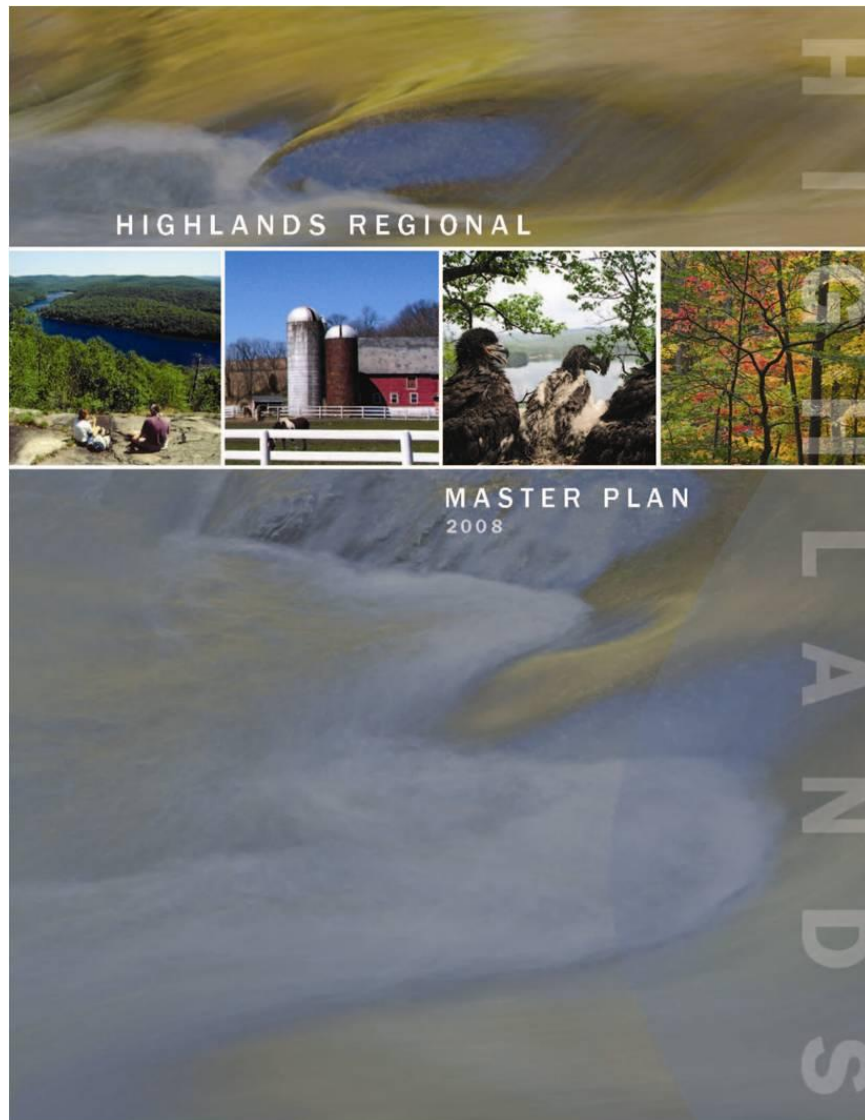




2010 Annual Report



New Jersey Highlands Water Protection and Planning Council

March 31, 2011



CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

State of New Jersey
Highlands Water Protection and Planning Council
100 North Road (Route 513)
Chester, New Jersey 07930-2322
(908) 879-6737
(908) 879-4205 (fax)
www.highlands.state.nj.us



JACK J. SCHRIER
Acting Chairman

EILEEN SWAN
Executive Director

March 31, 2011

The Honorable Chris Christie
Governor, State of New Jersey
State House
Post Office Box One
Trenton, NJ 08625-001

Dear Governor Christie:

On behalf of the New Jersey Highlands Water Protection and Planning Council, we are very pleased to present the Highlands Council's Annual Report for 2010.

The Highland Council's major efforts in 2010 involve the robust partnerships developed with Highlands municipalities and counties in the implementation of the Highlands Regional Master Plan. To date, 59 of the 88 municipalities in the Highlands Council have formally filed a petition to conform to the Regional Master Plan. These Petitions for Plan Conformance represent 97 percent of the Preservation Area (401,910 acres) and 34 percent of the Planning Area (148,995 acres). In total, the Petitions involve over 550,000 acres of land in the 860,000 acre Highlands Region, representing 64 percent of the Region.

One of the most important aspects of this extraordinary level of interest in Highlands Plan Conformance is the variety of reasons why municipalities are seeking to conform to the Regional Master Plan. The three overriding reasons are consistent with the goals of the Highlands Act to: 1) protect the water and natural resources of the Highlands against the impacts of sprawl development because of its vital link to the future of the State's drinking water supplies; 2) to encourage in certain areas of the Highlands appropriate patterns of compatible residential, commercial, and industrial development, redevelopment, and economic growth, in or adjacent to areas already utilized for such purposes in order to accommodate local and regional growth and economic development in an orderly way; and 3) to maintain the agricultural industry and a positive agricultural business climate in the Highlands as it is a vital component of the economy, welfare, and cultural landscape of the Garden State.

From September 2010 to March 2011, the Highlands Council has approved 17 municipal Petitions and these municipalities sought to conform to the Regional Master Plan for reasons specific to each municipality. As an example Byram Township in Sussex County was the first to conform and is committed to protecting the extensive natural resources representing over 14,000 acres in the Preservation Area. At the same time, the Highlands Council approved the first Highlands Center in the 200 acres in Byram's Planning Area to plan for a new mixed use development (with commercial, retail and residential uses) along the Route 206 corridor. This balanced approach to protecting important resources and identifying areas for economic development resulted in additional submissions of Petitions seeking center designation including Phillipsburg and Hackettstown. In terms of agricultural protection, the Highlands Council approved Petitions in Chester Township in Morris and Bethlehem Township in Hunterdon and is providing grant funding to promote agricultural retention in the Highlands in coordination with the Department of Agriculture.

In summary, conformance to the Highlands Regional Master Plan will ensure the protection of the quantity and quality of Highlands waters – a critical source of public water not only to more than 5 million New Jersey residents, but also for major employers in the State. Conformance also means preservation of the natural and agricultural resources of the Highlands Region, including protection of the community character enjoyed by the residents of and visitors to this beautiful area.

The Highlands Council anticipates additional success in 2011 as we continue to partner with Highlands municipalities and counties.

We look forward to working with you and your administration and hope you find this report of value. We are ready to provide any further information or assistance you may require.

Sincerely,



Jack Schrier
Acting Chairman



Eileen Swan
Executive Director

- c: The Honorable Stephen M. Sweeney, Senate President, *via email*
The Honorable Sheila Y. Oliver, General Assembly Speaker, *via email*
The New Jersey Legislature, *via email*
Highlands Region County Freeholders and County Executives, *via email*
Highlands Region Mayors, *via email*



CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

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JACK J. SCHRIER
Acting Chairman

EILEEN SWAN
Executive Director

A Message from the Acting Chairman and Executive Director

Dear Friend of the New Jersey Highlands:

It is with great pleasure that we present to you the New Jersey Highlands Water Protection and Planning Council's annual report for 2010.

The Highlands Council's sixth year was marked with a number of historic firsts – including the approval of the first municipal petition for plan conformance, the first county petition for plan conformance, the first Highlands Center designation, and the first purchases of development rights by the Highlands Development Credit Bank.

Petitions for Plan Conformance were approved for eight municipalities in 2010: Mahwah, Bethlehem, Califon, Glen Gardner, Hampton, Lebanon Borough, Chester Township and Byram Township. The Highlands Council also approved a Petition from Passaic County. In the first quarter of 2011, the Highlands Council has continued to approve municipal and county Petitions for Plan Conformance and to date has approved nine additional municipal Petitions and one county Petition (High Bridge, Mount Olive, Green, Denville, Town of Clinton, Tewksbury, West Milford, Rockaway Township, Lopatcong and Somerset County). To date, the total acres under Plan Conformance is nearly 200,000 acres of the 860,000 acres in the Highlands Region.

The Highlands Council this year also approved its first Highlands Center, a 197-acre development and redevelopment area along the Route 206 corridor in Byram Township. The Byram Village Center will include a mixed-use core development area including a village green, civic spaces, commercial space, retail space, as well as apartments, townhomes, multi-family homes, and single family homes a portion of which will address the township's affordable housing obligations. The Council's designation of a Highlands Center has encouraged other Highlands municipalities such as Phillipsburg, Hackettstown, Oxford, Pohatcong and Alpha to seek center designation from the Highlands Council. In addition, the Council approved four Highlands Redevelopment Area projects in the Preservation Area where waiver relief was recommended for the expansion of a manufacturing facility, an expanded municipal complex, commercial redevelopment on a quarry site and the expansion of a continuing care facility.

In August, the Highlands Council released an updated Land Preservation Report, showing that 290,214 acres of open space and farmland in the Highlands Region have been preserved, representing more than one third of the entire Highlands Region. Importantly a total of 7,690 acres have been preserved since the adoption of the Regional Master Plan in July 2008. The per acre values realized by individual property owners varied but on average the per acre values for Highlands closings under farmland preservation since the passage of the Highlands Act is \$9,816 and under Green Acres is \$10,265. On a related front, the Highlands Development Credit Bank in 2010 made its first offers to acquire Highlands Development Credits under the Highlands Transfer of Development Rights program. Under this program, property owners may sell development rights to the Bank in exchange for deed restricting their property. The HDC Bank held two rounds of its initial purchase program in 2010, and made offers to nine owners

of land in the Preservation Area to acquire the Highlands Development Credits allocated to their properties. In another historic first, the HDC Bank closed on two of those offers in 2010.

Other accomplishments affecting the Highlands Region in 2010 include:

- Governor Chris Christie signed a bill, on September 9, 2010, amending to the Highlands Act to extend the dual appraisal method for land preservation through June 30, 2014. Under this amendment, property owners in the Highlands who preserve their land under the Green Acres Program or State Farmland Preservation Program will be able to utilize one appraisal based on current values and one based on the local zoning, State environmental laws, and New Jersey Department of Environmental Protection regulations in effect before the adoption of the Highlands Act. The higher of these two values will be used as the basis for negotiation.
- On May 5, 2010, Governor Christie signed legislation allowing any municipality in the State to create a voluntary receiving zone under the Highlands Transfer of Development Rights (TDR) Program. As originally enacted, the Highlands Act only allowed the municipalities in the seven Highlands Region counties to be eligible to serve as voluntary receiving zones for Highlands credits. To date, 11 municipalities have received TDR Receiving Zone Feasibility Grants from the Highlands Council to consider the feasibility of establishing Receiving Zones. The bill signed by Governor Christie now allows any municipality in the State to create a voluntary Receiving Zone for Highlands credits, which confers certain benefits – such as the ability to charge impact fees and qualify for Highlands planning grants.
- The U.S. Supreme Court rejected a challenge to the Highlands Act and Regional Master Plan, ending a two-year court battle brought by nine landowners who claimed the Act and Plan constituted a taking of private property without just compensation.

Implementation of the Highlands Regional Master Plan will fulfill the vision and mandate of the Highlands Act. Through the Regional Master Plan, the Highlands Council can protect the source of drinking water for more than half the residents of the state as well as preserve the unique character of the Highlands Region.

Sincerely,



Jack Schrier, Acting Chairman
New Jersey Highlands Council



Eileen Swan, Executive Director
New Jersey Highlands Council



Table of Contents

Highlands Water Protection and Planning Council	1
Highlands Overview	2
2010: The Year in Review	3
Plan Conformance	3
Highlands Center	6
Plan Conformance Grant Programs	6
Highlands Redevelopment Area Projects.....	7
Transfer of Development Rights Program	7
Land Preservation Report	7
Legislative Initiatives	8
Judicial Challenge	8
New Members.....	9
Transparency and Outreach.....	9
Looking Ahead.....	10



Highlands Water Protection and Planning Council

Acting Chairman Jack Schrier

Mendham Township, Morris County
Former Morris County Freeholder
and Councilman, Mendham Township

Treasurer William Cogger

Chester Township,
Morris County
Mayor, Chester Township

Kurt Alstede

Chester Township, Morris County
Former Councilman, Chester Twp.
Founder, Alstede Farms

Tracy Carluccio

East Amwell, Hunterdon County
Deputy Director,
Delaware Riverkeeper Network

Michael Francis

Hopatcong Borough,
Sussex County
Councilman, Hopatcong Borough

Robert Holtaway

Bedminster Township,
Somerset County
Mayor, Bedminster Township

Janice Kovach

Town of Clinton,
Hunterdon County
Former Councilmember, Clinton Town

Mimi Letts

Parsippany- Troy Hills,
Morris County
Former Mayor, Parsippany-Troy Hills

Carl J. Richko

West Milford Township,
Passaic County
Former Mayor, West Milford Township

Glen Vetrano

Hampton Township,
Sussex County
Former Sussex County Freeholder

James A. Visioli

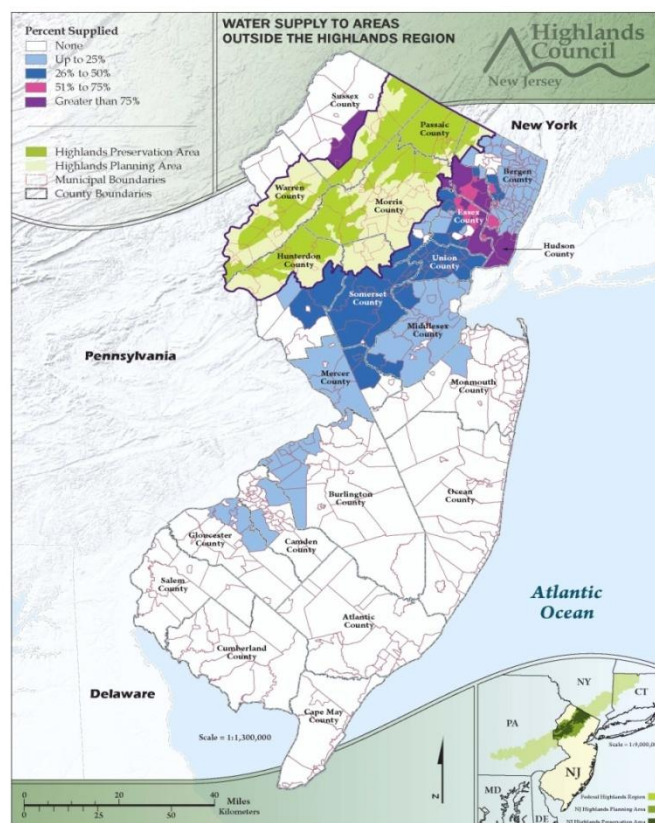
Dover Town,
Morris County
Alderman, Dover Town



Highlands Overview

Through passage of the Highlands Water Protection and Planning Act (Highlands Act) on August 10, 2004, the New Jersey Highlands Water Protection and Planning Council (Highlands Council) was created and charged with the important task of developing a Regional Master Plan (RMP) to restore and enhance the significant values of the abundant and critical resources of the Highlands Region. The Act establishes a fundamental goal to protect, restore and enhance water quality and water quantity in the Highlands Region and also includes important goals relating to the protection of agricultural viability, ecosystems, as well as scenic and historic resources.

The Highlands Act divided the 859,267-acre Highlands Region into the Preservation Area (414,936 acres), where conformance to the RMP is mandatory, and the Planning Area (444,331 acres), where conformance is voluntary. The Highlands Region has 88 municipalities in Bergen, Hunterdon, Morris, Passaic, Somerset, Sussex, and Warren Counties.



The Highlands Region supplies more than one half of New Jersey residents with drinking water supplies and thus a major purpose of the RMP is to “determine the amount and type of human development and activity which the ecosystem of the Highlands Region can sustain.” The RMP establishes the capacity limitations for future growth within the Highlands Region related to both natural systems, such as protection of our drinking water supplies and natural ecosystems, and the built environment, such as wastewater and transportation infrastructure.

“...the New Jersey Highlands is an essential source of drinking water...for one-half of the State's population...contains other exceptional natural resources such as clean air, contiguous forest lands, wetlands, pristine watersheds, and habitat ... many sites of historic significance... abundant recreational opportunities.”

The RMP embodies a regional vision for the Highlands Region and is being implemented at all levels of government, through conformance by municipalities and counties, financial, and technical assistance by the Highlands Council, and State and federal coordination.

The RMP, adopted by the Highlands Council on July 17, 2008, became effective on September 8, 2008. The Highlands Council is working intensely in partnership with the municipalities and seven counties in the Highlands Region to design new resource protection methods and provide greater regional coordination. To this end, the Highlands Council initiated the RMP Plan conformance process (Plan Conformance) and has provided all Highlands municipalities and counties with important cutting edge scientific, technical and planning information to update master plans and land use ordinances to enable them to better meet the regional goals of critical resource protection and economic viability.

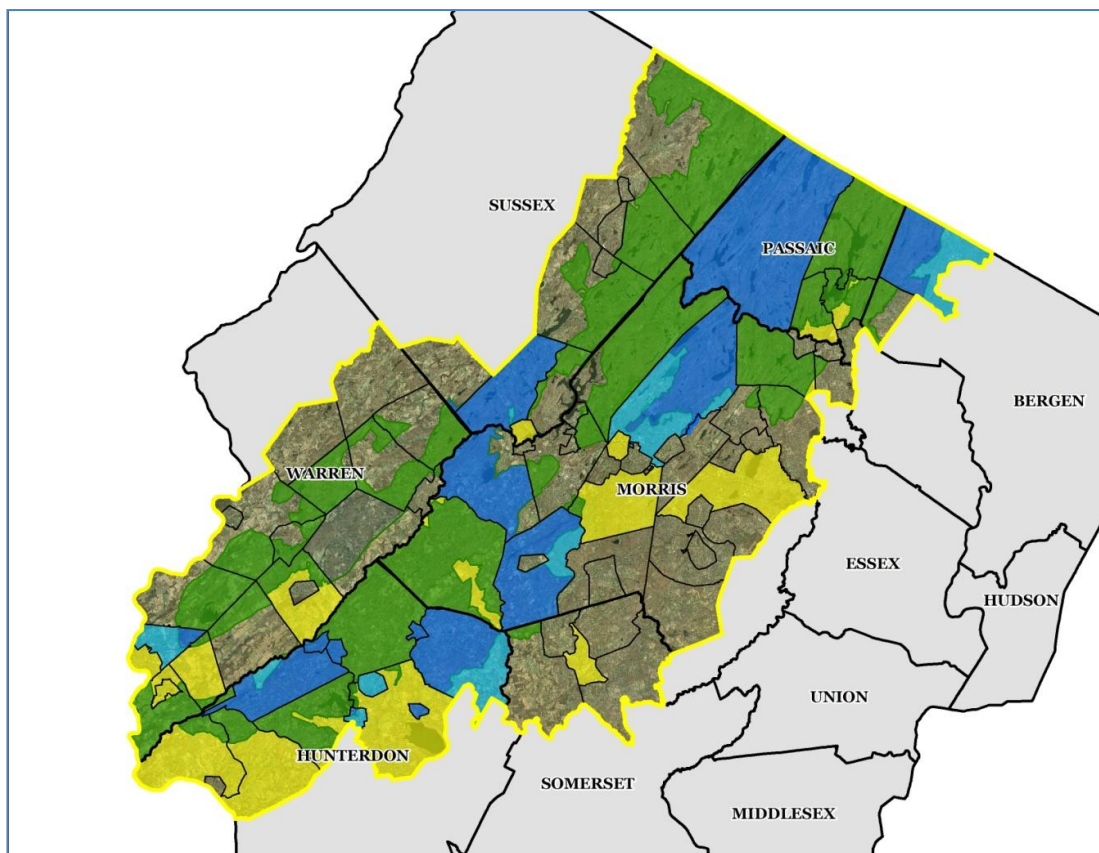
2010: The Year in Review

Plan Conformance

The primary accomplishment in 2010 by the Highlands Council was the approval of the first Petition for Plan Conformance, submitted by Byram Township in Sussex County. In addition to unanimously approving Byram Township's petition, the Highlands Council also accomplished another historic first when it unanimously approved Byram Township's request for a Highlands Center Designation.

In 2010, Petitions for Plan Conformance also were approved for seven other municipalities in 2010: Mahwah Township (Bergen County); Bethlehem Township, Califon Borough, Glen Gardner Borough, Hampton Borough and Lebanon Borough (Hunterdon County); and Chester Township (Morris County). The eight conforming municipalities approved in 2010 total 66,250 acres, with 54,171 acres in the Preservation Area and 12,079 acres in the Planning Area.

In the first quarter of 2011, the Council has approved an additional nine municipal Petitions for Plan Conformance: Town of Clinton, High Bridge Borough and Tewksbury Township (Hunterdon County); Denville, Mount Olive and Rockaway Township (Morris County); West Milford (Passaic County); Green (Sussex County); and Lopatcong (Warren County). These eight conforming municipalities total 124,865 acres, with 100,422 acres in the Preservation Area and 24,443 acres in the Planning Area. The total for all seventeen approved Petitions is a total of 191,115 acres, with 154,592 acres in the Preservation Area and 36,522 acres in the Planning Area.



Blue indicates municipalities whose Plan Conformance Petitions have been approved by the Highlands Council. Green indicates Preservation Area lands that have petitioned the Highlands Council for conformance. Yellow indicates Planning Area lands that have petitioned for conformance.

The Highlands Council also approved the first County Petition for Plan Conformance, submitted by Passaic County in 2010. The Passaic Petition was for its Preservation Area portion (Passaic County, which has 126,940 acres in total, has 83,852 acres in the Highlands Region; 78,789 acres, or 94 percent, are in the Preservation Area). In 2011, the Highlands Council also approved the Petition submitted by Somerset County. Under the Highlands Act, all seven counties in the Highlands Region are required to conform to the Regional Master Plan for their Preservation Area lands, primarily concerning the development of county-owned lands and facilities.

To date, 59 municipalities representing 97 percent of the Preservation Area (401,910 acres) and 34 percent of the Planning Area (148,995 acres) have submitted plan conformance documents to the Highlands Council. The total acreage is 550,905 acres, representing 64 percent of the entire Highlands Region. Five counties have submitted plan conformance documents as well. The remaining two counties and one municipality with lands in the Preservation Area, as well as 16 other municipalities that have filed a Notice of Intent to Conform to the Regional Master Plan but have yet to file plan conformance documents, continue to work with the Highlands Council staff.

The table below shows the municipalities and counties that have submitted Plan Conformance materials to the Highlands Council; if the municipality has lands in the Preservation Area, Planning Area, or both; if the petition submitted covers the Preservation Area, Planning Area, or both; the date the submissions were received by the Highlands Council; the date the Petition was deemed administratively complete; and the date the Petition was approved by the Highlands Council.

County or Municipality	Area	Petition	Date Received	Date Complete	Approved
Bergen County			12/7/09		
Mahwah Township	Both	Both	12/8/09	1/22/2010	12/16/10
Oakland Borough	Both	Pres	12/8/09	7/14/2010	
Hunterdon County					
Alexandria Township	Both	Both	12/8/09	1/22/2010	
Bethlehem Township	Both	Both	12/7/09	3/16/2010	12/16/10
Bloomsbury Borough	Pres	Pres	12/8/09	1/22/2010	
Califon Borough	Pres	Pres	12/8/09	1/22/2010	12/16/10
Clinton Town	Both	Both	12/7/09	3/16/2010	1/20/11
Clinton Township	Both	Both	12/8/09	2/8/2010	
Glen Gardner Borough	Pres	Pres	12/7/09	1/22/2010	12/16/10
Hampton Borough	Both	Both	12/8/09	2/8/2010	11/19/10
High Bridge Borough	Plan	Plan	12/24/09	7/7/2010	1/20/11
Holland Township	Both	Both	12/7/09	1/22/2010	
Lebanon Borough	Plan	Plan	12/7/09	2/4/2010	11/19/10
Lebanon Township	Both	Both	12/8/09	4/9/2010	
Tewksbury Township	Both	Both	12/8/09	3/31/2010	2/17/2011
Union Township	Both	Both	12/7/09	3/31/2010	

Morris County			12/7/09		
Boonton Township	Both	Pres	12/8/09		
Chester Township	Both	Both	12/7/09	2/4/2010	10/21/10
Denville Township	Both	Pres	12/8/09	10/15/2010	1/20/11
Jefferson Township	Both	Pres	12/8/09		
Kinnelon Borough	Both	Both	12/8/09	3/31/2010	
Montville Township	Both	Pres	12/8/09	1/22/2010	
Mount Arlington Borough	Both	Pres	12/8/09	1/31/2011	
Mount Olive Township	Both	Pres	12/8/09	2/2/2010	
Parsippany-Troy Hills	Both	Pres	5/18/10	7/8/2010	
Pequannock Township	Both	Pres	12/8/09		
Randolph Township	Both	Both	12/7/09	2/8/2010	
Rockaway Township	Both	Both	12/8/09	1/22/2010	2/17/2011
Roxbury Township	Both	Pres	12/8/09		
Washington Township	Both	Both	12/8/09	2/8/2010	
Wharton Borough	Plan	Plan	12/8/09	6/23/2010	
Passaic County	NA	NA	1/11/10	4/26/10	12/16/10
Bloomington Borough	Both	Both	12/8/09	1/22/2010	
Ringwood Borough	Pres	Pres	12/8/09	2/4/2010	
Wanaque Borough	Both	Both	12/8/09		
West Milford Township	Pres	Pres	12/8/09	2/4/2010	2/17/2011
Somerset County	NA	NA	12/8/09	8/12/10	3/17/11
Bedminster Township	Both	Pres	12/8/09	2/5/2010	
Far Hills Borough	Plan	Plan	12/8/09	2/8/2010	2/17/11
Sussex County	NA	NA	12/22/09		
Byram Township	Both	Both	12/8/09	2/4/2010	9/23/10
Green Township	Both	Pres	12/8/09	1/22/2010	1/20/11
Hardyston Township	Both	Pres	12/8/09	2/4/2010	
Hopatcong Borough	Both	Pres	12/8/09	1/22/2010	
Ogdensburg Borough	Both	Pres	12/8/09		
Sparta Township	Both	Pres	12/8/09	6/23/2010	
Stanhope Borough	Plan	Plan	12/8/09		
Vernon Township	Both	Pres	12/8/09	3/16/2010	
Warren County					
Allamuchy Township	Both	Pres	12/8/09	3/16/2010	

Alpha Borough	Plan	Plan	10/6/10	10/26/2010	
Franklin Township	Both	Pres	12/8/09	1/22/2010	
Greenwich Township	Both	Both	12/7/09	3/16/2010	
Hackettstown Town	Both	Pres	12/7/09	3/31/2010	
Harmony Township	Both	Pres	12/8/09	1/25/2011	
Independence Township	Both	Both	9/21/10		
Liberty Township	Both	Pres	12/8/09		
Lopatcong Township	Both	Both	12/7/09	3/31/2010	3/17/2011
Oxford Township	Both	Pres	12/8/09	1/21/2010	
Phillipsburg Town	Plan	Plan	10/6/10	10/27/2010	
Pohatcong Township	Both	Both	12/8/09	3/16/2010	
Washington Township	Both	Both	12/8/09	10/15/2010	
White Township	Both	Pres	12/8/09		

Municipal and county Plan Conformance activities are funded through the Highlands Council's Plan Conformance Grant Program. Each municipality that participated in the plan conformance process was eligible for a \$50,000 grant (with the possibility of up to \$100,000 based on demonstrated need) to assist with Plan Conformance Activities. Counties are eligible for the \$20,000 grant (with the possibility of up to \$50,000 based on demonstrated need) to assist with Plan Conformance activities. Seventy-five municipalities and four counties applied for the 2009 Plan Conformance Grant Program.

More information can be found on the Plan Conformance page on the Highlands Council website: <http://www.highlands.state.nj.us/njhighlands/planconformance/>

Highlands Center

The Highlands Council this year approved its first Highlands Center, a 197-acre area in Byram Township. The designation was the result of close collaboration between the Highlands Council and Byram Township, which sought the Highlands Center designation as a way to spur development and redevelopment along the Route 206 corridor. The project includes 31.1 acres of currently undeveloped lands that will be turned into the Byram Village Center, a mixed-use core development area with a village green, civic space, commercial and retail space, apartments, townhomes, multi-family homes, and single family homes, including deed-restricted units to address the township's affordable housing obligation. Several other municipalities, including the Town of Phillipsburg, Hackettstown, Oxford Township, Pohatcong Township and Alpha Borough, also expressed an interest this year in Highlands Center designations.

Plan Conformance Grant Programs

The Highlands Act requires that the Highlands Council provide grant funding for the reasonable expenses associated with Plan Conformance requirements. In order to provide municipalities and counties with funding to complete plan for Highlands Centers, stream corridor plans, agricultural retention plans, sustainable economic development plans and other plans that are required through Plan Conformance, the Highlands Protection Fund was created in the Act to offset these expenses. In fiscal year 2011, the New Jersey State Budget included an appropriation of \$4,400,000 in the Highlands Protection Fund's

Incentive Planning Aid and Regional Master Plan Compliance Aid accounts. Of this total, \$2,217,648 was transferred to the Watershed Moratorium Aid account within the Highlands Protection Fund. This leaves a balance of \$2,182,352.00 for new Plan Conformance grant initiatives for FY2011.

On January 20, 2011, the Highlands Council passed a Highlands Protection Fund Budget for FY2011. The FY2011 Highlands Protection Fund Budget is based upon the almost \$2,200,000 appropriation authorized by Governor Christie in the FY2011 State Budget. This funding will provide additional grant dollars for continued Plan Conformance Work for an estimated 25 municipalities and counties in FY2011. The FY2011 budget estimates that \$2,214,500 additional dollars will be encumbered for municipalities and \$164,500 will be encumbered for Highlands counties.

Highlands Redevelopment Area Projects

The Highlands Council this year also approved four Highlands Redevelopment Area projects in the Preservation Area: Goldmine Partners in Mount Olive, Morris County (construction of a 12,240-square foot, two-story construction office and equipment repair facility); Heath Village Retirement Community in Washington Township, Morris County (demolition of eight existing structures, construction of four new buildings, and a four one-story attached units to replace an existing one-family home); Borealis Compounds in Mansfield Township, Warren County (construction of a 27,200 square foot container staging facility where operations are being expanded and will result in additional employment and economic development opportunities); and West Milford, Passaic County (expansion of the municipal complex to build a new public library).

More information can be found on the Project Review page of the Highlands Council website: <http://www.highlands.state.nj.us/njhighlands/projectreview/>

Transfer of Development Rights Program

Another 2010 milestone was the Highlands Development Credit Bank making its first offers to acquire Highlands Development Credits (HDCs) as part of the Highlands Transfer of Development Rights program. Through the first two rounds of its initial purchase program, the HDC Bank offered \$2.4 million to nine owners of land in the Preservation Area to acquire HDCs allocated to their properties, which total 303.26 acres. To date, the bank closed on two of those offers, permanently protecting 109 acres from further development. More information about the Highlands Transfer of Development Rights program can be found on the Highlands Development Credit Bank's website at: <http://www.highlands.state.nj.us/njhighlands/hdcbank/>

Land Preservation Report

The Highlands Council released in August an updated Land Preservation Report, showing that 290,214 acres of open space and farmland in the Highlands Region have been preserved, representing more than one third of the entire Highlands Region. It also represents approximately 46 percent of the undeveloped land in the Highlands Region.

A total of 7,690 acres have been preserved since the adoption of the Regional Master Plan in July 2008; of those, 5,694 acres were identified for priority acquisition in the Plan. Significantly, 47 percent of the Preservation Area – 194,344 acres – is now preserved in perpetuity. This includes lands preserved through purchase by State, federal, county, or municipal government or by non-profit agencies, as well as the purchase of development rights through farm preservation or Transfer of Development Rights programs. Using the average per acre costs for preserved open space and preserved farmland established in the Highlands Regional Master Plan, today it would cost an estimated \$2.2 billion to preserve the 290,214

acres; using the more recent average per acre costs based upon land acquisitions since adoption of the RMP, it would cost approximately \$3.38 billion. The report underscores the significant investment made by the State of New Jersey and its partners to protect the significant resources of the Highlands.

The report also highlights the implementation of the Highlands Council's regional Transfer of Development Rights program and compares the average per acre values arising from participation in that program with the two other primary preservation options: the State Farmland Preservation Program and the State Green Acres Program. While the per acre values to be realized by individual property owners vary due to the pre-Highlands Act development potential of their parcels, on average, the per acre values for properties participating in the TDR program (\$8,967) are similar to those being offered through the farmland preservation (\$9,816) and Green Acres (\$10,265). These per acre values are representative of what has been paid in the Highlands Region since the passage of the Act.

The report can be downloaded from the Highlands Council website at:

http://www.highlands.state.nj.us/njhighlands/news/publ/land_pres_report_081910.pdf

Legislative Initiatives

On September 10, Governor Chris Christie authorized the extension of the dual-appraisal method. An amendment of the Highlands Act, the dual appraisal method provides that property owners in the Highlands who preserve their land under the Green Acres Program or State Farmland Preservation Program will receive two appraisals – one based on the current property value, and one based on the local zoning, State environmental laws, and New Jersey Department of Environmental Protection regulations in effect as of January 1, 2004 (before the adoption of the Highlands Act). The higher of these two values will be used as the basis for negotiation. This method was mandated for five years by the Highlands Act, but it expired on June 30, 2009; the new law extends the period for another five years, until June 30, 2014.

The bill was passed by the Senate by a vote of 39-0 and was co-sponsored Senator Steve Oroho and Senator Michael J. Doherty. The Assembly bill, A-2217, was passed 78-0 by the Assembly and was sponsored by Assemblyman John McKeon, Assemblyman Gary Chiusano, Assemblywoman Alison Littell McHose, and Assemblyman Erik Peterson.

On May 5, Governor Christie signed legislation allowing any municipality in the State to create a voluntary receiving zone under the Highlands Transfer of Development Rights (TDR) Program. As originally enacted, the Highlands Act only allowed the municipalities in the seven Highlands Region counties to be eligible to serve as voluntary receiving zones for Highlands credits. To date, 11 municipalities have received TDR Receiving Zone Feasibility Grants from the Highlands Council to consider the feasibility of establishing Receiving Zones. The bill signed by Governor Christie now allows any municipality in the State to create a voluntary Receiving Zone for Highlands credits, which confers certain benefits – such as the ability to charge impact fees and qualify for Highlands planning grants.

Judicial Challenges

In June of 2010, the U.S. Supreme Court rejected a challenge to the Highlands Act and Regional Master Plan, ending a two-year court battle brought by nine landowners who claimed the Act and Plan constituted a taking of private property without just compensation. The challenge was dismissed by the Superior Court of New Jersey in 2008; that decision was affirmed by the Appellate Division of the Superior Court of New Jersey in 2009. The New Jersey Supreme Court declined to hear the case in January, and on June 28, the U.S. Supreme Court notified the New Jersey Office of the Attorney General that it would not hear the case after reviewing briefs by both parties and earlier court decisions.

New Members

The Highlands Council welcomed two new Council Members in 2010: Carl Richko, the former Mayor of West Milford Township, Passaic County, and a member of the Board of Directors of the Pequannock River Coalition, a member of the Passaic County Open Space and Farmland Preservation Committee, and vice chairman of the Highlands Municipal Property Tax Stabilization Board; and James A. Visioli, a Dover Alderman who also serves on the Dover Planning Board and is a member of the Dover Area Historical Society.



Transparency and Outreach

The Highlands Council is committed to sharing information with the public. Information about the Highlands Council is shared through its [website](#) and at regularly scheduled meetings that are advertised in local newspapers in accordance with the Open Public Meetings Act. The meeting schedule is posted on the Highlands Council website's [calendar page](#). This page also makes available information from previous meetings, including agendas, resolutions, presentations, and other materials, as well as audio recordings and minutes of the meetings themselves. The Highlands Council has developed cutting edge [Interactive Mapping](#) sites to share the most up to date information with municipalities and interested parties these sites can be accessed on the website. The website also provides information on [projects reviewed by the Highlands Council](#), the activities of the [Highlands Development Credit Bank](#) and status of the [Transfer of Development Rights Program](#), documents and other materials related to [Plan Conformance](#) and The [Highlands Development Credit Estimator](#), unveiled in November 2009, which gives residential property owners the ability to see a range of how many credits their property may be entitled to receive if they enroll in the Transfer of Development Rights program.

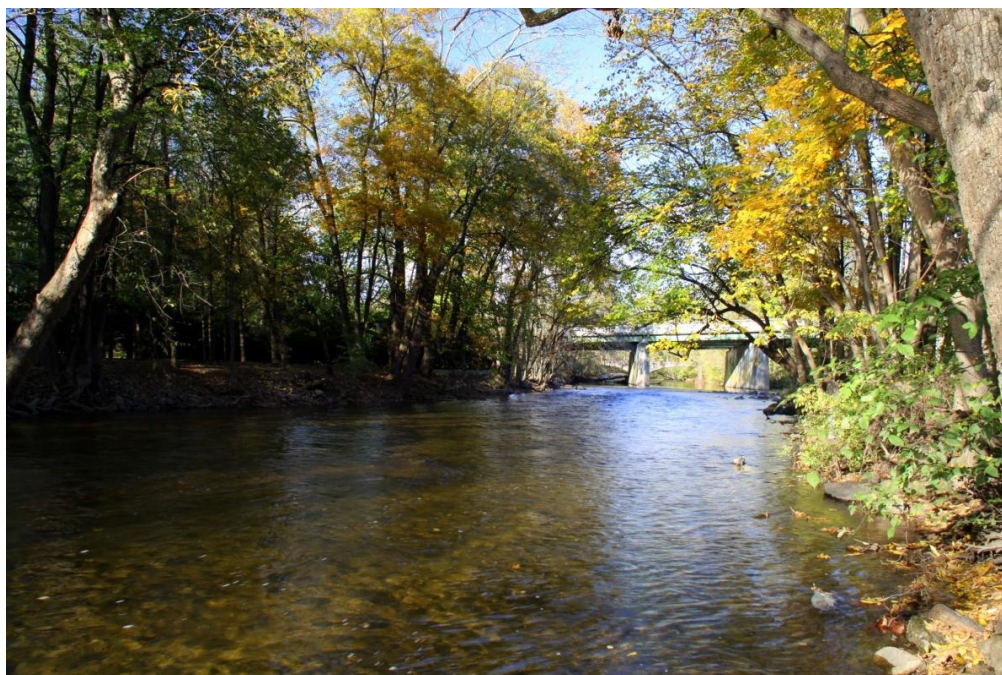
The Highlands Council launched a new newsletter in 2010. The Highlander provides information about Highlands Council activities and includes a calendar of upcoming events in the Highlands Region. The first issue of The Highlander was released in [October](#); the second issue was released in [December](#).

In 2010, the Highlands Council held nine public meetings to discuss and resolve a variety of issues concerning the implementation of the RMP; the Highlands Development Credit Bank held three public meetings. All meetings provided opportunities for input from the Highlands Council staff, State agency representatives and the public.

Looking Ahead

The Highlands Council anticipates another busy year in 2011 as we consider the remaining petitions for plan conformance from both municipalities and counties. The Highlands Council also will continue to partner with municipalities that have already successfully petitioned for plan conformance on planning initiatives through the use of Highlands Protection Fund grants, such as Sustainable Economic Development Plans, Habitat Conservation and Management Plans, Highlands Redevelopment Area Plans, Stream Corridor Restoration Plans, Agricultural Retention Plans and Water Use Conservation Management Plans. In addition, the Highlands Development Credit Bank will offer its third round of initial purchase program to purchase development rights from landowners in the Preservation Area, and will continue to work with municipalities inside and outside of the Highlands Region on the creation of voluntary Transfer of Development Rights receiving zones.

Protection of the natural resources of the Highlands Region – including the quality and quantity of drinking water for more than 5 million New Jersey residents – is being accomplished through the collaborative efforts of the regional planning agency and local governments. The Highlands Council also will continue to follow the directives established by Governor Chris Christie to promote transparency in government, coordinate its efforts with other State agencies, minimize costs to local government, and respond to constituents and applicants in a timely and professional manner.



New Jersey Highlands Water Protection and Planning Council
Statement of Activities and Financial Report for the period ending December 31, 2010

General Operating Budget FY10 - July 1, 2009 through June 30, 2010

REVENUES:

State of New Jersey Appropriation FY10	\$ 2,167,796.59
Balance from FY09	\$ 480,914.85
Miscellaneous Revenues & Reimbursements	\$ 11,220.80
TOTAL	\$ 2,659,932.24

EXPENDITURES:

Salaries	\$ 1,724,449.96
Materials and Supplies	\$ 26,785.00
Other Operating Expenses	\$ 120,470.04
Maintenance and Repairs	\$ 228,559.04
Equipment, Additions, and Improvements	\$ 55,371.60
Transfer out to RMP Account	\$ 358,583.27
Balance through June 30, 2010	\$ 145,713.33
TOTAL	\$ 2,659,932.24

General Operating Budget for Portion of FY11 - July 1, 2010 through December 31, 2010

REVENUES:

State of New Jersey Appropriation FY11	\$ 1,852,000.00
Highlands Balance from FY10	\$ 145,713.33
Transfer in from RMP Account	\$ 364,944.08
Miscellaneous Revenues & Reimbursements	\$ 11,000.00
TOTAL	\$ 2,373,657.41

EXPENDITURES:

Salaries	\$ 820,052.81
Materials and Supplies	\$ 13,348.81
Other Operating Expenses	\$ 43,337.61
Maintenance and Repairs	\$ 80,316.66
Equipment, Additions, and Improvements	\$ 23,313.19
Balance through June 30, 2011	\$ 1,393,288.33
TOTAL	\$ 2,373,657.41

Regional Master Plan Budget for Portion of FY11 - July 1, 2010 through December 31, 2010

REVENUES:

Balance From FY10	\$ 749,947.50
Transfer in from General Operating Account	\$ 358,583.27
TOTAL	\$ 1,108,530.77

EXPENDITURES:

Contracts Paid to Date	\$ 1,500.00
Balance on Approved Contracts	\$ 458,208.66
Transfer out to General Operating Account	\$ 364,944.08
Balance through June 30, 2011	\$ 283,878.03
TOTAL	\$ 1,108,530.77

