New Jersey Highlands Coalition** – Mr. Ruga questioned why the Jersey City TDR grant resolution was pulled. He stated the Highlands Coalition is interested in seeing a viable TDR program and noted that the Coalition sees a lot of development potential in Jersey City.

**Hank Klumpp, Tewksbury, NJ** – Mr. Klumpp commented on how property values have been taken by the Highlands Act and asked how can taxes be paid on undeveloped land.

**Deborah Post, Chester, NJ** – Ms. Post spoke about just compensation for landowners.

**David Shope, Lebanon Township, NJ** – Mr. Shope stated that no TDR credits have been transferred.

*Member Richko made a motion to adjourn the meeting. Member Holtaway seconded it. All were in favor. The meeting was adjourned at 6:22pm.*

NEW JERSEY HIGHLANDS WATER PROTECTION AND PLANNING COUNCIL  
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**CERTIFICATION**

I hereby certify that the foregoing is a true copy of the minutes of the meeting of the Highlands Water Protection and Planning Council.

Date: 12-1-16

Name: Annette Tagliareni  
Annette Tagliareni, Executive Assistant

**Vote on the Approval of  
These Minutes**

	Motion	Second	Yes	No	Abstain	Absent
Councilmember Alstede			✓			
Councilmember Carluccio			✓			
Councilmember Dougherty			✓			
Councilmember Dressler						✓
Councilmember Francis		✓	✓			
Councilmember Holtaway			✓			
Councilmember James			✓			
Councilmember Richko			✓			
Councilmember Sebetich						✓
Councilmember T'fank			✓			
Councilmember Visioli			✓			
Councilmember Vohden			✓			
Councilmember Walton	✓		✓			
Chairman Rilee			✓			

PUBLIC COMMENTS SUBMITTED AT HIGHLANDS  
COUNCIL MEETING ON OCTOBER 20, 2016



Comments of Wilma Frey, New Jersey Conservation Foundation

Re:

NJ Highlands Council proposed Resolution  
“NJ Highlands Council Support for a Water User Fee as a  
Dedicated Source of Funding for Land Conservation”

1. We have identified that the Resolution was adopted by the Council on October 11, 2016. The Resolution was adopted by a vote of 11-0.

2. NJ Conservation supports what is implied by the title of the resolution – a water user fee that would support the Council’s Open Space and HDC Purchase Program. We are in favor of more land preservation in the critical Highlands region, and believe it is essential to protect the water and forest resources of the region.

However, reading of the body of the resolution reveals:

1. Errors in the Whereas’s referencing the Highlands Act itself, and other statements that are partially or entirely inaccurate.

2. Action points in the “Be It Resolved” section do not indicate that the goal is to purchase lands in fee or dedicated conservation easements through the Highlands Open Space and HDCPP programs. Rather, the stated goal is to “assist in compensating landowners whose future land use expectations have been impacted.”

3. “Be It Resolved” point 2 also does not appear to support the stated goal of utilizing the water tax as a dedicated source of funding for land conservation, but instead recommends the development of a “means of distribution of funds to harmed landowners.” It does not indicate that the purchase of their lands in fee or easement will be the means of distributing the funds.

The funds must be applied to permanent preservation of the land resources.

We urge that this resolution be tabled at this time.

①

I'm Hank Klumpp-I own 150+ acres in the Highlands Preservation Area.

I have had no equity for twelve years - the council has been telling me they are working hard to try to help me and others - then - I get the word, that for months now, that there will be no Highlands meetings due to the lack of agenda items. THANKS!

The taking of our property values with no compensation is an item for your agenda, and even if it were the only item on your agenda, there would have been lots to discuss.

In a 2012 U.S. Department of Agriculture Census, in Hunterdon County

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the average farm is 66 acres with a yearly earning of <sup>16</sup>16.21 per acre. You do the math. There are taxes, insurance, maintenance and so on - Farmers need equity!

I have gone to the Tewksbury Tax office and asked the following —

My 150 acres have been forced into the preservation area because of the Highlands Act. My land has no equity. I farm the land so I pay farmland taxes. I'm not getting any younger.

What will happen when I no longer can farm my land? I cannot be expected

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to then pay real estate taxes on land that is unbuildable. What will the taxes be on my land ??

The answer the Tewksbury Tax office gave me was, "We don't know how your Highlands preserved property will be taxed when you no longer can farm it. Go ask the Highlands Council - they did this - Guess they will have to fix it - So go ask them!"

Maybe this is an item that could have been addressed during the months that you had no items for an agenda!

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Hank Klumpp

24 Longview Road  
Lebanon, N. J. 08833

**RESOLUTION 2016-8**  
**NEW JERSEY HIGHLANDS WATER PROTECTION AND PLANNING COUNCIL**  
**SUPPORT FOR A WATER USER FEE AS A DEDICATED SOURCE OF FUNDING**  
**FOR LAND CONSERVATION**

**WHEREAS**, the Highlands Water Protection and Planning Act (the "Highlands Act") has created a public body corporate and politic with corporate succession known as the Highlands Water Protection and Planning Council (the "Highlands Council"); and

**WHEREAS**, the Highlands Act designated and established an 860,000 acre region of New Jersey as a regional planning, land use, and water management area subject to stringent land use controls in order to protect “an essential source of drinking water, providing clean and plentiful drinking water for one-half of the State’s population, including communities beyond the New Jersey Highlands”; and

**WHEREAS**, the State Legislature recognized that implementation of the strict land use controls imposed by the Highlands Act would inevitably have an impact on landowner expectations regarding future land use potential and recognized the need to provide just compensation to the owners of lands affected by the Highlands Act; and

**WHEREAS**, at the time the State Legislature considered passage of the Highlands Act, and conducted public hearings to generate support for the legislation, proponents promised to provide funding for compensation to landowners adversely impacted by land use restrictions imposed by the Highlands Act, but the State Legislature has failed to fulfil those promises; and

**WHEREAS**, the State Legislature declared its intent that the land use restrictions resulting from passage of the Highlands Act should be accompanied, as a matter of public policy and “fairness to property owners,” by a strong commitment by the State to fund the acquisition of open space and to attempt to compensate landowners for lost development potential; and

**WHEREAS**, the Highlands Act provides several mechanisms that seek to mitigate negative impacts on property owners, including, but not limited to, State funding for land acquisition, and a transfer of development rights (“TDR”) program; and

**WHEREAS**, the voluntary nature and other uncertainties relating to the effective implementation of the TDR program and the limited funding available thus far for acquisition of lands in the Highlands region raise doubt whether the stated legislative goal of “fairness to property owners” in the administration of the Highlands Act has been achieved; and

**WHEREAS**, one of the principal reasons the State Legislature adopted the Highlands Act was in recognition that the Highlands region serves as an “essential source of drinking water, providing clean and plentiful drinking water for one-half of the State's population” (now 70 percent); and

**WHEREAS**, while implementation of the Highlands Act burdens some property owners within the Highlands region, it benefits water users who do not reside in the Highlands region; and

**RESOLUTION 2016-8**  
**NEW JERSEY HIGHLANDS WATER PROTECTION AND PLANNING COUNCIL**  
**SUPPORT FOR A WATER USER FEE AS A DEDICATED SOURCE OF FUNDING**  
**FOR LAND CONSERVATION**

**WHEREAS**, in 2011 the Highlands region supplied 136 billion gallons of water or approximately one-third of the total potable water used in the State; and that Highlands water was distributed to 332 municipalities in 16 counties; and that these municipalities are home to 70 percent of the State's population; and

**WHEREAS**, the total cost of implementing the Highlands Regional Master Plan's land preservation program, recognizing the use of the dual appraisal valuation, is approximately \$1.3 billion; and

**WHEREAS**, it is appropriate that the cost burden of implementing the Highlands Act be shared amongst all beneficiaries, including by users of water derived from Highlands region sources through imposition of an appropriate water user fee; and

**WHEREAS**, the equitable distribution of the benefits and burdens of the implementation of the Highlands Act requires that all beneficiaries, including water users, share in the cost of implementing the Highlands Act, and that a water user fee would provide an equitable means by which to share these benefits and burdens; and

**WHEREAS**, the Highlands Council is an advocate for the establishment of dedicated sources of funding for the preservation and stewardship of open space lands in the Highlands region, including enactment of a water user fee; and

**WHEREAS**, the Highlands Council has attempted to achieve fairness to property owners by adopting in 2016 a program by rule to purchase development potential from landowners (HDC Purchase Program) and an Open Space Matching Grant Program for the purchase of land in the Highlands region, and interest in the HDC Purchase Program has far exceeded the available funds to purchase such development credits; and

**WHEREAS**, the Highlands Council has over many years expressed its support, by Resolutions 2005-18, 2006-22, 2008-13, and 2013-10, for a dedicated source of State funding for land preservation and to address landowner equity issues, including the enactment of a water user fee; and

**WHEREAS**, the Highlands Council shares the conviction of the many individuals and representatives of groups who have repeatedly testified before the Highlands Council that there needs to be a dedicated, directed, and stable funding source sufficient to preserve and steward the lands protected by the Highlands Act.

**NOW, THEREFORE, BE IT RESOLVED**

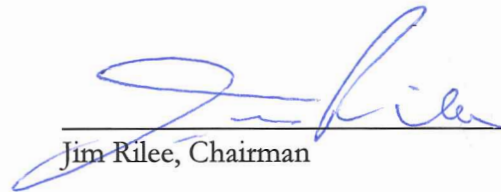
1. The Highlands Council hereby supports efforts to enact a water user fee imposed on water purveyors, at a rate of 0.1 cent per gallon, who derive water from Highlands region sources and to dedicate funds raised by such fee to assist in compensating landowners in the Highlands region whose future land use expectations have been impacted by the Highlands Act; and

**RESOLUTION 2016-8**  
**NEW JERSEY HIGHLANDS WATER PROTECTION AND PLANNING COUNCIL**  
**SUPPORT FOR A WATER USER FEE AS A DEDICATED SOURCE OF FUNDING**  
**FOR LAND CONSERVATION**

2. The Highlands Council recommends that any such efforts to enact a water user fee include a review of the property owners' lost value due to the passage of the Highlands Act to ensure the provision of just compensation in accordance with the goals of the Highlands Act, and that a means of distribution of funds to affected landowners be developed; and
3. The Highlands Council recommends that any water user fee sunset in ten (10) years after its enactment; and
4. That a copy of this resolution be sent to the New Jersey Governor and Legislature in support of these initiatives.

**CERTIFICATION**

I hereby certify that the foregoing Resolution was adopted by the Highlands Council at its regular meeting held on the 20<sup>th</sup> day of October 2016.

  
 Jim Rilee, Chairman

**Vote on the Approval of  
This Resolution**

	<b>Motion</b>	<b>Second</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Councilmember Alstede			✓			
Councilmember Carluccio				✓		
Councilmember Dougherty						✓
Councilmember Dressler		✓	✓			
Councilmember Francis			✓			
Councilmember Holtaway			✓			
Councilmember James					✓	
Councilmember Richko				✓		
Councilmember Sebetich						✓
Councilmember Tfank						✓
Councilmember Visioli			✓			
Councilmember Vohden			✓			
Councilmember Walton	✓		✓			
Chairman Rilee			✓			



**RESOLUTION 2016-8**  
**NEW JERSEY HIGHLANDS WATER PROTECTION AND PLANNING COUNCIL**  
**SUPPORT FOR A WATER USER FEE AS A DEDICATED SOURCE OF FUNDING**  
**FOR LAND CONSERVATION**

**WHEREAS**, the Highlands Water Protection and Planning Act (the "Highlands Act") has created a public body corporate and politic with corporate succession known as the Highlands Water Protection and Planning Council (the "Highlands Council"); and

**WHEREAS**, the Highlands Act designated and established an 860,000 acre region of New Jersey as a regional planning, land use, and water management area subject to stringent land use controls in order to protect “an essential source of drinking water, providing clean and plentiful drinking water for one-half of the State’s population, including communities beyond the New Jersey Highlands”; and

**WHEREAS**, the State Legislature recognized that implementation of the strict land use controls imposed by the Highlands Act would inevitably have an impact on landowner expectations regarding future land use potential and recognized the need to provide just compensation to the owners of lands affected by the Highlands Act; and

**WHEREAS**, at the time the State Legislature considered passage of the Highlands Act, and conducted public hearings to generate support for the legislation, proponents promised to provide funding for compensation to landowners adversely impacted by land use restrictions imposed by the Highlands Act, but the State Legislature has failed to fulfil those promises; and

**WHEREAS**, the State Legislature declared its intent that the land use restrictions resulting from passage of the Highlands Act should be accompanied, as a matter of public policy and “fairness to property owners,” by a strong commitment by the State to fund the acquisition of open space and to attempt to compensate landowners for lost development potential; and

**WHEREAS**, the Highlands Act provides several mechanisms that seek to mitigate negative impacts on property owners, including, but not limited to, State funding for land acquisition, and a transfer of development rights (“TDR”) program; and

**WHEREAS**, the voluntary nature and other uncertainties relating to the effective implementation of the TDR program and the limited funding available thus far for acquisition of lands in the Highlands region raise doubt whether the stated legislative goal of “fairness to property owners” in the administration of the Highlands Act has been achieved; and

**WHEREAS**, one of the principal reasons the State Legislature adopted the Highlands Act was in recognition that the Highlands region serves as an “essential source of drinking water, providing clean and plentiful drinking water for one-half of the State's population” (now 70 percent); and

**WHEREAS**, while implementation of the Highlands Act burdens some property owners within the Highlands region, it benefits water users who do not reside in the Highlands region; and

**RESOLUTION 2016-8**  
**NEW JERSEY HIGHLANDS WATER PROTECTION AND PLANNING COUNCIL**  
**SUPPORT FOR A WATER USER FEE AS A DEDICATED SOURCE OF FUNDING**  
**FOR LAND CONSERVATION**

**WHEREAS**, in 2011 the Highlands region supplied 136 billion gallons of water or approximately one-third of the total potable water used in the State; and that Highlands water was distributed to 332 municipalities in 16 counties; and that these municipalities are home to 70 percent of the State's population; and

**WHEREAS**, the total cost of implementing the Highlands Regional Master Plan's land preservation program, recognizing the use of the dual appraisal valuation, is approximately \$1.3 billion; and

**WHEREAS**, it is appropriate that the cost burden of implementing the Highlands Act be shared amongst all beneficiaries, including by users of water derived from Highlands region sources through imposition of an appropriate water user fee; and

**WHEREAS**, the equitable distribution of the benefits and burdens of the implementation of the Highlands Act requires that all beneficiaries, including water users, share in the cost of implementing the Highlands Act, and that a water user fee would provide an equitable means by which to share these benefits and burdens; and

**WHEREAS**, the Highlands Council is an advocate for the establishment of dedicated sources of funding for the preservation and stewardship of open space lands in the Highlands region, including enactment of a water user fee; and

**WHEREAS**, the Highlands Council has attempted to achieve fairness to property owners by adopting in 2016 a program by rule to purchase development potential from landowners (HDC Purchase Program) and an Open Space Matching Grant Program for the purchase of land in the Highlands region, and interest in the HDC Purchase Program has far exceeded the available funds to purchase such development credits; and

**WHEREAS**, the Highlands Council has over many years expressed its support, by Resolutions 2005-18, 2006-22, 2008-13, and 2013-10, for a dedicated source of State funding for land preservation and to address landowner equity issues, including the enactment of a water user fee; and

**WHEREAS**, the Highlands Council shares the conviction of the many individuals and representatives of groups who have repeatedly testified before the Highlands Council that there needs to be a dedicated, directed, and stable funding source sufficient to preserve and steward the lands protected by the Highlands Act.

**NOW, THEREFORE, BE IT RESOLVED**

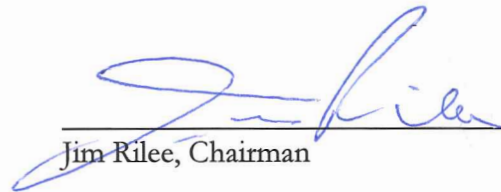
1. The Highlands Council hereby supports efforts to enact a water user fee imposed on water purveyors, at a rate of 0.1 cent per gallon, who derive water from Highlands region sources and to dedicate funds raised by such fee to assist in compensating landowners in the Highlands region whose future land use expectations have been impacted by the Highlands Act; and

**RESOLUTION 2016-8**  
**NEW JERSEY HIGHLANDS WATER PROTECTION AND PLANNING COUNCIL**  
**SUPPORT FOR A WATER USER FEE AS A DEDICATED SOURCE OF FUNDING**  
**FOR LAND CONSERVATION**

2. The Highlands Council recommends that any such efforts to enact a water user fee include a review of the property owners' lost value due to the passage of the Highlands Act to ensure the provision of just compensation in accordance with the goals of the Highlands Act, and that a means of distribution of funds to affected landowners be developed; and
3. The Highlands Council recommends that any water user fee sunset in ten (10) years after its enactment; and
4. That a copy of this resolution be sent to the New Jersey Governor and Legislature in support of these initiatives.

**CERTIFICATION**

I hereby certify that the foregoing Resolution was adopted by the Highlands Council at its regular meeting held on the 20<sup>th</sup> day of October 2016.

  
 Jim Rilee, Chairman

**Vote on the Approval of  
This Resolution**

	<b>Motion</b>	<b>Second</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Councilmember Alstede			✓			
Councilmember Carluccio				✓		
Councilmember Dougherty						✓
Councilmember Dressler		✓	✓			
Councilmember Francis			✓			
Councilmember Holtaway			✓			
Councilmember James					✓	
Councilmember Richko				✓		
Councilmember Sebetich						✓
Councilmember Tfank						✓
Councilmember Visioli			✓			
Councilmember Vohden			✓			
Councilmember Walton	✓		✓			
Chairman Rilee			✓			

**RESOLUTION 2016-10**  
**NEW JERSEY HIGHLANDS WATER PROTECTION AND PLANNING COUNCIL**  
**APPROVAL OF FISCAL YEAR 2017 GENERAL OPERATING BUDGET**

**WHEREAS**, the Highlands Water Protection and Planning Act (Highlands Act) has created a public body corporate and politic with corporate succession known as the Highlands Water Protection and Planning Council (Highlands Council); and

**WHEREAS**, Section 6.g of the Highlands Act authorizes the Highlands Council to conduct its business as needed to effectuate the purposes of the enabling legislation; and

**WHEREAS**, to satisfy its duties, responsibilities and obligations under the Highlands Act, the Council desires to prepare a general operating budget for Fiscal Year 2017; and

**WHEREAS**, the Budget and Finance Committee has reviewed a proposed general operating budget for Fiscal Year 2017; and

**WHEREAS**, the Budget and Finance Committee recommends the approval of the proposed general operating budget for Fiscal Year 2017; and

**WHEREAS**, pursuant to N.J.S.A. 13:20-5.j, no action authorized by the Highlands Council shall have force or effect until ten (10) days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the meeting of the Council has been delivered to the Governor for review, unless prior to expiration of the review period the Governor shall approve same, in which case the action shall become effective upon such approval.

**NOW, THEREFORE, BE IT RESOLVED** that the Highlands Council hereby approves the attached Fiscal Year 2017 General Operating Budget; and

**BE IT FURTHER RESOLVED** that the Budget and Finance Committee shall review the budget periodically and make recommended adjustments to the Council, as appropriate.

**CERTIFICATION**

I hereby certify that the foregoing Resolution was adopted by the Highlands Council at its regular meeting held on the 20<sup>th</sup> day of October, 2016.

  
\_\_\_\_\_  
Jim Rilee, Chairman

**RESOLUTION 2016-10**  
**NEW JERSEY HIGHLANDS WATER PROTECTION AND PLANNING COUNCIL**  
**APPROVAL OF FISCAL YEAR 2017 GENERAL OPERATING BUDGET**

**Vote on the Approval of  
This Resolution**

	<b>Motion</b>	<b>Second</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Councilmember Alstede			✓			
Councilmember Carluccio			✓			
Councilmember Dougherty						✓
Councilmember Dressler			✓			
Councilmember Francis			✓			
Councilmember Holtaway	✓		✓			
Councilmember James		✓	✓			
Councilmember Richko			✓			
Councilmember Sebetich						✓
Councilmember Tfank						✓
Councilmember Visioli						✓
Councilmember Vohden			✓			
Councilmember Walton				✓		
Chairman Rilee			✓			

HIGHLANDS WATER PROTECTION AND PLANNING COUNCIL  
REGIONAL MASTER PLAN BUDGET FY2017

**Revenues:**

Existing Bank Balance	\$ 1,535,870.67
Transfer in From Operating Account	\$ 44,625.32
Miscellaneous Revenues - Interest	\$ 2,000.00
<b>Total Revenues</b>	<b>\$ 1,582,495.99</b>

**Expenditures:**

Approved Contracts - Encumbered Balances	\$ 537,625.79
Other Anticipated Contracts/Balance	\$ 1,044,870.20
<b>Total Expenditures:</b>	<b>\$ 1,582,495.99</b>

## **RESOLUTION 2016-11**

### **NEW JERSEY HIGHLANDS WATER PROTECTION AND PLANNING COUNCIL APPROVAL OF THE FY2017 HIGHLANDS PROTECTION FUND CAPITAL BUDGET**

**WHEREAS**, the Highlands Water Protection and Planning Act (Highlands Act) has created a public body corporate and politic with corporate succession known as the Highlands Water Protection and Planning Council (Highlands Council); and

**WHEREAS**, Section 6.g of the Highlands Act authorizes the Highlands Council to conduct its business as needed to effectuate the purposes of the enabling legislation; and

**WHEREAS**, Section 18 of the Highlands Act obligates the Highlands Council to establish a grant funding program from funding created by the Highlands Protection Fund to reimburse municipalities and counties for reasonable expenses associated with Plan Conformance; and

**WHEREAS**, to satisfy its duties, responsibilities and obligations under the Highlands Act, the Council desires to prepare a Highlands Protection Fund Capital Budget; and

**WHEREAS**, the Budget and Finance Committee has reviewed a proposed Highlands Protection Fund Capital Budget; and

**WHEREAS**, pursuant to N.J.S.A. 13:20-5.j, no action authorized by the Highlands Council shall have force or effect until ten (10) days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the meeting of the Council has been delivered to the Governor for review, unless prior to expiration of the review period the Governor shall approve same, in which case the action shall become effective upon such approval.

**NOW, THEREFORE, BE IT RESOLVED** that the Highlands Council hereby approves the attached Highlands Protection Fund Capital Budget for Fiscal Year 2017; and

**BE IT FURTHER RESOLVED** that the Budget and Finance Committee shall review the budget periodically and recommend adjustments to the Council, as appropriate.

### **CERTIFICATION**

I hereby certify that the foregoing Resolution was adopted by the Highlands Council at its regular meeting held on the 20th day of October, 2016.



\_\_\_\_\_  
Jim Rilee, Chairman

**RESOLUTION 2016-11**  
**NEW JERSEY HIGHLANDS WATER PROTECTION AND PLANNING COUNCIL**  
**APPROVAL OF THE FY2017 HIGHLANDS PROTECTION FUND CAPITAL BUDGET**

<b>Vote on the Approval of This Resolution</b>	<b>Motion</b>	<b>Second</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Councilmember Alstede			✓			
Councilmember Carluccio			✓			
Councilmember Dougherty						✓
Councilmember Dressler			✓			
Councilmember Francis			✓			
Councilmember Holtaway	✓		✓			
Councilmember James						✓
Councilmember Richko		✓	✓			
Councilmember Sebetich						✓
Councilmember Tfank						✓
Councilmember Visioli						✓
Councilmember Vohden			✓			
Councilmember Walton						✓
Chairman Rilee			✓			



**HIGHLANDS WATER PROTECTION AND PLANNING COUNCIL**  
**HIGHLANDS PROTECTION FUND CAPITAL BUDGET ESTIMATES FY2017**

**Revenues:**

Highlands Protection Fund Grants - Balance of Unexpended Encumbrances: Plan Conformance	\$	4,615,649.76
Highlands Protection Fund Grants - Balance of Unexpended Encumbrances: TDR	\$	171,000.50
Highlands Protection Fund Grants - Balance of Unexpended Encumbrances: AG	\$	-
Highlands Protection Fund Grants - Balance of Unexpended Encumbrances: WUCMP Muns	\$	-
Highlands Protection Fund Grants - Balance of Unexpended Encumbrances: WUCMP Cons	\$	18,150.15
Highlands Unencumbered Funds (rollover from FY2016)	\$	259,000.00
State of New Jersey FY2015 Appropriation - Highlands Protection Fund		
Regional Master Plan Compliance Aid	\$	2,182,000.00
<b>Total Revenues</b>	<b>\$</b>	<b>7,245,800.41</b>

**Expenditures:**

Municipal Plan Conformance Grants - Projected FY2017 (new)	\$	102,000.00
Municipal TDR Feasibility Study Grants (\$40k/award)	\$	100,000.00
Municipal TDR Implementation Grants (\$250k/award)	\$	-
County Plan Conformance Grants - Projected FY2015	\$	57,000.00
Highlands Protection Fund Grants - Projected Closure of Unexpended Encumbrances	\$	-
Highlands Protection Fund Grants - Projected Reimbursements of Encumbered Funds	\$	1,500,000.00
Highlands Protection Fund Grants - Projected Balance of Encumbrances	\$	5,486,800.41
<b>Total Highlands Protection Fund Grant Encumbrances</b>	<b>\$</b>	<b>7,245,800.41</b>

**RESOLUTION 2016-12**  
**NEW JERSEY HIGHLANDS WATER PROTECTION AND PLANNING COUNCIL**  
**ANNUAL MEETING SCHEDULE FOR 2017**

**WHEREAS**, the Highlands Water Protection and Planning Act (Highlands Act) has created a public body corporate and politic with corporate succession known as the Highlands Water Protection and Planning Council (Highlands Council); and

**WHEREAS**, the Open Public Meetings Act directs public bodies to give adequate written advance notice of regular meetings and to establish and post an annual schedule of regular public meetings; and

**WHEREAS**, the Highlands Council has considered a schedule of regularly scheduled meetings of the Highlands Council for the year 2017; and

**WHEREAS**, pursuant to N.J.S.A. 13:20-5.j, no action authorized by the Highlands Council shall have force or effect until ten (10) days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the meeting of the Council has been delivered to the Governor for review, unless prior to expiration of the review period the Governor shall approve same, in which case the action shall become effective upon such approval.

**NOW, THEREFORE, BE IT RESOLVED**

1. The Highlands Council hereby adopts the following schedule of regularly scheduled meetings of the Highlands Council for the year 2017. All scheduled meetings will begin at **4:00pm**:

January 19  
February 16  
March 16  
April 20  
May 18  
June 15  
July 20  
August 17  
September 14  
October 19  
December 7

2. The Highlands Council's regular public meetings shall be held at the dates and times noted above at its office at 100 North Road, Chester, New Jersey, with the understanding that the Council may choose to make changes in location or time, but only with the provision of adequate advance public notice; and

3. The above schedule of regular public meetings, which may be amended and revised by the Executive Director as appropriate, shall be posted at the Highlands Council's office and on its web site.

**RESOLUTION 2016-12**  
**NEW JERSEY HIGHLANDS WATER PROTECTION AND PLANNING COUNCIL**  
**ANNUAL MEETING SCHEDULE FOR 2017**

**CERTIFICATION**

I hereby certify that the foregoing Resolution was adopted by the Highlands Council at its regular meeting held on the 20<sup>th</sup> day of October, 2016.

  
\_\_\_\_\_  
Jim Rilee, Chairman

	Motion	Second	Yes	No	Abstain	Absent
Councilmember Alstede			✓			
Councilmember Carluccio			✓			
Councilmember Dougherty						✓
Councilmember Dressler	✓		✓			
Councilmember Francis			✓			
Councilmember Holtaway		✓	✓			
Councilmember James						✓
Councilmember Richko			✓			
Councilmember Sebetich						✓
Councilmember Tfank						✓
Councilmember Visioli						✓
Councilmember Vohden			✓			
Councilmember Walton						✓
Chairman Rilee			✓			

**RESOLUTION 2016-  
NEW JERSEY HIGHLANDS WATER PROTECTION AND PLANNING COUNCIL  
APPROVAL OF A TRANSFER OF DEVELOPMENT RIGHTS RECEIVING ZONE  
FEASIBILITY GRANT CITY OF JERSEY CITY, HUDSON COUNTY**

**WHEREAS**, the Highlands Water Protection and Planning Act (Highlands Act) has created a public body corporate and politic with corporate succession known as the Highlands Water Protection and Planning Council (Highlands Council); and

**WHEREAS**, the Highlands Act authorizes the Highlands Council to enter into any and all agreements or contracts, execute any and all instruments to carry out any power, duty or responsibility under the Highlands Act; and

**WHEREAS**, Section 18 of the Highlands Act authorizes the Highlands Council to make available grants and other financial and technical assistance to municipalities and counties for implementation of a transfer of development rights (TDR) program; and

**WHEREAS**, on March 22, 2007, the Highlands Council by Resolution 2007-9 authorized the TDR Committee to develop and implement a process for the solicitation and distribution of grants and other support to municipalities within the seven Highlands counties in furtherance of the development of the Highlands TDR Program, in an annual amount not to exceed \$1,000,000; and

**WHEREAS**, the Budget and Finance Committee reviewed the grant application submitted by the City of Jersey City, County of Hudson, and recommends approval by the Highlands Council.

**NOW, THEREFORE, BE IT RESOLVED** by the Highlands Council that the Executive Director, or his designee, is hereby authorized to enter into a grant agreement with the City of Jersey City for a TDR Receiving Zone Feasibility Grant in the amount of \$40,000, provided that the Executive Director may authorize additional amounts under this contract pursuant to his authority under the Highlands Council Bylaws.

**CERTIFICATION**

I hereby certify that the foregoing Resolution was adopted by the Highlands Council at its regular meeting held on the 20<sup>TH</sup> day of October 2016.

\_\_\_\_\_  
Jim Rilee, Chairman

**Vote on the Approval of  
This Resolution**

	<b>Motion</b>	<b>Second</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Councilmember Alstede	_____	_____	_____	_____	_____	_____
Councilmember Carluccio	_____	_____	_____	_____	_____	_____
Councilmember Dougherty	_____	_____	_____	_____	_____	_____
Councilmember Dressler	_____	_____	_____	_____	_____	_____
Councilmember Francis	_____	_____	_____	_____	_____	_____
Councilmember Holtaway	_____	_____	_____	_____	_____	_____
Councilmember James	_____	_____	_____	_____	_____	_____
Councilmember Richko	_____	_____	_____	_____	_____	_____
Councilmember Sebetich	_____	_____	_____	_____	_____	_____
Councilmember Tfank	_____	_____	_____	_____	_____	_____
Councilmember Visioli	_____	_____	_____	_____	_____	_____
Councilmember Vohden	_____	_____	_____	_____	_____	_____
Councilmember Walton	_____	_____	_____	_____	_____	_____
Chairman Rilee	_____	_____	_____	_____	_____	_____

DRAFT - FOR CONSIDERATION AT THE OCTOBER 20, 2016  
MEETING OF THE HIGHLANDS COUNCIL

**RESOLUTION 2016-**  
**NEW JERSEY HIGHLANDS WATER PROTECTION AND PLANNING COUNCIL**  
**APPROVAL OF A TRANSFER OF DEVELOPMENT RIGHTS RECEIVING ZONE**  
**FEASIBILITY GRANT CITY OF JERSEY CITY, HUDSON COUNTY**

**RESOLUTION 2016-  
NEW JERSEY HIGHLANDS WATER PROTECTION AND PLANNING COUNCIL  
AUTHORITY FOR HIGHLANDS PLAN CONFORMANCE AND  
HIGHLANDS PROJECT REVIEW**

**WHEREAS**, the Highlands Water Protection and Planning Act (Highlands Act) has created a public body corporate and politic with corporate succession known as the Highlands Water Protection and Planning Council (Highlands Council); and

**WHEREAS**, the Highlands Act created the Highlands Council as a regional planning and protection entity, to develop, adopt and periodically revise a Regional Master Plan, with a primary goal of protecting and enhancing the significant values of the resources of the Highlands Region; and

**WHEREAS**, the Highlands Council adopted the Regional Master Plan (RMP) on July 17, 2008 and, as a result of Executive Order 114 (2008), the RMP has an effective date of September 8, 2008; and

**WHEREAS**, Section 14 of the Highlands Act requires that within nine to 15 months after the effective date of the Regional Master Plan, each municipality located wholly or partially in the Preservation Area shall submit revisions to the municipal master plan, development regulations and other regulations, as applicable to the development and use of land in the Preservation Area, as may be necessary to conform them with the goals, requirements and provisions of the RMP (Plan Conformance); and

**WHEREAS**, Section 15 of the Highlands Act states that for any municipality located wholly in the Planning Area or for the portion of a municipality lying within the Planning Area, the municipality may, by ordinance, petition the Highlands Council of its intention to revise its master plan, development regulations and other regulations, as applicable to the development and use of land in the Planning Area, to conform them with the goals, requirements and provisions of the RMP; and

**WHEREAS**, the Highlands Council adopted and distributed to the Highlands municipalities and counties Plan Conformance Guidelines outlining the process and procedures for petitioning the Highlands Council for Plan Conformance; and

**WHEREAS**, Section 13 of the Highlands Act requires the Highlands Council to create a regional transfer of development rights (TDR) program for the Highlands Region which includes a program for voluntary TDR receiving zones for any municipality within the seven Highlands Counties and sending zones for the preservation of lands to protect Highlands resources; and

**WHEREAS**, Section 11.a.4 of the Highlands Act requires a coordination and consistency component which details the ways in which local, State, and federal programs and policies may best be coordinated to promote the goals, purposes, policies, and provisions of the RMP; and

**WHEREAS**, Section 11.h and 9 of the Highlands Act requires the identification of areas appropriate for redevelopment and the setting of appropriate density standards for redevelopment; any area identified for possible redevelopment shall be either a brownfield site designated by the Department of Environmental Protection or a site at which at least 70% of the area thereof is covered with impervious surface (Highlands Redevelopment Areas); and

**RESOLUTION 2016-  
NEW JERSEY HIGHLANDS WATER PROTECTION AND PLANNING COUNCIL  
AUTHORITY FOR HIGHLANDS PLAN CONFORMANCE AND  
HIGHLANDS PROJECT REVIEW**

**WHEREAS**, Section 30 of the Highlands Act includes seventeen exemptions from the provisions of the Act, the RMP, any rules or regulations adopted by NJDEP pursuant to the Act, or any amendments to a master plan, development regulations, or other regulations adopted by a local government unit to specifically conform them with the RMP; and

**WHEREAS**, Sections 38 through 82 of the Highlands Act amends numerous statutes of State agencies to specifically require coordinated action to implement the RMP and requires consultation between the Highlands Council and State agencies to ensure that the RMP is considered prior to State agency action; and

**WHEREAS**, Sections 16 and 17 of the Highlands Act respectively authorize the Highlands Council to review capital or other project proposed to be undertaken by any State entity or local government unit and to review a final local government unit approval, rejection, or approval with conditions; and

**WHEREAS**, the Highlands Council desires to establish a process to implement the Highlands Act and the RMP in an orderly fashion through Plan Conformance and Highlands Project Review and to ensure that the Highlands Council retains authority to review and approve certain matters and to delegate authority to the Executive Director to review and approve others matters such that delegated matters constitute final agency action subject to the Council's authority to reconsider any final agency action; and

**WHEREAS**, pursuant to N.J.S.A. 13:20-5.j, no action authorized by the Highlands Council shall have force or effect until ten (10) days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the meeting of the Council has been delivered to the Governor for review, unless prior to expiration of the review period the Governor shall approve same, in which case the action shall become effective upon such approval.

**NOW, THEREFORE, BE IT RESOLVED** by the Highlands Council that the Highlands Council shall hereby take the following actions to implement the Highlands Regional Master Plan:

1. For municipal and county Plan Conformance, review and issue final determinations on all Petitions for Plan Conformance including, but not limited to, any related conditions, grant allocations, resource management plans, Map Adjustments and Highlands Center designations in accordance with the Regional Master Plan and the Plan Conformance Guidelines;
2. For the Highlands TDR Program, designate voluntary TDR Receiving Zones based upon municipal petitions and review and, where direct Council action is recommended by the Executive Director, issue HDC Allocation Determinations and execute any related documents and deeds of easement;
3. For Highlands Redevelopment Area Designations, designate areas appropriate for redevelopment;
4. For federal, State, and regional agency coordination, review and issue determinations on all requests for consultation, coordination, recommendation or consistency determinations where direct Council action is recommended by the Executive Director;

**RESOLUTION 2016-**  
**NEW JERSEY HIGHLANDS WATER PROTECTION AND PLANNING COUNCIL**  
**AUTHORITY FOR HIGHLANDS PLAN CONFORMANCE AND**  
**HIGHLANDS PROJECT REVIEW**

5. For Highlands Act exemption determinations, review and issue exemption determinations where direct Council action is recommended by the Executive Director; and
6. For the adoption of any master plan, development regulation, or other regulation by a local government unit not in Plan Conformance, development applications submitted to and approved by local government units, the call-up of local government unit approvals, and capital and other projects of State entities and local government units, review and issue comments or determinations on these matters on a case-by-case basis where the Highlands Council determines that Council action is required.

**THEREFORE, BE IT FURTHER RESOLVED** by the Highlands Council that the Executive Director is hereby delegated the authority to take the following final agency actions on behalf of the Council:

1. For municipal and county Plan Conformance, provide recommendations and take actions pursuant to the Plan Conformance Guidelines or Council Resolution and review and issue determinations on all requests for an RMP Update to verify updated, relevant factual information;
2. For the Highlands TDR Program, review and issue HDC Allocation Determinations and execute any related documents and deeds of easement;
3. For federal, State, and regional agency coordination, review and issue determinations on all requests for consultation, coordination, recommendation or consistency determinations;
4. For Highlands Act exemption determinations, review and issue exemption determinations;
5. For the adoption of any master plan, development regulation, or other regulation by a local government unit not in Plan Conformance, development applications submitted to and approved by local government units, the call-up of local government unit approvals, and capital and other projects of State entities and local government units, review and issue comments or determinations on these matters unless Council review is required by the Council;
6. For all of the above, the Executive Director may make a recommendation, based upon the potential impact on Highlands resources, that final agency action be taken by the Highlands Council; and
7. For all of the above, the Executive Director shall provide reports to the Highlands Council of all actions and determinations on a regular basis.



**RESOLUTION 2016-  
NEW JERSEY HIGHLANDS WATER PROTECTION AND PLANNING COUNCIL  
AUTHORITY FOR HIGHLANDS PLAN CONFORMANCE AND  
HIGHLANDS PROJECT REVIEW**

**THEREFORE, BE IT FURTHER RESOLVED** that any and all actions taken by the Executive Director pursuant to Resolution 2015-23 from December 3, 2015 through the effective date of this Resolution be and hereby are ratified by the Highlands Council; and

**THEREFORE, BE IT FURTHER RESOLVED** that this Resolution shall remain in full force and effect until it is revoked or modified by a subsequent resolution adopted by the Council.

**CERTIFICATION**

I hereby certify that the foregoing Resolution was adopted by the Highlands Council at its meeting held on the 20<sup>th</sup> day of October, 2016.

\_\_\_\_\_  
Jim Rilee, Chairman

**Vote on the Approval of  
The Resolution**

	<b>Motion</b>	<b>Second</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Councilmember Alstede	_____	_____	_____	_____	_____	_____
Councilmember Carluccio	_____	_____	_____	_____	_____	_____
Councilmember Dougherty	_____	_____	_____	_____	_____	_____
Councilmember Dressler	_____	_____	_____	_____	_____	_____
Councilmember Francis	_____	_____	_____	_____	_____	_____
Councilmember Holtaway	_____	_____	_____	_____	_____	_____
Councilmember James	_____	_____	_____	_____	_____	_____
Councilmember Richko	_____	_____	_____	_____	_____	_____
Councilmember Sebetich	_____	_____	_____	_____	_____	_____
Councilmember Tfank	_____	_____	_____	_____	_____	_____
Councilmember Visioli	_____	_____	_____	_____	_____	_____
Councilmember Vohden	_____	_____	_____	_____	_____	_____
Councilmember Walton	_____	_____	_____	_____	_____	_____
Chairman Rilee	_____	_____	_____	_____	_____	_____

- DRAFT -  
- Confidential -

# FIA—FINAL REPORT

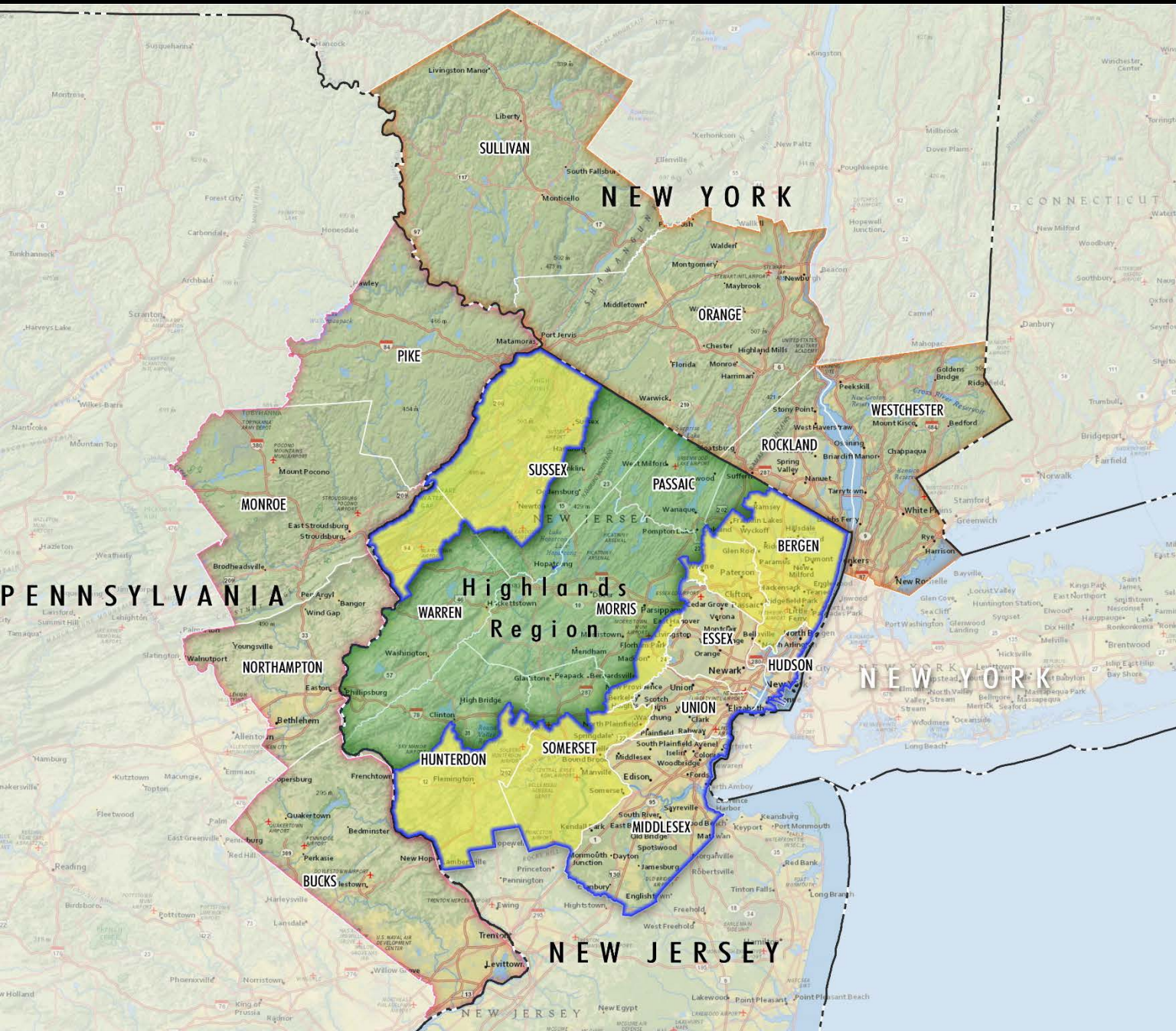
**New Jersey Highlands Water Protection and Planning Council**  
**October 20, 2016**

# AGENDA

- **Recap: Regional Economic Evaluation**
  - + Updated LEHD Data
- **Recap: Socioeconomic and Real Estate Analysis**
- **Recap: Fiscal and Financial Analysis**
- **Recommendations for the RMP Monitoring Program**

# FISCAL IMPACT ASSESSMENT

- **Phase 1: Regional Economic Evaluation**
- **Phase 2: Demographic and Real Estate Analysis**
- **Phase 3: Fiscal and Financial Analysis**
- **Final Fiscal Impact Assessment Report**



Highlands Region

Highlands County Municipalities  
not in the Highlands Region

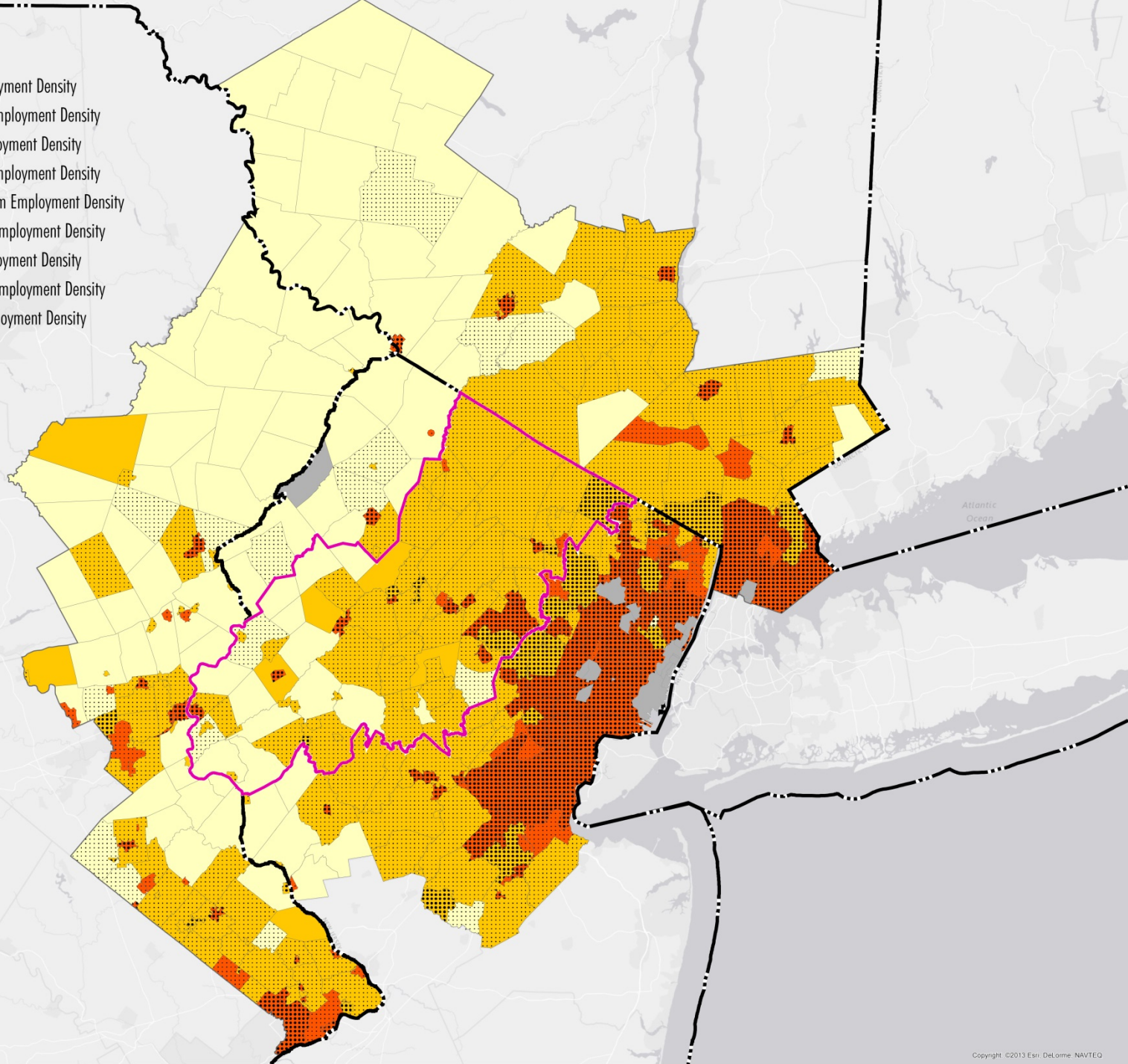
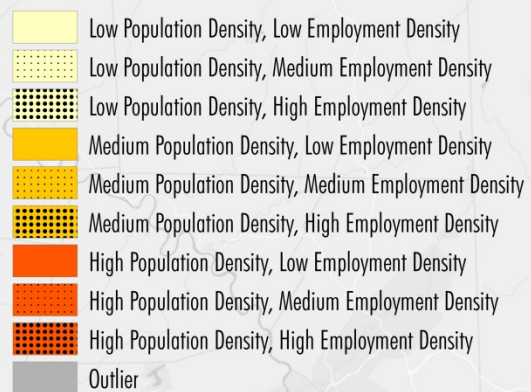
Northern New Jersey

Adjacent Region in Pennsylvania

Adjacent Region in New York



## Municipal Classification



# REGIONAL ECONOMIC EVALUATION

1. National Economic Context
2. New Jersey Regional Comparisons (QCEW)
3. Interstate Regional Comparisons (LEHD)
4. Findings

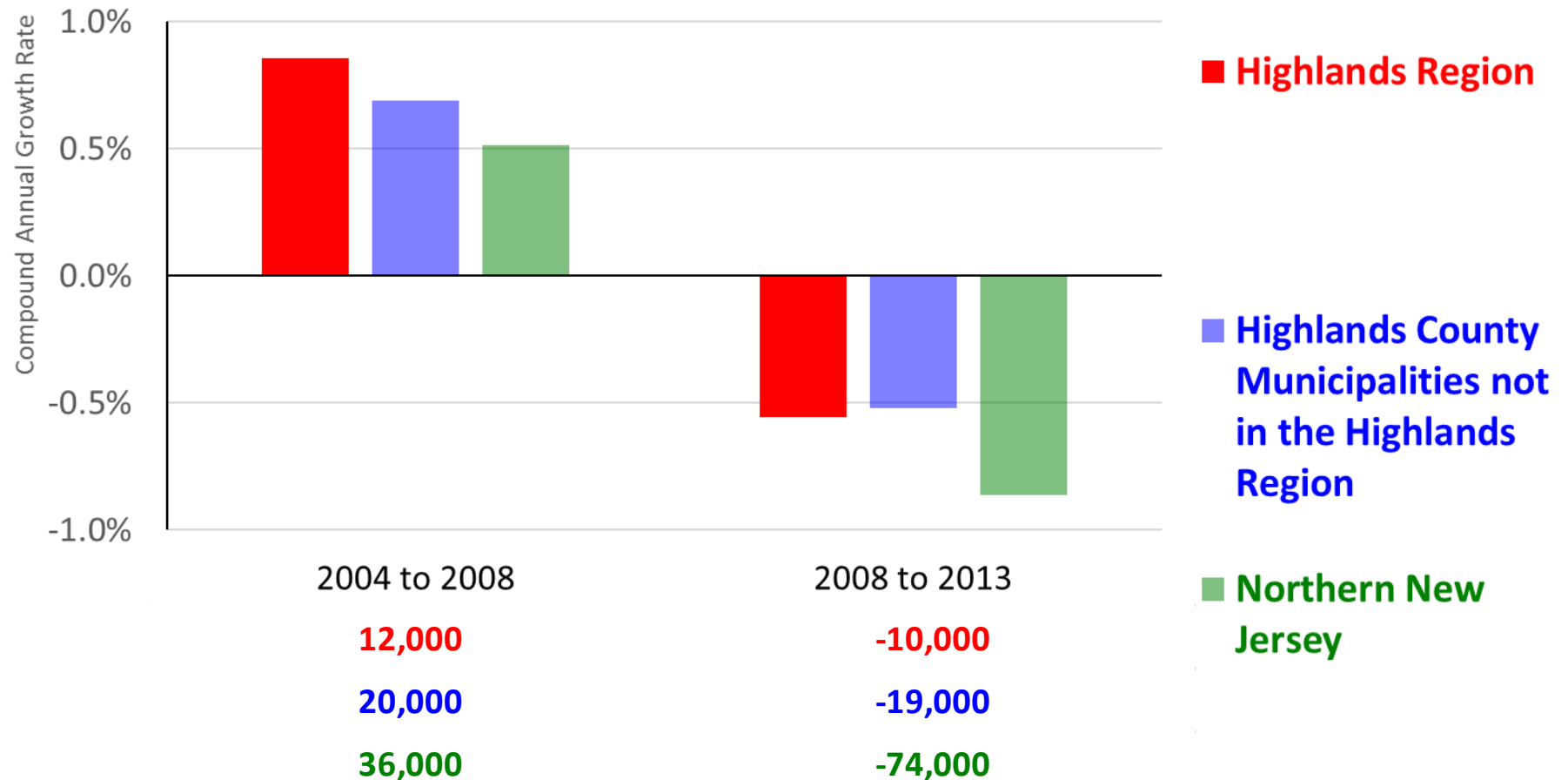
# NEW JERSEY REGIONAL COMPARISONS

- **Uses data from the Quarterly Census of Employment and Wages**
- **Data represent the average monthly employment for 2004, 2008, and 2013**
- **Since the original presentation of the Phase 1 analysis, it has been modified to remove the data for Highlands Region municipalities from the Northern New Jersey comparison region as recommended by the Rutgers Peer Review**



# NEW JERSEY REGIONAL COMPARISONS

## Annual Rate of Change in Total Regional Employment



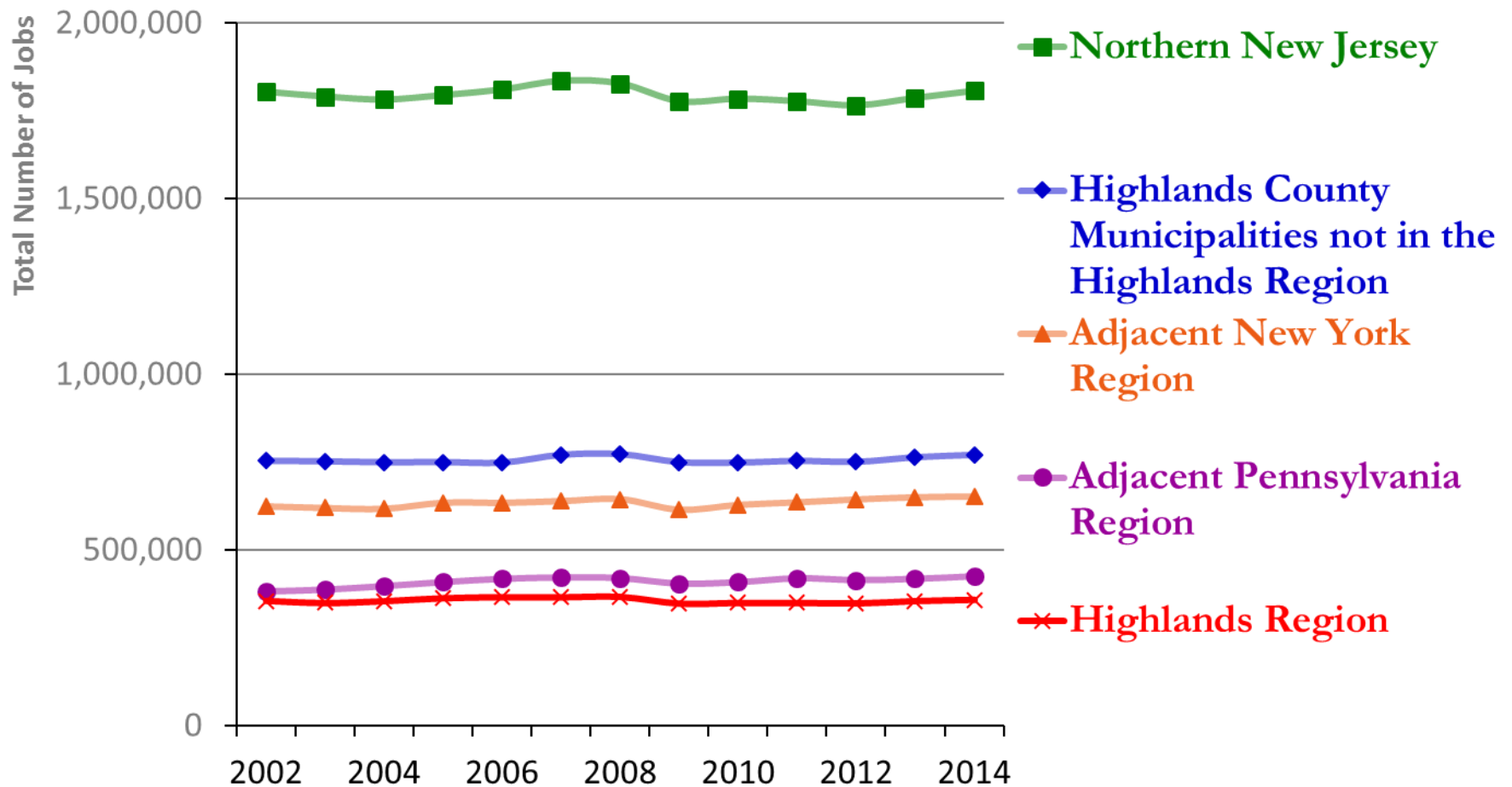
*Note: Table data indicates total employment change over each time period.*

# INTERSTATE COMPARISONS

- **Uses data from the U.S. Census Bureau's Longitudinal Employer-Household Dynamics (LEHD) program**
- **Since the original presentation of the Phase 1 analysis, it has been updated to include employment data through 2014**
- **Since the original presentation of the Phase 1 analysis, it has been updated to remove the Highlands Region municipalities from the Northern New Jersey comparison region as recommended by the Rutgers Peer Review**

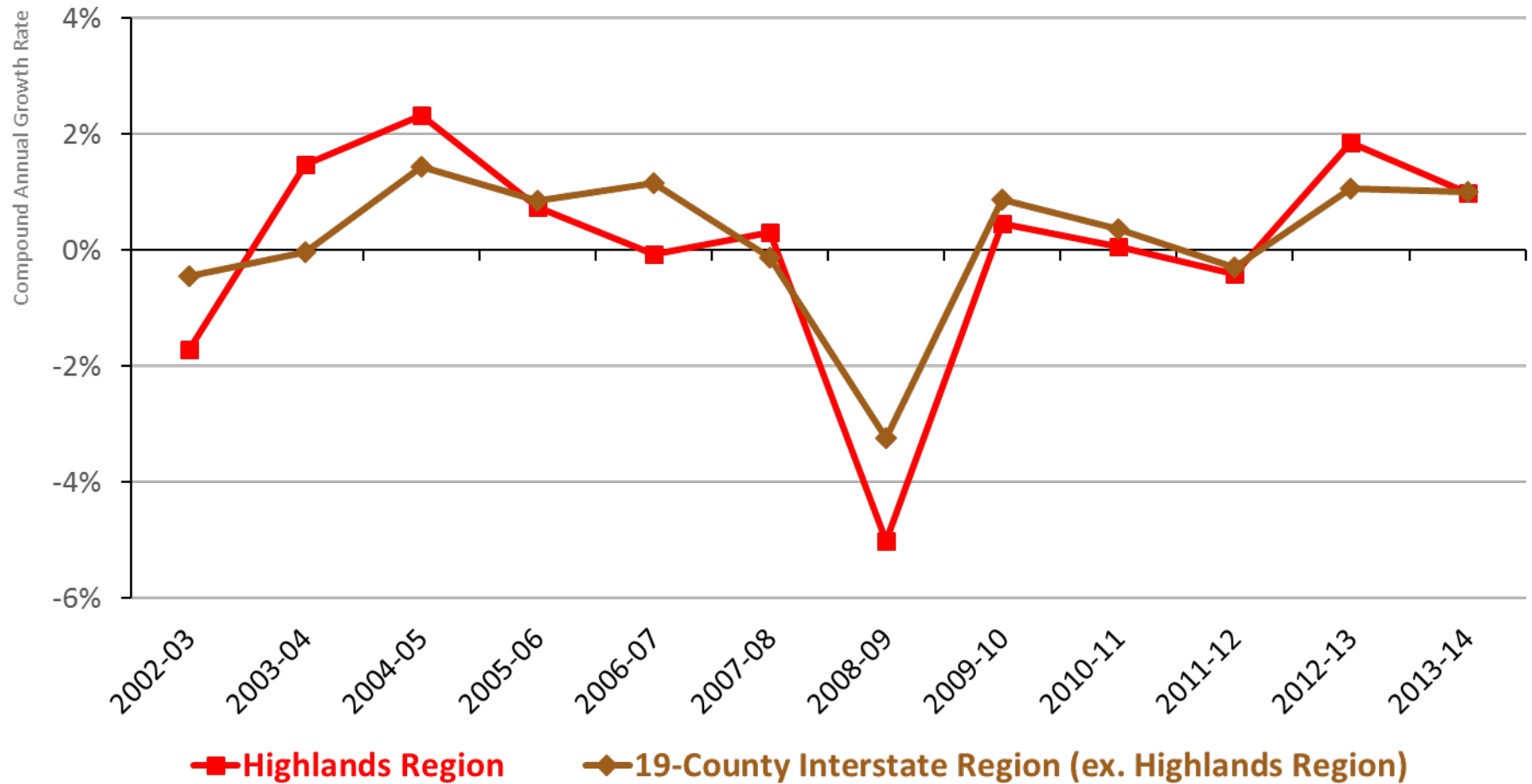
# INTERSTATE COMPARISONS

## Total Regional Employment



# INTERSTATE COMPARISONS

## Annual Rate of Change in Regional Employment



# REGIONAL ECONOMIC ANALYSIS FINDINGS

## **New Jersey Comparison Regions (QCEW)**

- **The Highlands Region had a higher annual rate of employment growth from 2004 to 2008 and was in between the two comparison regions from 2008 to 2013.**

## **Interstate Comparison Regions (LEHD)**

- **The Highlands Region's rate of employment growth was in the middle of the pack from 2002 to 2004 and 2004 to 2008.**
- **From 2008 to 2014 the Highlands Region had lower employment performance than all the comparison regions.**

# REGIONAL ECONOMIC ANALYSIS FINDINGS

## Municipal Level Analysis

- With both QCEW and LEHD data, the average rate of change in employment among Highlands Region municipalities compared to similar municipalities in the comparison regions had no consistent trends relative to the adoption of the Act and approval of the RMP
- None of the differences between the average rates of employment change was statistically significant

# REGIONAL ECONOMIC ANALYSIS FINDINGS

## Potential Limitations

- The Act and the RMP may have had minimal affect on job growth since the recession because, in general, vacancies could accommodate job growth without the need for a substantial amount of new development
- In 2004, 89% of Highlands Region employment was in the Planning Area. At the time of this analysis 70% of Highlands Region employment was in Non-conforming Planning Area.

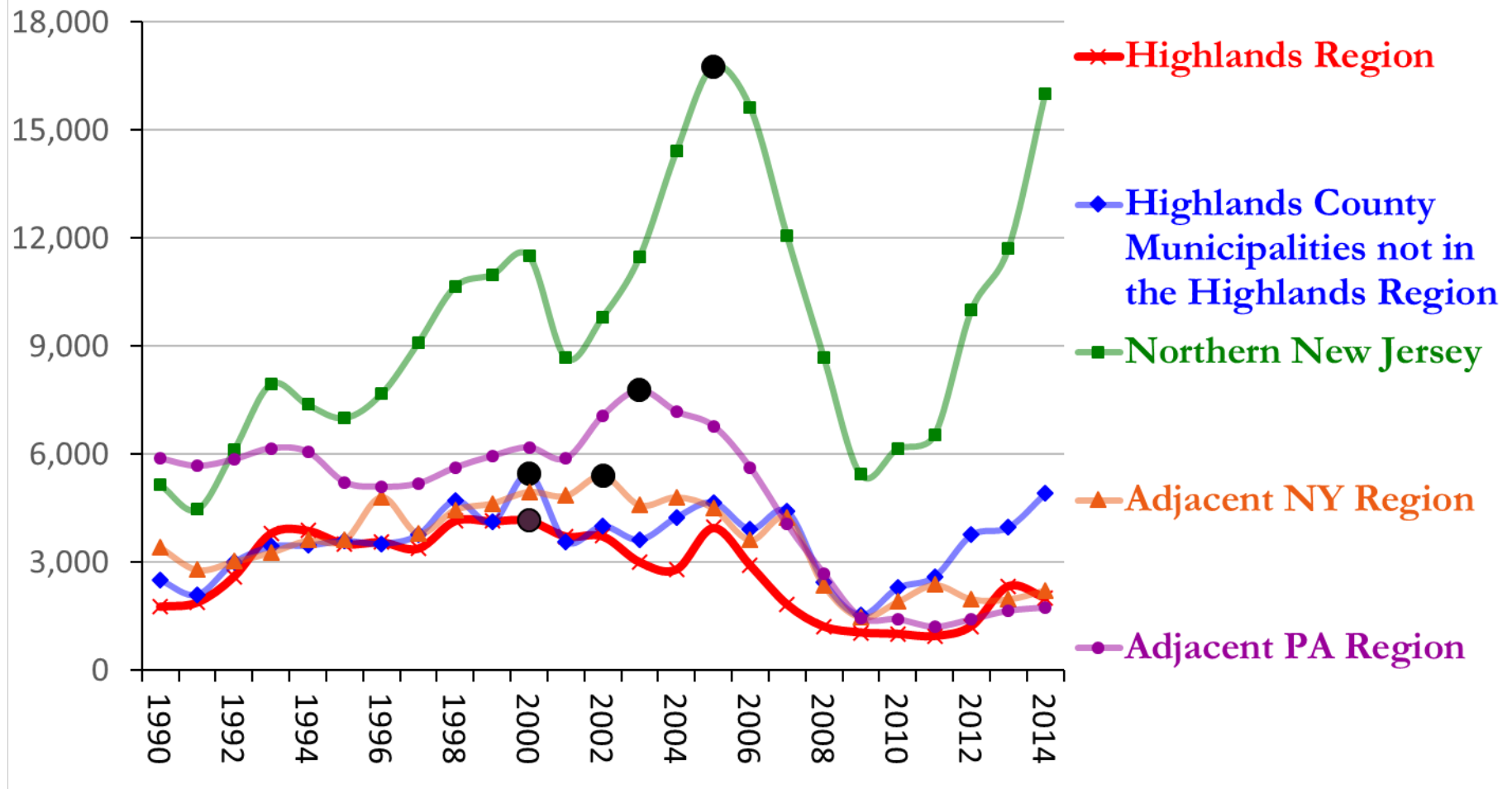
# **SOCIOECONOMIC AND REAL ESTATE ANALYSIS**

- 1. Building Permits and Construction**
- 2. Demographics**
- 3. Real Estate Sales and Values**



# BUILDING PERMITS AND CONSTRUCTION

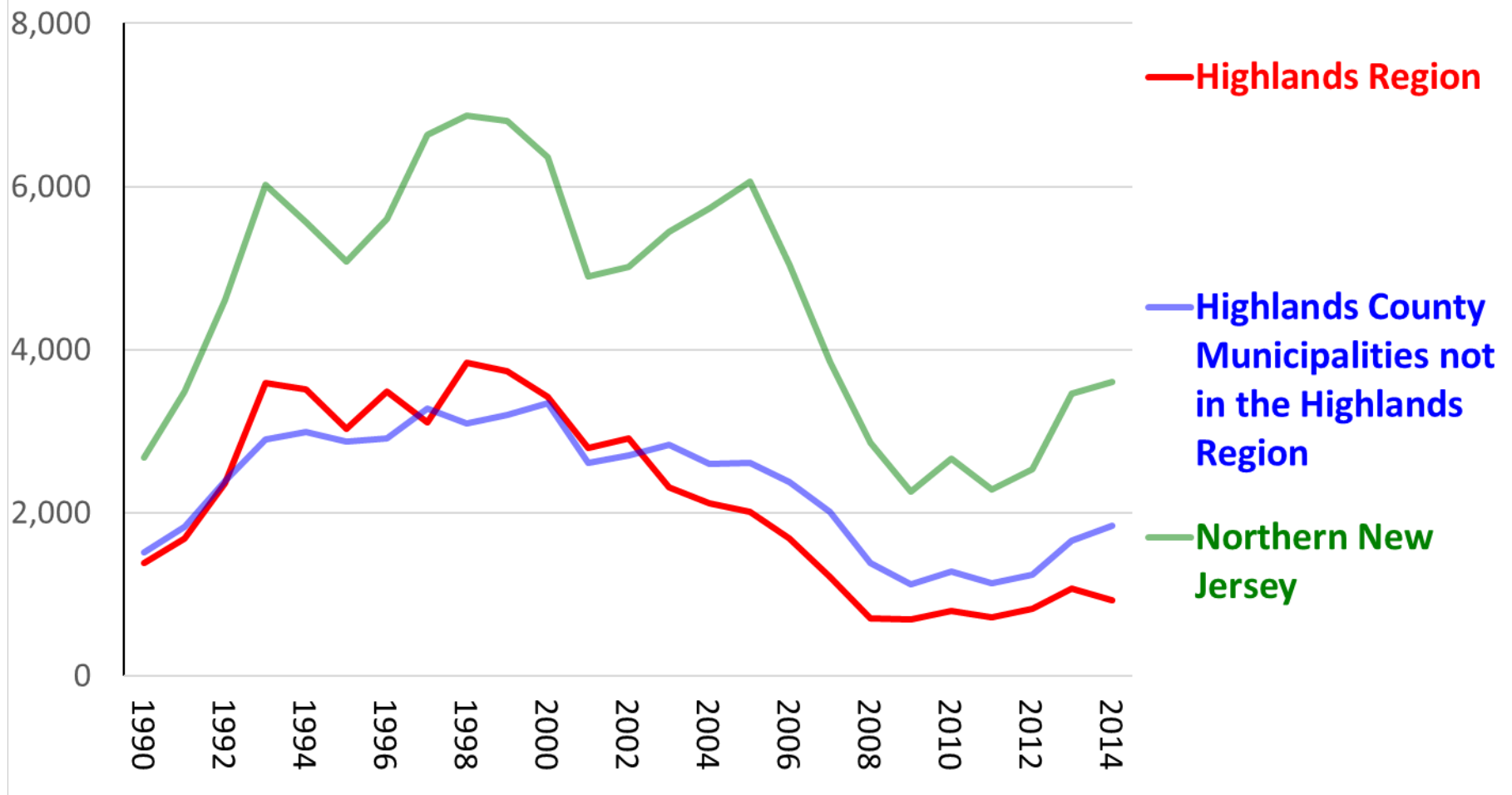
## Number of Residential Units Authorized by Building Permits



*Note: Black circle indicates year with most permits issued.*

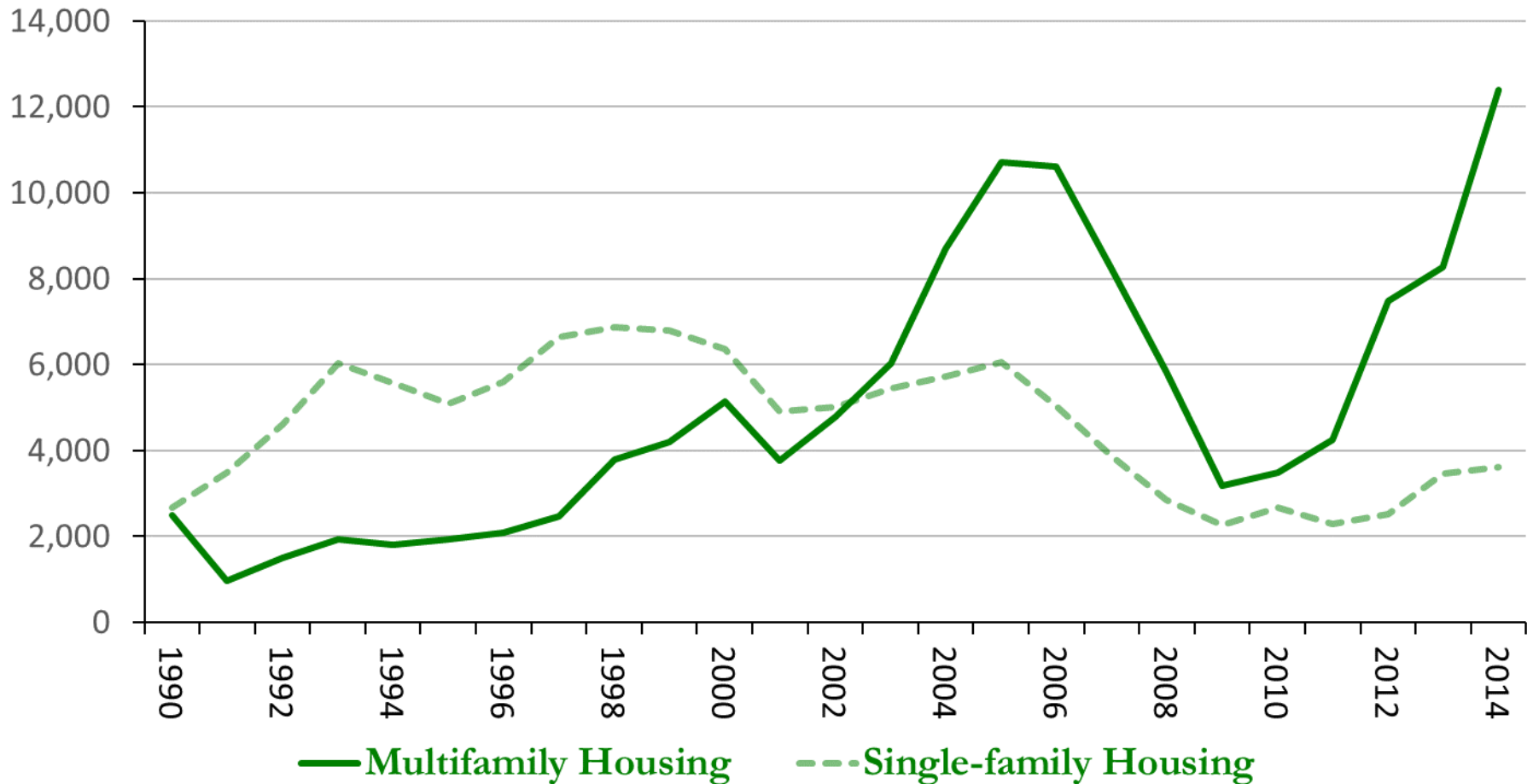
# BUILDING PERMITS AND CONSTRUCTION

Number of Single-Family Residential Units Authorized by Building Permits



# BUILDING PERMITS AND CONSTRUCTION

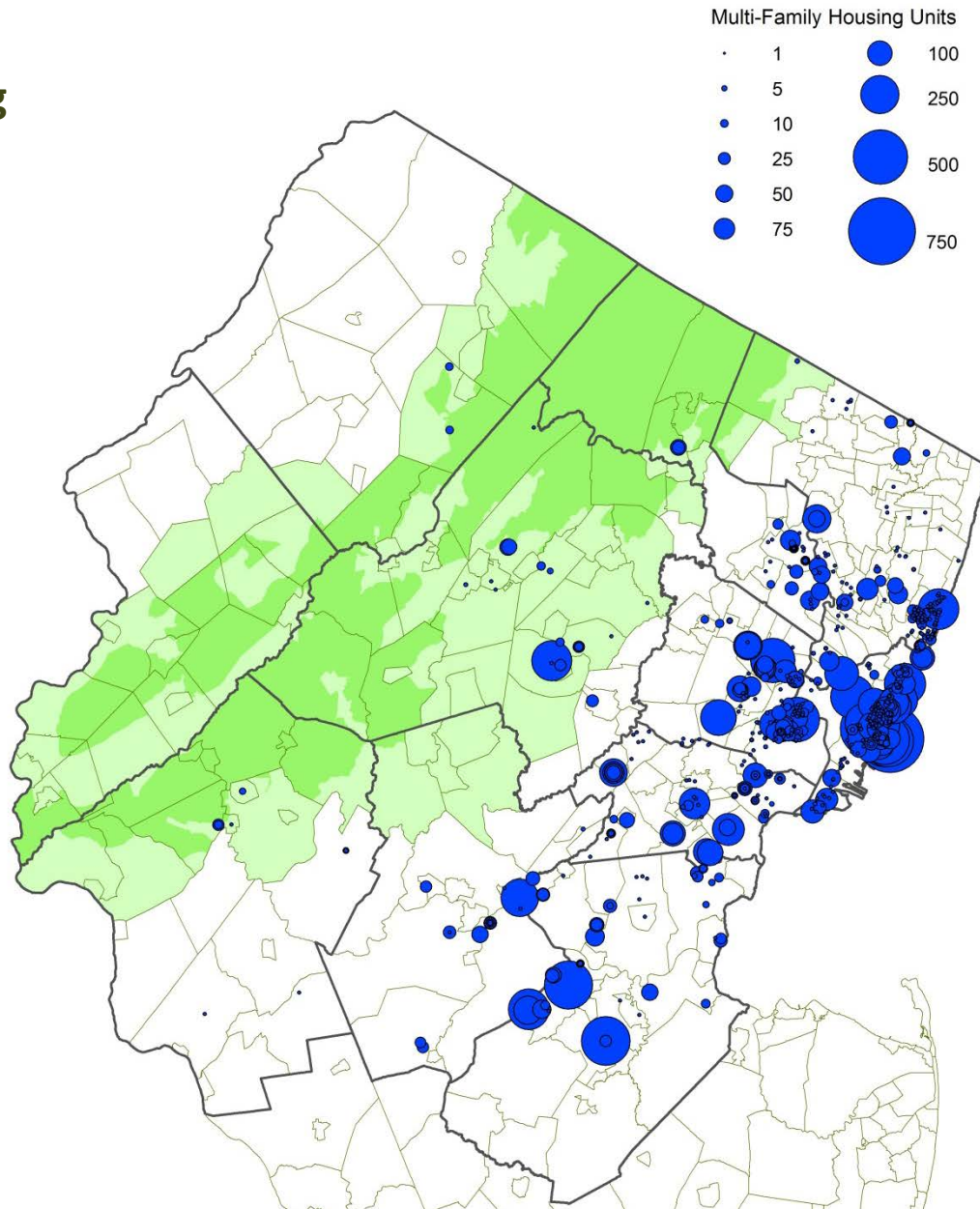
## Number of Single-Family and Multifamily Residential Units Authorized by Building Permits



*Note: Data cover the Northern New Jersey comparison region, which excludes the Highlands Region municipalities.*

# BUILDING PERMITS AND CONSTRUCTION

## Permits for Multifamily Housing in Northern New Jersey, 2013 and Q1 2014



# BUILDING PERMITS AND CONSTRUCTION

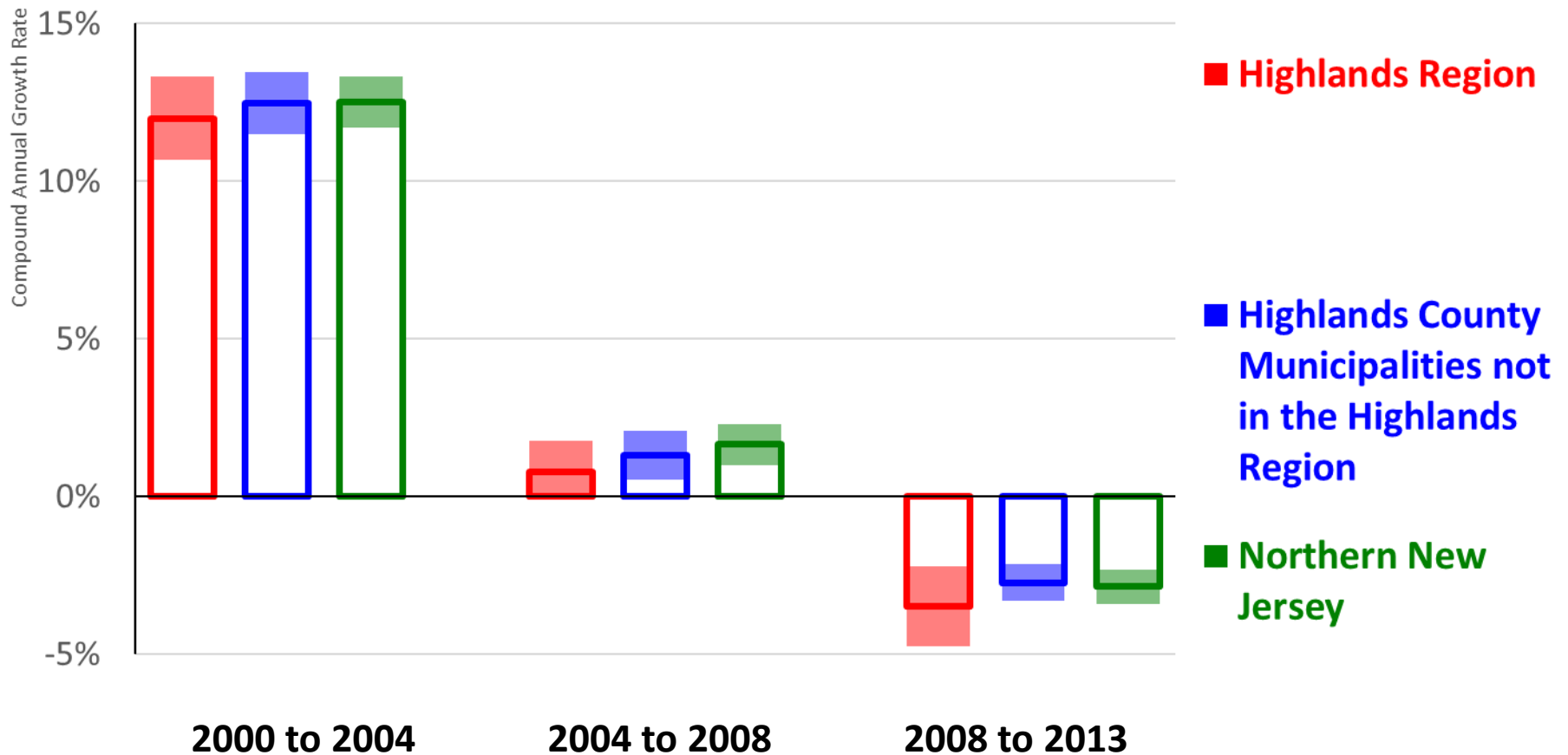
- The number of residential building permits issued in the Highlands Region has generally been declining since 1998.
- Across Northern New Jersey, the number of building permits issued for single-family housing has been declining since 1998.
- In Northern New Jersey, especially in the areas east of the Highlands Region, growth in housing construction has been in multifamily housing, which accounted for 75 percent of Northern New Jersey building permits in 2014.
- The Highlands Region is not benefitting from the regional market demand for multifamily housing.

# DEMOGRAPHIC FINDINGS

- **The report analyzes a variety of other demographic characteristics:**
  - + Households: number, size, and type
  - + Population: number, age, race/ethnicity
  - + Other: education, income
- **Generally, the regions are following similar demographic trends.**
- **However, where the Highlands Region is different is:**
  - + It is getting older, faster
  - + There are fewer children
  - + Households are getting smaller

# REAL ESTATE SALES AND VALUES

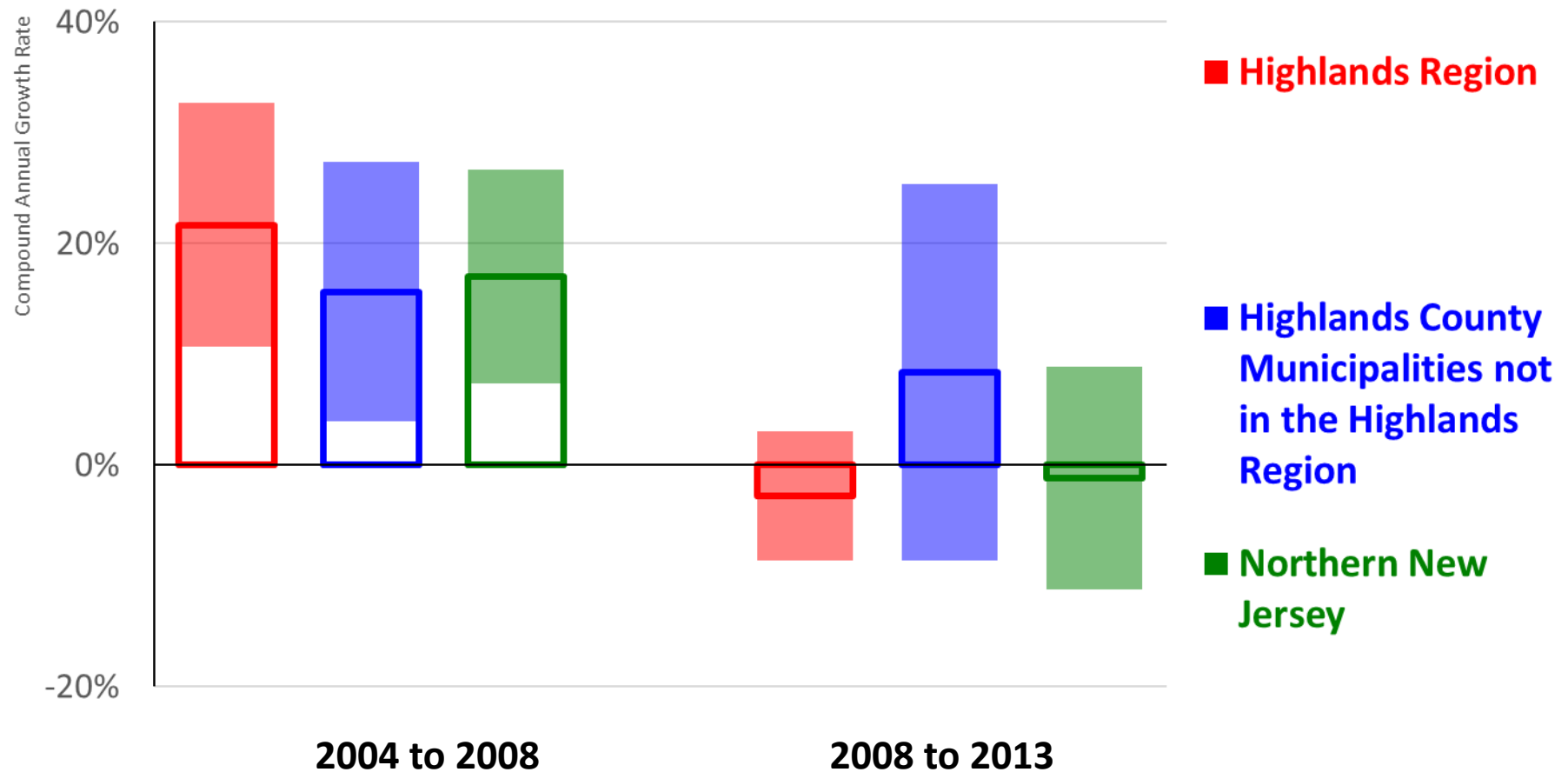
## Average Annual Rate of Change in Average Sales Values of Single-Family Houses Among Municipalities



*Note: Solid line represents mean; Shaded area represents the 95% confidence interval.*

# REAL ESTATE SALES AND VALUES

**Average Annual Rate of Change Among Municipalities in Average Sales Price per Acre for Vacant Land (>0.15 acre)**



*Note: Solid line represents mean; Shaded area represents the 95% confidence interval.*



# REAL ESTATE SALES AND VALUES

- The analysis finds that there are not yet any statistically significant differences between the Highlands Region and the other comparison areas in New Jersey for average sales values for residential, commercial, industrial, farmland, and vacant property.
- However, the sales value per acre for vacant land is diverging between the Highlands Region and the two comparison regions in New Jersey. This could become a significant difference, and the Council should continue to track and monitor this issue.

# **LIMITATIONS**

- **The FIA and future monitoring are limited by the lack of geographic detail in some data, especially assessing data and building permits, although new digital building permits data should be helpful going forward.**
- **The FIA was not scoped for a detailed hedonistic analysis of property values and sales costs. Future monitoring could incorporate such an approach if there is a strong desire for that level of detail.**

# FISCAL AND FINANCIAL ANALYSIS

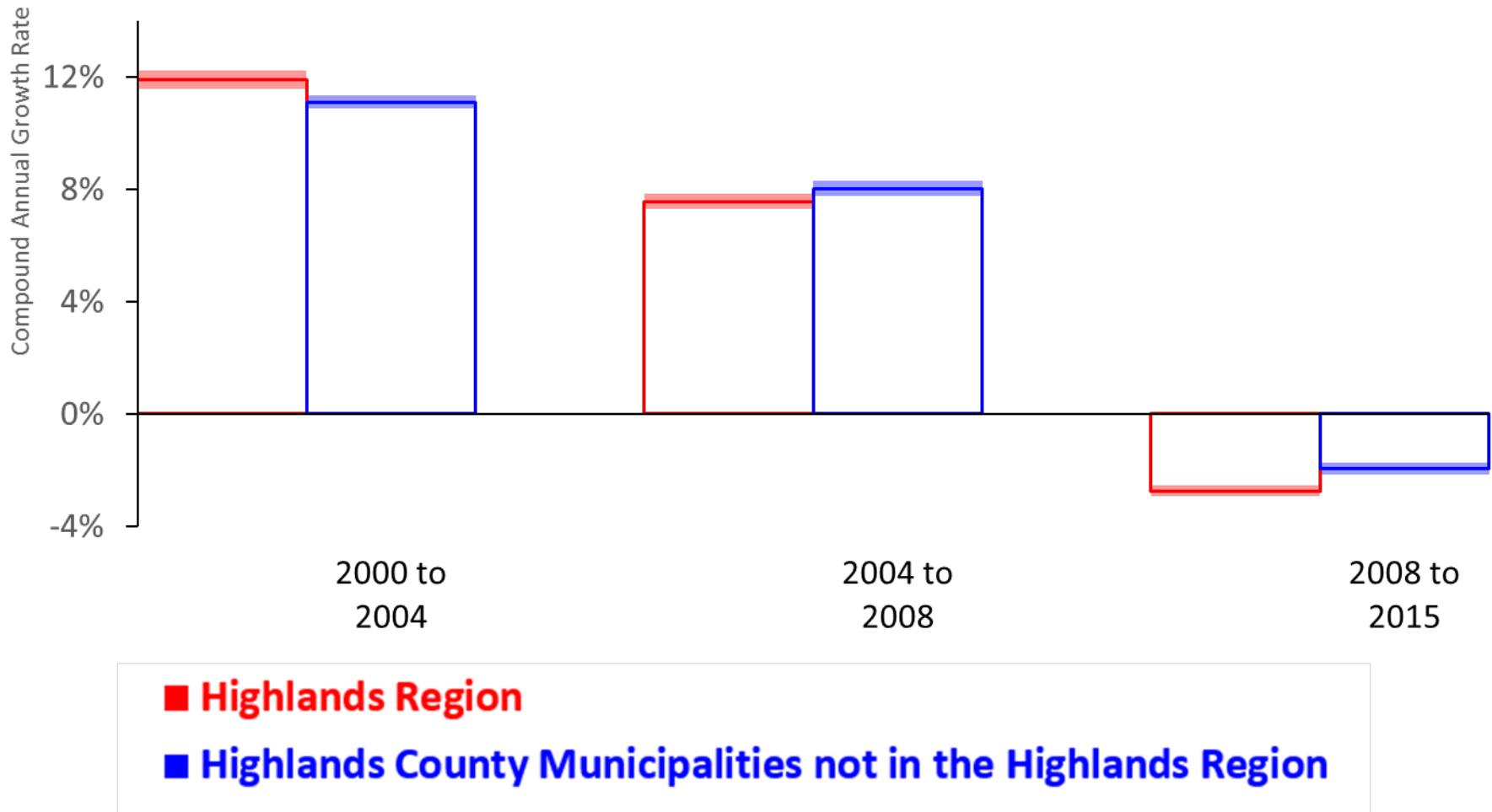
1. Equalized Value
2. Assessed Value
3. Property Tax Revenue

# FISCAL ANALYSIS

- **Equalized Property Value**
  - + An estimate of total market value
- **Real Property Assessed Value**
  - + The basis for property taxes
- **Property Tax Revenue**
  - + The primary source of funds for locally-provided public facilities and services

# EQUALIZED VALUE

## Average Annual Rate of Change Among Municipalities in Equalized Value



*Note: Solid line represents mean; Shaded area represents the 95% confidence interval.*

# EQUALIZED VALUE

## Average Annual Rate of Change Among Municipalities in Equalized Value



*Note: Solid line represents mean; Shaded area represents the 95% confidence interval.*

# EQUALIZED VALUE

**2000–2004 The analysis finds the Highlands Region had**

- **No statistically significant difference with the two comparison regions**

**2004–2008 The analysis finds the Highlands Region had**

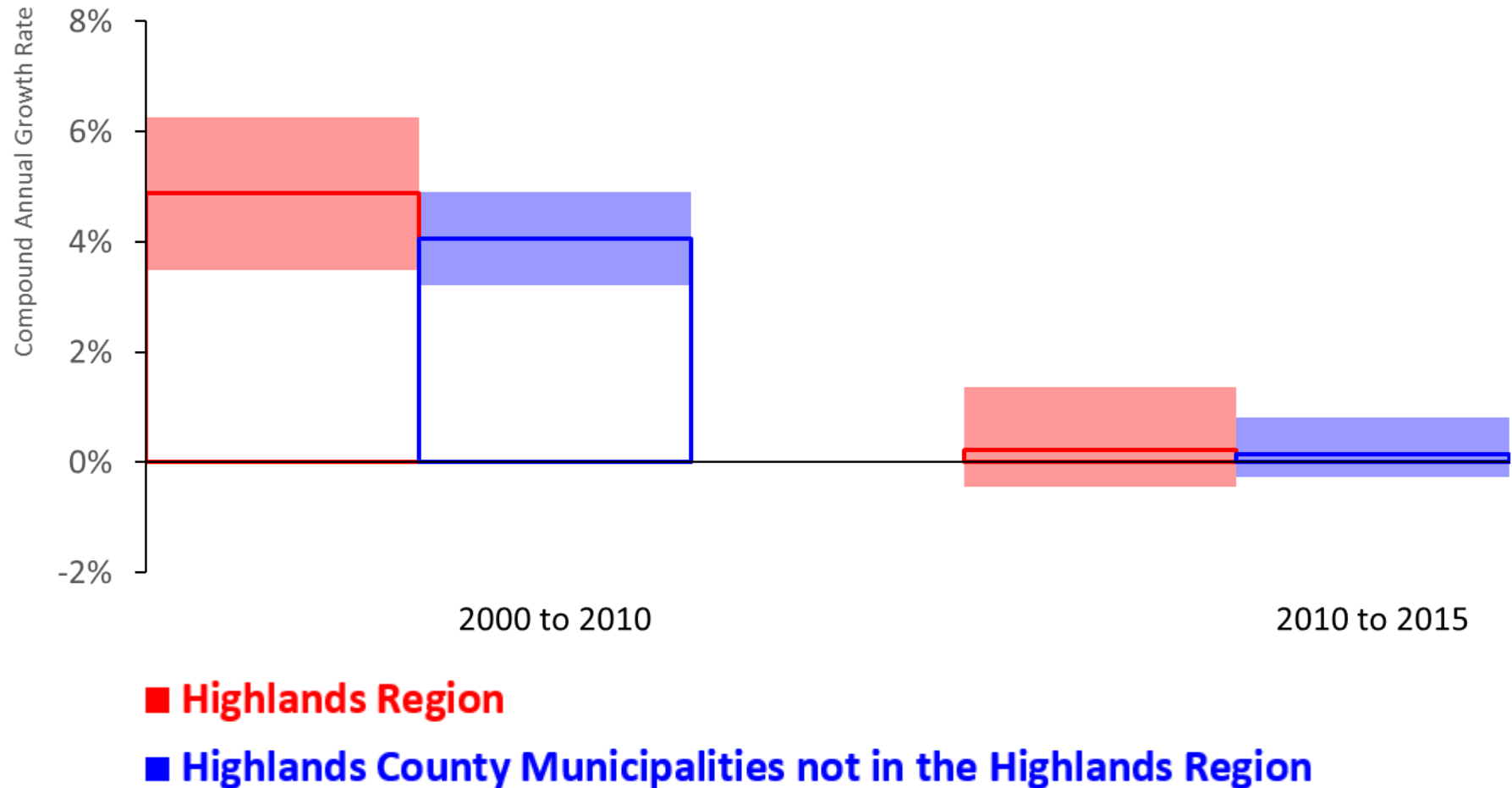
- **No statistically significant difference with the Highlands county municipalities not in the Highlands Region**
- **A statistically significant lower growth rate than Northern New Jersey**

**2008–2015 The analysis finds the Highlands Region had:**

- **A statistically significant lower rate of growth than the two comparison regions**

# PROPERTY TAX REVENUES

## Average Annual Rate of Change in Among Municipalities in Property Tax Revenues



*Note: Solid line represents mean; Shaded area represents the 95% confidence interval.*



# PROPERTY TAX REVENUES

- **2000–2010 and 2010–2015** The analysis finds that the Highlands Region municipalities had no statistically significant difference in the rate of change in property tax revenues than the two comparison regions.

# **LIMITATIONS**

- **The FIA considered municipal revenues but not municipal expenditures, primarily due to a lack for detailed and consistent data. New budget formats should make expenditure analysis easier in the future.**
- **The analysis of assessed valuation was limited by a lack of detailed information on reassessments and revaluations. Ongoing monitoring of these could improve future studies of assessed value.**

# RMP MONITORING PROGRAM RECOMMENDED INDICATORS

# **RMP MONITORING PROGRAM- RECOMMENDED INDICATORS**

## **Regional Economic Evaluation**

- **Changes in total employment**
- **Construction employment**
- **Other key sectors, such as tourism, pharmaceuticals, and agriculture**

# **RMP MONITORING PROGRAM- RECOMMENDED INDICATORS**

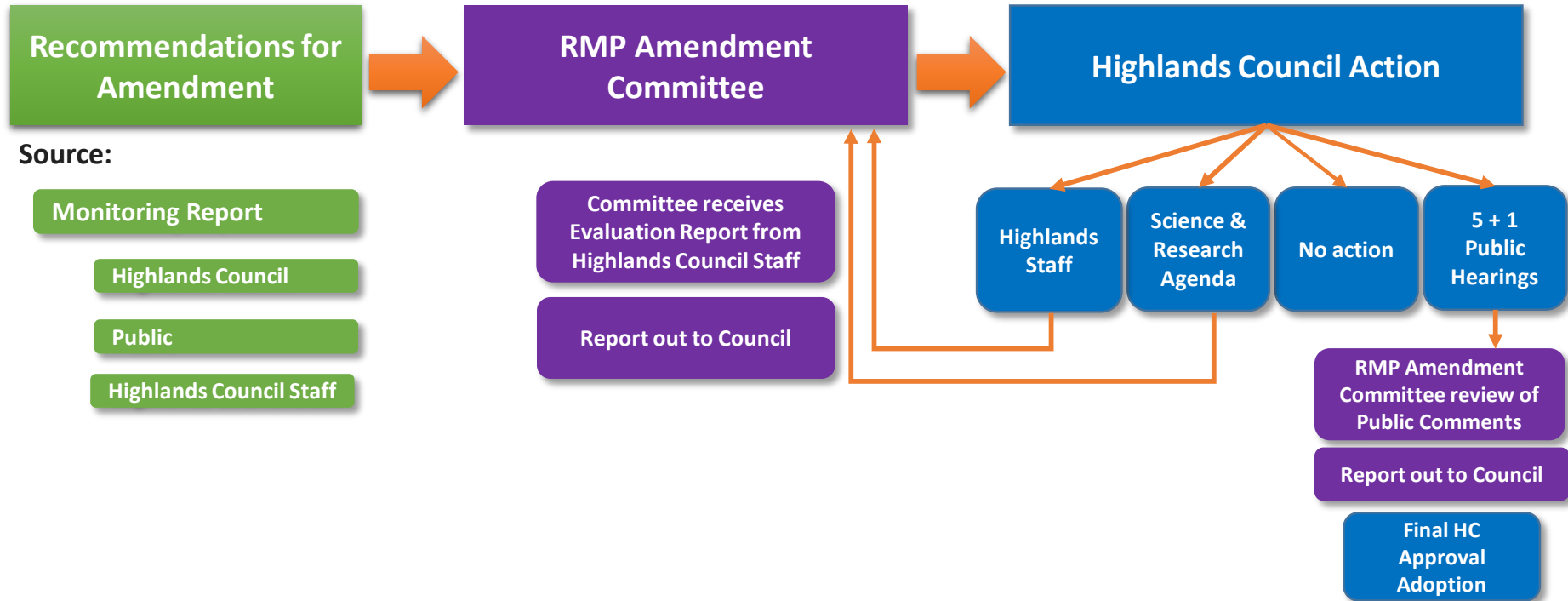
## **Socioeconomic and Real Estate Analysis**

- **Building permits and construction completions, especially the balance between single-family housing and multifamily**
- **Demographic shifts, especially those related to housing demand—median age, seniors, children, and household size**
- **Housing sales values**
- **Vacant land sales values**

## **Real Estate and Financial Analysis**

- **Equalized Property Values**

# Conceptual Process to Amend Regional Master Plan



*This graphic illustrates a proposed procedure for amending the Highlands Regional Master Plan. A formal document will be drafted, reviewed and subject to public hearings prior to adoption by the Highlands Council.*



CHRIS CHRISTIE  
Governor

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Lt. Governor

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JIM RILEE  
Chairman

MARGARET NORDSTROM  
Executive Director

## MEMORANDUM

**To:** Budget & Finance Committee

**From:** Margaret Nordstrom, Executive Director

**Subject:** Committee Meeting Minutes – October 6, 2016

**Date:** October 12, 2016

A Budget and Finance (B&F) Committee meeting/call was held on Thursday, October 6, 2016 at 9:00am. Committee Members present via phone: Committee Chair Holtaway and Bruce James. Also present via phone: Lisa LeBoeuf, Governor's Authorities Unit Assistant Counsel.

Staff Members present: Margaret Nordstrom, John Maher, James Humphries, Herbert August, Ranji Persaud, and Annette Tagliareni.

### Highlands Council FY2017 General Operating Budget

Ms. Nordstrom asked members if they had any questions on the proposed FY2017 General Operating Budget. Member James noted for the record that salaries are low and staff should receive raises. Ms. Nordstrom noted that there is a plan. Committee Chair Holtaway noted that budget remains flat, little overhead space, but as a positive Council is not spending entire budget. Mr. Holtaway concurred with Member James advocating for staff raises. However, there is no plan at present time to address this issue.

### FY2017 Highlands Protection Fund Capital Budget

Mr. August indicated that the FY2017 Highlands Protection Fund Capital Budget revenue is the same with an unencumbered rollover from FY2016. Mr. August stated that expenditures are for Municipal and County Plan Conformance Grants, as well as Water Use and Conservation Management Plans and TDR Implementation.

Committee Chair Holtaway made a motion to move the proposed FY2017 General Operating and FY2017 Highlands Protection Fund Capital budgets for Council's consideration. Committee Member James seconded the motion, and all were in favor.

Other Business:

Transfer of Development Rights (TDR) Feasibility Grant

Ms. Nordstrom informed the committee that the City of Jersey City (Hudson County) is interested in obtaining a TDR Receiving Zone Feasibility Grant in the amount of \$50,000. Two entities are pushing for this to happen due to fiscal benefits for Jersey City and the Highlands. Staff anticipates that a resolution will be on Council's October agenda to approve the funding which has been budgeted in the FY2017 Highlands Protection Fund Capital Budget. Jersey City needs to pass a resolution and it is expected that that resolution will be passed soon.

*The committee meeting adjourned at 9:09am.*





CHRIS CHRISTIE  
*Governor*

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JIM RILEE  
*Chairman*

MARGARET NORDSTROM  
*Executive Director*

## MEMORANDUM

**To:** Landowner Equity and Land Preservation Committee  
**From:** Margaret Nordstrom, Executive Director  
**Subject:** Committee Meeting Minutes – October 6, 2016  
**Date:** October 17, 2016

A Landowner Equity and Land Preservation Committee meeting was held on Thursday, October 6, 2016 at the Highlands Council office in Chester. Committee Members present: Council Chair Rilee, Committee Chair Walton, Committee Member Dressler and Committee Member Francis (on phone).

Staff Members present: Margaret Nordstrom, John Maher, James Humphries, Carole Ann Diction, and Annette Tagliareni

Also present by phone: Lisa LeBoeuf, Assistant Counsel, Governor's Authorities Unit.

Committee Chair Walton opened the meeting at 4:00pm

### Resolution for Council Consideration – Water Fee

Committee Chair Walton commented on the resolution prepared by Highlands staff for committee's review and for Council consideration. After much discussion between committee members and staff, Committee Chair Walton stated that the following items should be included in the resolution. Council Chair Rilee stated that he wanted to review the draft resolution prior to listing it on the Council agenda:

1. Total lost equity due to the Highlands Act
2. How much water comes from Highlands region
3. Rate for a water fee
4. Sunset of 10 years

5. Development of a new program by the legislature to distribute funds.

Highlands Development Credit Purchase Program (HDCPP) Funding

Staff gave an overview of the funding requested from applicants to the HDCPP and the Open Space Matching Grant program. Council and the committee had previously agreed to allocate \$9M of the \$18.6M PSE&G mitigation funding across both programs. Due to the overwhelming response to both programs, the committee decided to recommend to the Council to allocate \$9M towards the highest ranking HDCPP applications as noted in the materials previously provided to the committee, and to determine how to allocate the remaining \$9.6M after a review of the Open Space Matching Grant program applications.

Highland Development Credit (HDC) Bank

On November 3, 2016, the HDC Bank will review the findings of the Committee and may provide authorization to proceed with the purchase of HDCs using the \$9M of PSE&G mitigation funding in accordance with the HDCPP Rule.

*The meeting adjourned at 5:27pm.*



**CHRIS CHRISTIE**  
*Governor*

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**JIM RILEE**  
*Chairman*

**MARGARET NORDSTROM**  
*Executive Director*

## MEMORANDUM

**To:** Landowner Equity and Land Preservation Committee

**From:** Margaret Nordstrom, Executive Director

**Subject:** Committee Meeting Minutes – August 31, 2016

**Date:** September 9, 2016

A Landowner Equity and Land Preservation Committee meeting was held on Wednesday, August 31, 2016 at the Highlands Council office in Chester. Committee Members present: Committee Chair Walton, and Committee Members Dressler, Visioli, Francis (on phone), and Council Chairman Rilee (on phone).

Staff Members present: Margaret Nordstrom, John Maher, James Humphries, Maryjude Haddock-Weiler, Drew Siglin, Keri Green, Carole Ann Dicton, and Annette Tagliareni

Also present by phone: Tyler Yingling, Assistant Counsel, Governor's Authorities Unit.

Committee Chair Walton opened the meeting at 2:03pm.

### Highlands Development Credit Purchase Program (HDCPP)

Council staff member James Humphries gave an overview of the HDCPP to note that 65 applications were received prior to the July 8<sup>th</sup> deadline, 62 of which were eligible for the program. Committee Chair Walton asked why three of the applications were not eligible. Mr. Humphries responded that two of the subject properties did not meet the criteria for credit allocation, and a third had already been preserved by Morris County.

Mr. Humphries continued to give an overview of the process followed in accordance with the HDCPP Rule. The HDCPP utilizes the existing HDC program and establishes a priority basis to reflect each property's relative value as a development rights purchase. Criteria, as established in the rule, are evaluated as follows:

- Designation in the Regional Master Plan (RMP) as Special Environmental Zone
- High or Moderate Conservation Priority Area as identified in the RMP
- Proximity and connectivity to existing open space
- Mitigation criteria: As the funding being used was received as part of the PSE&G S-R project, the mitigation criteria found in the Rule has been based upon the Comprehensive Mitigation Plan (CMP), approved by the Highlands Council. This criteria includes proximity to the PSE&G S-R project tower ROW and connectivity/added value to Scenic Resources

Each of the above items was described in detail by Mr. Humphries. There was then discussion regarding the criteria and the evaluation to prioritize the applications received. Committee Chair Walton questioned how the mitigation criteria was generated and there was a discussion regarding the 3 and 7 mile distances from the project that were used in the CMP to estimate the impacts from the PSE&G S-R project. Based on previous recommendations by the Council and discussions by the committee, \$9M of the \$18M mitigation funding received from PSE&G would be allocated for and split between the HDCPP and the Open Space Matching Grant Program. The HDCPP applications received amounted to approximately \$20M. There was then discussion regarding the funding for the two programs and how best to use it.

*Member Dressler was present at 2:17pm.*

Member Dressler asked the status of a resolution that had been previously requested dealing with a possible change to the HDC credit value. Chief Counsel Maher responded that he had no direction to do so. Member Dressler responded that he is not sure the committee should move forward with the HDCPP applications at this time. The committee members discussed that the goal of the committee is to compensate landowners. Chairman Rilee responded that it has always been his goal to compensate landowners. Ms. Nordstrom noted that a study would be needed to prepare a basis to support changing the credit value, similar to what was done when establishing the price in the TDR Technical Report. Mr. Humphries noted that the initial credit value was based upon extensive research and data, including a comparison to other existing TDR programs and was further adjusted to reflect that the Highlands' TDR program is voluntary. Chairman Rilee noted that he would arrange a meeting over the next day or two to discuss a draft resolution.

*The committee took a break at 2:46pm.*

*The meeting resumed at 2:50pm.*

At this time the committee discussed how best to fund the HDCPP and Open Space Matching Grant Program and how much of the available funding should be dedicated to each program. The committee decided to revisit the review of the HDCPP applications after Council staff receives the applications for the Open Space Matching Grant Program (deadline of September 16<sup>th</sup>).

Committee Member Dressler requested a printed copy of the TDR Technical Report for his reference.

Committee Chair Walton requested that Council staff email the committee once Open Space Program applications are received to note the list of projects and total dollar amount requested.

*The meeting was adjourned at 3:09 pm.*



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JIM RILEE  
Chairman

MARGARET NORDSTROM  
Executive Director

## MEMORANDUM

**To:** RMP Update Committee

**From:** Margaret Nordstrom, Executive Director

**Subject:** Record of RMP Update Committee Meeting of September 15, 2016

**Date:** September 27, 2016

The RMP Update Committee met on Thursday, September 15, 2016 at the Highlands Council office in Chester. Committee Members present: Committee Chair Alstede, Committee Members Sebetich, and Holtaway.

Highlands Council Staff Members present: Margaret Nordstrom, John Maher, Kim Kaiser, James Humphries, Maryjude Haddock-Weiler, Judy Thornton, Corey Piasecki, Drew Siglin, Carole Ann Diction, and Sabina Martine.

Also present (via phone): Lisa LeBoeuf, Assistant Counsel, Governor's Authorities Unit and Council Chairman Rilee and Committee Member Vohden.

*Committee Chair Alstede called the meeting to order at 2:00pm.*

### Monitoring Program Recommendation Report (MPRR) Status

Staff reported that the first round of indicator report reviews are completed and there will be one more review made by staff before going back to the consultant for layout. The new indicators that were proposed by committee members in a prior meeting will be included in the report. The Rutgers peer review of the Fiscal Impact Assessment (FIA) has been given to our consultant (PlaceWorks) for an opportunity to address the recommendations made by the review group before the report is finalized. Members requested a copy of the peer review.

### Process for Amending the RMP

At the Committee's previous meeting, Ms. Nordstrom presented a flow chart indicating a proposed process for considering revisions or amendments to the Highlands RMP as part of the RMP

Monitoring process. At this meeting, a revised process was presented and members indicated that they are comfortable with staff's approach. There was a discussion about receiving comments and how they would be processed. Staff reported that each comment would be addressed in a comment response document. Comments will be reviewed by the RMP Amendment Committee and assigned a category, the Council may forward the comment to staff for further research or no action may be needed. The comment would then go back to the RMP Amendment Committee for vetting before it proceeds to Council. In December Council could vote to move the guidance document for amending the RMP and public hearings could begin. Members requested a copy of the flow chart outlining the process.

The next meeting is scheduled for October 13, 2016 at 2:00 pm.

*The meeting adjourned at 2:42 pm.*





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JIM RILEE  
Chairman

MARGARET NORDSTROM  
Executive Director

## MEMORANDUM

**To:** RMP Update Committee  
**From:** Margaret Nordstrom, Executive Director  
**Subject:** Record of RMP Update Committee Meeting of August 18, 2016  
**Date:** September 1, 2016

The RMP Update Committee met on Thursday, August 18, 2016 at the Highlands Council office in Chester. Committee Members present: Committee Chair Alstede, Members Sebetich, Vohden, and Holtaway.

Highlands Council Staff Members present: Margaret Nordstrom, John Maher, James Humphries, Maryjude Haddock-Weiler, Judy Thornton, Corey Piasecki, Jim Hutzelmann, Drew Siglin, Carole Ann Dicton, and Annette Tagliareni.

Also present (via phone): Lisa LeBoeuf, Assistant Counsel, Governor's Authorities Unit

*Committee Chair Alstede called the meeting to order at 2:03 pm.*

### Fiscal Impact Assessment (FIA)

#### Municipal Fact Book

Council staff provided a sample template page for the Municipal Fact Book portion of the FIA. The fact book will include one page of data for each of the 88 municipalities and 7 counties, and one for the Highlands Region as a whole. After reviewing the sample template, the committee made comments and asked questions regarding some of the data being used (e.g., school enrollment, assessed and equalized values, and watershed moratorium aid). Members agreed to replace the Real Property Assessed Values indicator with Taxes Collected Per Capita, which they felt would provide more meaningful information to the public. The committee also sought clearer mapping details to better define the Preservation and Planning Areas, as well as the Land Use Capability Map Zones. Lastly, they requested the addition of links to the Council's Plan Conformance and Interactive Map web pages.



### Next Steps

Council staff gave an update on the status of the Peer Review Report, indicating that it should be available for the Committee's next meeting. Ms. Nordstrom added that she anticipates Steve Gunnells' final presentation on the FIA and the Peer Review Report will occur at the Council's October meeting.

### Monitoring Program Recommendation Report (MPRR) Status

Staff reported that work continues on the final indicator reports. After staff reviews, the consultant's edits, and completion of the GIS team's analysis, the Committee will receive the final indicator reports for its review. Following discussion of the template for the Highlands Regional Master Plan Monitoring Program report, members requested that another copy be emailed to each member.

### Process for Amending the RMP

At the Committee's previous meeting, Ms. Nordstrom presented a flow chart indicating a proposed process for considering revisions or amendments to the Highlands RMP. Additionally a spreadsheet has been prepared that analyzes the level of review necessary for each type of RMP amendment (e.g., proposed revisions to the RMP versus the Fiscal Impact Report and MPRR). At this meeting, Chief Counsel Maher provided draft written procedures for the Committee's review, outlining the details and process of the flow chart. In response to Ms. Nordstrom's request for members' input on the proposed process, members indicated that they are comfortable with staff's approach.

### Minutes of June 21<sup>st</sup>

Committee Chair Alstede reviewed the Committee Minutes of June 21<sup>st</sup> with committee members. There was a brief discussion on a discrepancy which was reconciled by the addition of language suggested by Member Holtaway.

The next meeting is scheduled for September 15, 2016 at 2:00 pm.

*The meeting adjourned at 3:26 pm.*



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Chairman

MARGARET NORDSTROM  
Executive Director

## MEMORANDUM

**To:** RMP Update Committee  
**From:** Margaret Nordstrom, Executive Director  
**Subject:** Record of RMP Update Committee Meeting of June 21, 2016  
**Date:** August 26, 2016

The RMP Update Committee met on Tuesday, June 21, 2016 at the Highlands Council office in Chester. Committee Members present: Committee Chair Alstede, Members Sebetich, Vohden, and Holtaway.

Highlands Council Staff Members present: Margaret Nordstrom, John Maher, Chris Danis, Judy Thornton, Corey Piasecki, Jim Hutzelmann, Drew Siglin, Carole Ann Dicton, and Annette Tagliareni.

Also present: Lisa LeBoeuf, Assistant Counsel, Governor's Authorities Unit, and Steve Gunnells, PlaceWorks (via phone).

*Committee Chair Alstede called the meeting to order at 2:04pm.*

### Fiscal Impact Assessment (FIA)

Steve Gunnells presented to the committee the phase 3 report ("Fiscal and Financial Analysis") of the FIA. After the presentation, there was a discussion regarding equalized property value and real property assessed value in the Highlands region. Committee members discussed the validity of using assessed property values based on inconsistent municipal valuation methods and periods of valuation. Additionally, the Committee discussed the validity of using equalized property values as an indicator, given that these values are driven by two components (value of existing real property plus value of new construction), and the possible benefit of exploring the issue further. Highlands staff noted that a municipal fact book will be provided to the committee, which will add a more detailed analysis of each municipality in the Highlands region regarding property values. Committee members also suggested that staff provide an updated evaluation of property value that was lost as a

result of the Highlands Act. There was then extensive discussion on the total real property assessment value and municipal tax revenue as to whether they were valid indicators.

Finally, staff proposed providing the committee with background information explaining the difference between generic use of the term “significant,” and the technical meaning of the words “statistically significant” as used by statisticians. Ms. Nordstrom will provide the committee members with a link to an article that provides such clarification. Staff anticipates that Mr. Gunnells will present the phase 3 report of the FIA to Council at its next meeting.

*Mr. Gunnells left the meeting at 3:35pm.*

#### Rutgers’s Peer Review Status

Highlands staff reported that the peer review continues to make progress. Rutgers is currently working to review phase 3 of the FIA.

#### Next Steps

Highlands staff reported that once the phase 3 report is finalized, Mr. Gunnells will compile all three phases of the FIA with the addition of the municipal fact books and present a final report to the Council.

#### Progress Report

Highlands staff reported that progress on the Monitoring Program Recommendation Report (MPRR) was delayed due to a budgeting issue, which has since been resolved by shifting much of the remaining workload to Highlands staff. Work continues on the development of final indicators and methodologies for analysis and the ongoing measurement of each. Final methodologies for each indicator should be completed shortly. Highlands staff is also working to analyze each indicator according to the methodology provided. Once the analysis is complete it will be forwarded to the project consultant for assistance. Highlands staff provided a flow chart of progress to date on the indicators as well as the methodology sheets for each (tabular and spatial).

#### Process for Considering Revisions or Amendment to MPRR

Chief Counsel Maher gave an overview of a proposed process for considering revisions or amendments to the Highlands RMP, which may be determined necessary based on findings presented in the MPRR. Ms. Nordstrom then provided a flow chart of the proposed amendment process.

#### Report out to Council

Staff provided the committee the PowerPoint presentation that will be presented to Council at its next meeting. Committee Chair Alstede welcomed Member Holtaway to the committee.

*The meeting adjourned at 4:06pm.*