

Planning for the Future of New Jersey's Water



Pochuck Boardwalk, Appalachian Trail, Vernon, NJ

New Jersey Highlands Water Protection and Planning Council
2012 Annual Report
March 29, 2013





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CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

JIM RILEE
Chairman

GENE F. FEYL
Executive Director

A Message from the Chairman and Executive Director

Dear Friend of the New Jersey Highlands:

It is with great pride that we present to you the 2012 Highlands Water Protection and Planning Council Annual Report. The Highlands Council's eighth year was marked by leadership changes, a renewed focus on addressing landowner equity and the needs of local governments within the Region, and continued progress on achieving local conformance with the Highlands Regional Master Plan. The activities of the Council in 2012 reflect its continued commitment to upholding the goals and purposes of the Highlands Water Protection and Planning Act, which sets forth a comprehensive approach to protecting the water and other natural resources of the New Jersey Highlands.

As we began 2013, the Highlands Council had approved 46 of the 65 county and municipal Petitions for Plan Conformance submitted for consideration as of December 2012. In addition to approving six new Petitions during 2012, the Council designated two new Highlands Centers and two Highlands Redevelopment Areas. In support of these approvals, Council staff became increasingly involved in assisting conforming jurisdictions with implementation tasks, which are the key to realizing the Regional Master Plan at the local level. Council staff also continued to work in collaboration with jurisdictions not yet approved, to bring all remaining Petitions to the Council for consideration. With staff support, the Council also provided consistency reviews for various project proposals and Highlands Act exemption requests, helping move projects forward that will benefit the overall economic health of the Highlands Region.

Early in 2012 the Council was pleased to announce an agreement with the New Jersey Department of Environmental Protection (NJDEP) to streamline the Highlands exemption determination process and move decision-making power from NJDEP to the local level. The agreement, announced in March and signed in July, outlines plans to allow municipal governments with approved Plan Conformance Petitions to issue determinations regarding seven key exemptions in the Preservation Area. This common sense reform will speed the process for property owners seeking an exemption determination in certain situations. Development of a training program and certification process was initiated by the Highlands Council in 2012 and is expected to launch in the first half of 2013. Initiating a program for issuance of exemption determinations is optional for municipalities.

Another important element of Highlands Council work in 2012, as referenced above, was an increased emphasis on landowner equity. The Council's primary tool for equity, the Transfer of Development Rights (TDR) program, concluded the fourth round of its Initial Purchase Program, authorizing \$7,966,500 in funding to acquire Highlands Development Credits (HDCs) from property owners agreeing to deed restrict their property for permanent preservation. This left approximately \$1,000,000 for a fifth round, which is currently pending.

Of course a critical factor in the ongoing success of the TDR program is establishing voluntary Receiving Zones where the HDCs can be purchased in a market-driven environment. In 2012 the Highlands Council launched a more aggressive campaign to identify and secure Receiving Zones. Through meetings with key stakeholders and a critical look at how funding is allocated and administered, the Highlands Council was able to refine its approach to municipalities that could be potential candidates. We expect these efforts to bear fruit in the first quarter of 2013 and lead to a stronger position for the TDR program going forward.

The Highlands Act requires a regional and balanced approach to protecting the resources of the Highlands Region, which are critical not only to its residents, but those outside the Region who rely on the Highlands for clean and abundant drinking water. The Highlands Council takes this responsibility very seriously and is committed to ensuring the long-term health of the Region.

Sincerely,

A handwritten signature in blue ink that reads "Jim Rilee".

Jim Rilee, Chairman
Highlands Water Protection and Planning Council

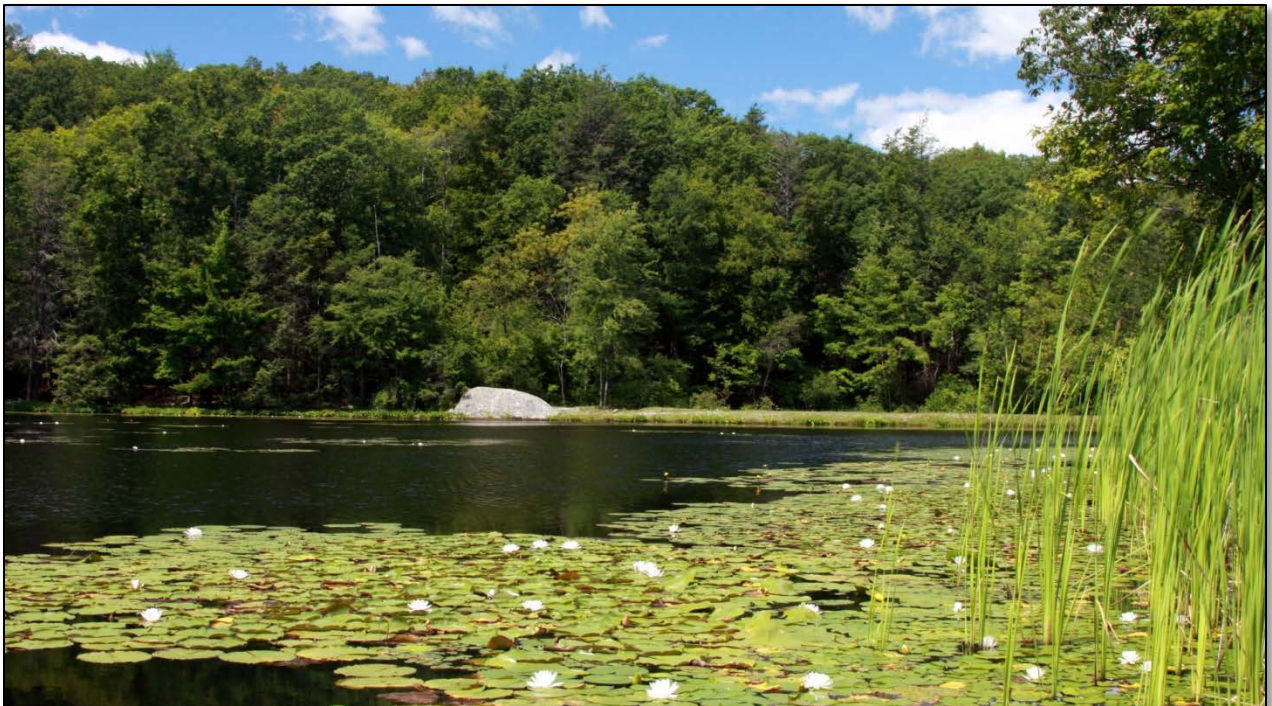
A handwritten signature in blue ink that reads "Gene F. Feyl".

Gene F. Feyl, Executive Director
Highlands Water Protection and Planning Council



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Ogdensburg Memorial Park, Ogdensburg, NJ

Highlands Water Protection and Planning Council



Jim Rilee, Chairman
Roxbury, Morris County
Councilman, Roxbury Township;
Former Mayor, Deputy Mayor, and
Planning Board member



Kurt Alstede, Vice Chairman
Chester Township, Morris County
Founder, Alstede Farms
Former Councilman,
Chester Township



Robert F. Holtaway, Treasurer
Bedminster, Somerset County
Former Mayor,
Bedminster Township



Tracy Carluccio
East Amwell, Hunterdon County
Deputy Director, Delaware
Riverkeeper Network



Timothy P. Dougherty
Morristown, Morris County
Mayor, Town of Morristown

Michael R. Dressler
Cresskill, Bergen County
Bergen County Surrogate



Michael Francis
Hopatcong, Sussex County
Councilman,
Hopatcong Borough



Bruce James
Clifton, Passaic County
Freeholder Director,
Passaic County

James E. Mengucci
Lopatcong, Warren County
Councilman,
Lopatcong Township



Carl J. Richko
West Milford, Passaic County
Former Mayor,
West Milford Township



Michael Sebetich
Hawthorne, Passaic County
Retired Professor of Biology,
William Paterson University



Michael Tfank
West Milford, Passaic County
Former Planning Board Chair,
West Milford



James A. Visioli
Dover, Morris County
Alderman, Dover Town



Richard Vohden
Andover, Sussex County
Freeholder Deputy Director,
Sussex County

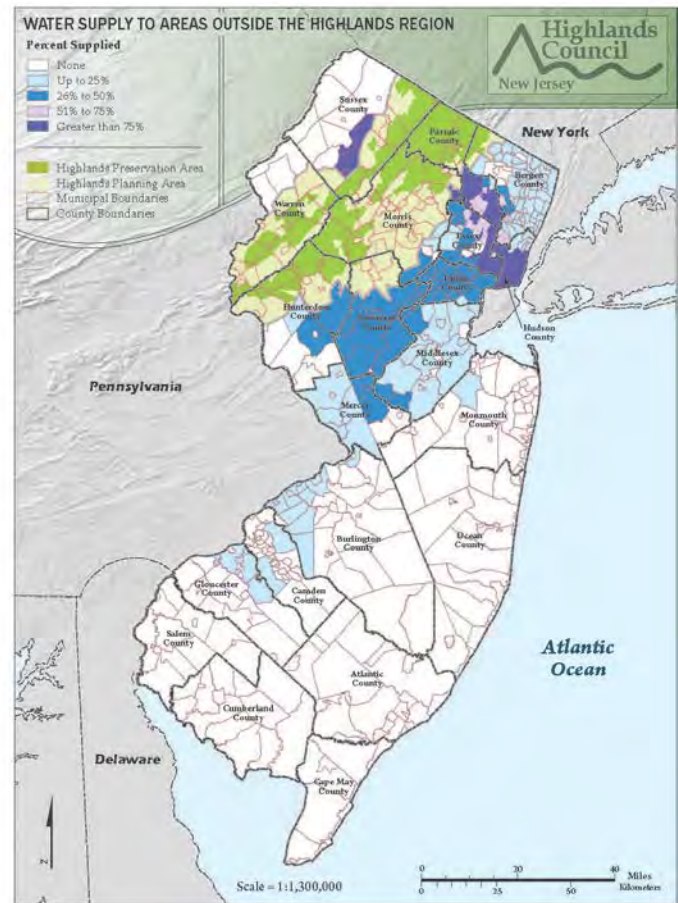


Robert G. Walton
Hampton, Hunterdon County
Freeholder Director,
Hunterdon County

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 as a fundamental goal, the protection, restoration and enhancement of water quality and water quantity in the Highlands Region. It also includes important goals related to the protection of natural resources, agricultural viability, ecosystems, as well as scenic and historic resources.

The Highlands Act divided the 859,267-acre (1,343 square mile) 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 includes 88 municipalities in Bergen, Hunterdon, Morris, Passaic, Somerset, Sussex, and Warren Counties.



Because the Highlands Region supplies more than half of New Jersey residents with drinking water, 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 RMP embodies a regional vision for the Highlands and is being implemented at all levels of government, through conformance by municipalities and counties, with financial and technical assistance from 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 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 cutting edge scientific, technical and planning materials for use in updating master plans and land use ordinances to ensure they meet the regional goals of critical resource protection and economic viability.

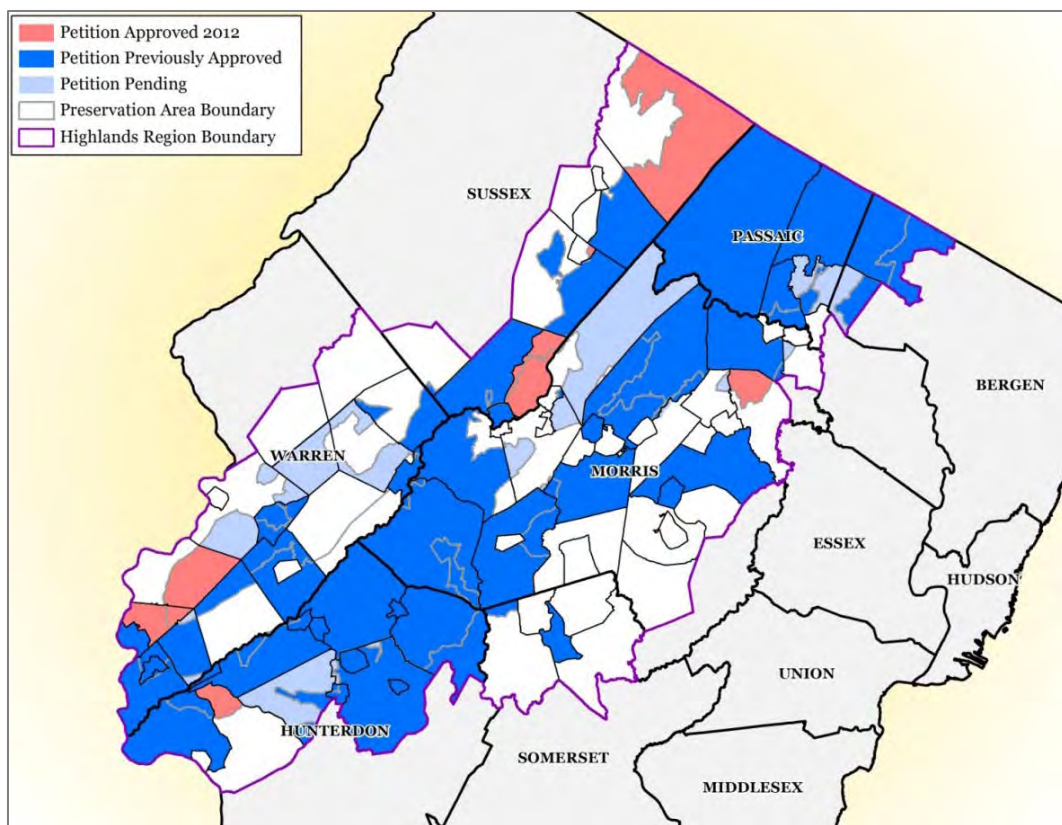
2012: The Year in Review

Plan Conformance & Implementation Update

The Highlands Plan Conformance process provides a framework that supports municipal and county efforts to bring local master plans and development regulations into alignment with the goals, requirements, and provisions of the Highlands Regional Master Plan (RMP). Under the Highlands Act, Plan Conformance is required for Preservation Area lands, and voluntary for Planning Area lands. Municipalities and counties that conform local plans and regulations with the RMP are eligible for certain benefits under the Highland Act, such as planning grants and technical assistance, state aid and assistance for smart growth, and Transfer of Development Rights (TDR) grant funding.

The Highlands Council entered 2012 with more than half of the submitted municipal Petitions for Plan Conformance already approved (37 of 60, or 62%). During the course of the year, six additional Petitions and one revised Petition were approved, bringing the total number of approved municipal Petitions to 43 or 72% of all submitted (75% of those deemed complete). This represents in acreage, nearly 410,000 conforming acres of the 860,000 acres in the Highlands Region or 48%.

Municipalities receiving approval for Plan Conformance Petitions in 2012 were: Montville Township in Morris County; Alexandria Township in Hunterdon County; Ogdensburg Borough, Vernon Township, and Hopatcong Borough in Sussex County; and Harmony Township in Warren County. In addition, Lopatcong Township in Warren County received approval to amend its Plan Conformance Petition (previously approved in 2011) to include a Highlands Center designation. The map below depicts the status of approved and pending Petitions for Plan Conformance, with 2012 approvals highlighted in red.



In the first quarter of 2013, the Council approved a Plan Conformance Petition from Randolph Township in Morris County bringing the total number of approved Petitions to 44 (73%). Five counties have submitted Petitions for Plan Conformance, and two have been approved. The remaining two counties and one municipality with lands in the Preservation Area continue to work with the Highlands Council staff.

In all, Plan Conformance Petitions submitted to date represent 97% conformance in the Preservation Area (401,903 acres) and 33% conformance in the Planning Area (147,755 acres). Of the 47 municipalities that have land in both the Preservation Area and Planning Area, this brings to 25 (or 53%) the total number of these municipalities that have chosen to conform in the Planning Area. Of the municipalities containing only Planning Area lands, 9 of 36 (or 25%) have chosen to conform. In total, 34 of the 83 municipalities with lands in the Planning Area (or 41%) have chosen to voluntarily conform.

The table below lists all Highlands municipalities by county indicating total acreage in the Preservation and Planning Areas. **Blue** highlighting indicates petitions **submitted** and **orange** indicates petitions **approved** as of February 28, 2013.

MUNICIPALITY	PLANNING AREA ACREAGE	PRESERVATION AREA ACREAGE	TOTAL ACREAGE
BERGEN COUNTY			
Mahwah Township	7,083	9,481	16,564
Oakland Borough	3,007	2,605	5,612
<i>Total Acres For Bergen County</i>	10,090	12,086	22,176
HUNTERDON COUNTY			
Alexandria Township	15,038	2,721	17,760
Bethlehem Township	1,141	12,146	13,287
Bloomsbury Borough	0	632	632
Califon Borough	0	629	629
Clinton Town	777	141	918
Clinton Township	21,064	643	21,706
Glen Gardner Borough	0	991	991
Hampton Borough	136	835	971
High Bridge Borough	1,555	0	1,555
Holland Township	13,352	1,973	15,324

MUNICIPALITY	PLANNING AREA ACREAGE	PRESERVATION AREA ACREAGE	TOTAL ACREAGE
Lebanon Borough	577	0	577
Lebanon Township	6	20,264	20,270
Milford Borough	818	0	818
Tewksbury Township	6,857	13,469	20,326
Union Township	2,667	10,502	13,169
<i>Total Acres For Hunterdon County</i>	63,989	64,945	128,934
MORRIS COUNTY			
Boonton Town	1,590	0	1,590
Boonton Township	4,943	493	5,437
Butler Borough	1,318	0	1,318
Chester Borough	1,020	0	1,020
Chester Township	2,906	15,789	18,695
Denville Township	8,144	7	8,151
Dover Town	1,745	0	1,745
Hanover Township	6,878	0	6,878
Harding Township	13,162	0	13,162
Jefferson Township	3,303	24,080	27,384
Kinnelon Borough	325	11,984	12,309
Mendham Borough	3,826	0	3,826
Mendham Township	11,527	0	11,527
Mine Hill Township	1,918	0	1,918
Montville Township	8,792	3,440	12,232
Morris Township	10,118	0	10,118
Morris Plains Borough	1,657	0	1,657
Morristown Town	1,924	0	1,924

MUNICIPALITY	PLANNING AREA ACREAGE	PRESERVATION AREA ACREAGE	TOTAL ACREAGE
Mountain Lakes Borough	1,861	0	1,861
Mount Arlington Borough	1,663	132	1,795
Mount Olive Township	4,133	15,859	19,992
Netcong Borough	611	0	611
Parsippany-Troy Hills Township	16,223	0	16,223
Pequannock Township	4,074	475	4,549
Randolph Township	12,961	581	13,542
Riverdale Borough	1,323	0	1,323
Rockaway Borough	1,357	0	1,357
Rockaway Township	11,582	17,789	29,371
Roxbury Township	9,738	4,303	14,041
Victory Gardens Borough	93	0	93
Washington Township	3,491	25,235	28,726
Wharton Borough	1,362	0	1,362
<i>Total Acres For Morris County</i>	155,569	120,167	275,736
PASSAIC COUNTY			
Bloomington Borough	1,762	4,155	5,917
Pompton Lakes Borough	2,000	0	2,000
Ringwood Borough	0	18,230	18,230
Wanaque Borough	1,303	4,665	5,968
West Milford Township	0	51,848	51,848
<i>Total Acres For Passaic County</i>	5,065	78,897	83,963
SOMERSET COUNTY			
Bedminster Township	15,866	1,009	16,875
Bernards Township	15,570	0	15,570

MUNICIPALITY	PLANNING AREA ACREAGE	PRESERVATION AREA ACREAGE	TOTAL ACREAGE
Bernardsville Borough	8,265	0	8,265
Far Hills Borough	3,149	0	3,149
Peapack-Gladstone Borough	3,696	0	3,696
<i>Total Acres For Somerset County</i>	46,546	1,009	47,555
SUSSEX COUNTY			
Byram Township	236	14,300	14,536
Franklin Borough	2,833	0	2,833
Green Township	10,169	260	10,429
Hamburg Borough	747	0	747
Hardyston Township	8,281	12,603	20,885
Hopatcong Borough	5,333	2,615	7,948
Ogdensburg Borough	1,240	197	1,437
Sparta Township	13,335	11,488	24,822
Stanhope Borough	1,341	0	1,341
Vernon Township	15,464	29,305	44,769
<i>Total Acres For Sussex County</i>	58,980	70,769	129,749
WARREN COUNTY			
Allamuchy Township	7,695	5,278	12,973
Alpha Borough	1,098	0	1,098
Belvidere Town	950	0	950
Franklin Township	11,288	3,763	15,051
Frelinghuysen Township	15,275	0	15,275
Greenwich Township	5,994	786	6,780
Hackettstown Town	2,171	203	2,374
Harmony Township	7,003	8,413	15,416

MUNICIPALITY	PLANNING AREA ACREAGE	PRESERVATION AREA ACREAGE	TOTAL ACREAGE
Hope Township	11,706	0	11,706
Independence Township	6,510	6,276	12,786
Liberty Township	543	7,090	7,633
Lopatcong Township	3,672	1,049	4,721
Mansfield Township	5,969	*13,032	19,001
Oxford Township	1,672	2,206	3,878
Phillipsburg Town	2,133	0	2,133
Pohatcong Township	1,208	7,571	8,780
Washington Borough	1,259	0	1,259
Washington Township	7,953	3,595	11,547
White Township	9,993	7,800	17,793
<i>Total Acres For Warren County</i>	104,093	67,062	171,155
Total Highlands Region	444,332	414,936	859,267

* No petition received for Plan Conformance in the Preservation Area, as mandated by the Highlands Act.

With nearly three-quarters of all pending Plan Conformance Petitions approved, the work of the Highlands Council in 2012 continued to shift toward supporting municipalities in the implementation process: the development and adoption of ordinances that effectuate the Highlands Act at the local level. In the past year, Council staff continued to refine procedures and model documents, working in collaboration with municipalities to ensure an efficient and effective process. The table below summarizes 2012 progress on key elements of Highlands Plan Conformance Implementation.

Implementation Element	Total Adopted	New in 2012	Municipalities (New in 2012 in bold)
Planning Area Petition Ordinance	15	+6	Alpha Boro, Bethlehem Twp, Byram Twp, Clinton Town, Hackettstown , Hampton Boro, High Bridge Boro, Holland Twp, Lebanon Boro, Mahwah Twp , Lopatcong Twp, Oxford Twp , Phillipsburg , Pohatcong Twp , Tewksbury Twp
Master Plan Reexamination Report	14	+12	Bethlehem Twp , Bloomsbury Boro , Byram Twp , Franklin Twp , Hackettstown , High Bridge Boro, Holland

Implementation Element	Total Adopted	New in 2012	Municipalities (New in 2012 in bold)
			Twp, Lebanon Twp, Mahwah Twp, Mount Olive Twp, Tewksbury Twp, Ringwood Boro, Vernon Twp, West Milford
Environmental Resource Inventory	17	+13	Alpha Boro, Bloomsbury Boro, Byram Twp, Califon Boro, Franklin Twp, Glen Gardner Boro, Hackettstown, High Bridge Boro, Lebanon Twp, Lopatcong Twp, Mahwah Twp, Montville Twp, Mount Olive Twp, Phillipsburg, Ringwood Boro, Tewksbury Twp, Vernon Twp
Highlands Master Plan Element	7	+5	Califon Boro, Franklin Twp, Glen Gardner Boro, High Bridge Boro, Lebanon Twp, Mount Olive Twp, West Milford
Checklist Ordinance (not required if Highlands Land Use Ordinance is adopted first)	9	+8	Hackettstown, Byram Twp, Califon Boro, Holland Twp, Mount Olive Twp, Mahwah Twp, Washington Twp (Morris County), Tewksbury Twp, Ringwood Boro
Highlands Land Use Ordinance	1	-	High Bridge Boro
Zoning Map	1	+1	High Bridge Boro

More information regarding implementation can be found on the Plan Conformance page on the Highlands Council [website](#).

Wastewater Management Plans for Highlands Municipalities

The Water Quality Management Planning Rules (N.J.A.C. 7:15) adopted by the New Jersey Department of Environmental Protection (NJDEP) require that all areas of New Jersey are addressed by Wastewater Management Plans (WMP). Where the Highlands Council has approved a Petition for Plan Conformance for an entire municipality, the Highlands Council will develop a draft WMP in collaboration with the municipality and NJDEP. When the municipality concurs with the draft WMP, it is provided to NJDEP for final review, public comment and adoption.

In 2012, the Highlands Council produced 22 new draft WMPs, and continued to collaborate with nine other municipalities to develop draft WMPs. Work also continued in 2012 to finalize previously drafted WMPs and usher them through to NJDEP approval. To date, the Highlands Council has drafted a total of 31 WMPs. Two have been adopted by NJDEP.

Additional information regarding WMPs, including a tracking sheet, is available on the Highlands Council [website](#).

Leadership Changes

In 2012, the Highlands Council Staff welcomed a new Executive Director and Deputy Executive Director.

In April, the Council voted to appoint Gene F. Feyl of Denville as Executive Director. Mr. Feyl joined the staff in May, bringing with him a wealth of experience from both the public and private sector, including more than 40 years of hands-on experience in planning, business development, project management and logistics. In June, Margaret Nordstrom joined the staff as Deputy Executive Director, bringing more than 20 years of public service experience in Northern New Jersey to the role. Ms. Nordstrom's background includes extensive experience in municipal and county government with particular expertise in budget and personnel administration, environmental protection, and economic development. Since joining the staff, Feyl and Nordstrom have intensified efforts to address landowner equity, increasing outreach to engage key stakeholders in the Transfer of Development Rights program and exploring other alternatives to funding.

Also in June, Christine M. Danis was appointed Director of Planning and Science, a position vacated following the retirement of Dr. Daniel Van Abs. Danis has been a member of the Highlands Council staff since its inception in 2004, most recently holding the position of Lead Principal Planner. Ms. Danis has more than two decades of experience as an environmental scientist and regional land use planner in New Jersey.

Landowner Equity & TDR

The Highlands Water Protection and Planning Act charged the Highlands Council with developing a Transfer of Development Rights (TDR) program as one way of addressing landowner equity while advancing the regional planning goals of the Act. The Council adopted its TDR Program as part of the Highlands Regional Master Plan and established the Highlands Development Credit Bank (HDC Bank) in June 2008 in support of the TDR Program.

Through the program, eligible landowners in Sending Zones receive HDC allocations, which they can then sell to purchasers who buy the credits representing the lost development potential in the Sending Zones. The credits then permit the purchaser to build in a Receiving Zone at a density greater than that permitted in the underlying zoning. While voluntary Receiving Zones are still being established, the HDC Bank is serving as the primary purchaser of HDCs. To date, the Highlands Council has allocated more than 1,600 HDCs representing 3,313 acres from 86 applicants. The HDC Bank Board has approved the purchase and closed on nearly 400 HDCs, representing 12 properties and a total of 332 acres and providing \$6.3 million to property owners.



Hoff-Vannatta Farmstead, Harmony, NJ

In 2012 the HDC Bank completed its fourth round of HDC acquisition consideration and announced a fifth round. Should all pending offers through 2012 close, the program will have preserved more than 500 acres at approximately \$16,000 per acre, providing nearly \$8 million to property owners in the Highlands. In addition, 2012 saw a renewed focus on establishing voluntary Receiving Zones. Outreach to a wide range of stakeholder groups, community and professional associations, as well as municipal and county governments helped the Highlands Council refine its approach to identifying and establishing Receiving Zones. Grant programming related to Receiving Zones was reexamined and revised, adding a new level of

collaboration and oversight to ensure more effective stewardship of the process and associated funding. Related materials are available on the Highlands Council [website](#).

Streamlining Exemption Decisions

In March of 2012, the Highlands Council announced an agreement with the New Jersey Department of Environmental Protection (NJDEP) to provide local governments with the authority to make certain exemption determinations. Under the agreement, the authority to approve seven exemptions in the Preservation Area would move from NJDEP to municipalities, once conformance petitions for the Preservation Area have been approved by the Highlands Council. The agreement allows municipalities to maintain their conformance commitments while also expediting the process for landowners to obtain exemption determinations in certain situations.

There are 17 exemptions in the Highlands Act. Presently, NJDEP administers applications for exemption determinations in the Preservation Area and the Highlands Council administers applications for exemption determinations in the Planning Area. The Highlands Council will also delegate authority for exemption determinations involving Planning Area lands, through the Plan Conformance implementation process. The following seven exemptions are to be delegated for municipal determinations:

Exemption 1. The construction of a single family dwelling for owner's own use

Exemption 2. The construction of a single family dwelling with conditions

Exemption 4. The reconstruction of any building or structure with conditions

Exemption 5. Any improvement to a single family dwelling

Exemption 6. Any improvement, for non-residential purposes, to a place of worship owned by a nonprofit entity, society or association, or association organized primarily for religious purposes, or a public or private school, or a hospital

Exemption 7. An activity conducted in accordance with an approved woodland management plan

Exemption 8. The construction or extension of trails with non-impervious surfaces on publicly or privately owned lands

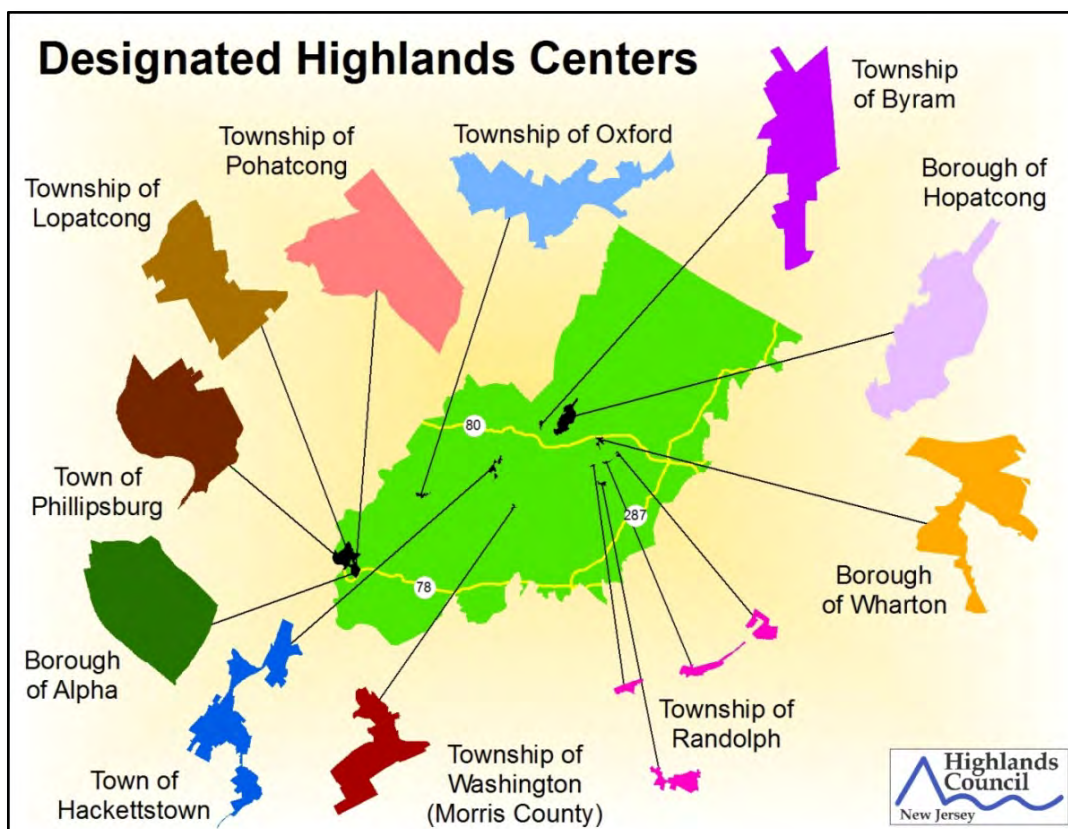
Please Note: These are summaries of the seven exemptions to be delegated. The complete language of each can be found in the Highlands Act. The delegation of exemption determinations does not change the language of the Highlands Act and only involves the governmental level at which the exemption decision is made.

A training and certification process will be launched in the first half of 2013.

Highlands Centers

The Highlands Act specifically requires encouragement of center-based development and redevelopment, which is achieved through Highlands Center designations incorporated into a municipality's Petition for Plan Conformance.

A Highlands Center is typically an area where development and/or redevelopment is planned and encouraged. Highlands Centers are intended to support balance in the Highlands Region by providing for sustainable economic growth while protecting critical natural and cultural resources.



The designation of a Highlands Center triggers a planning process that is specific to a geographic area. The process begins by identifying goals for the area, including specific intents for the desired level and intensity of development. Highlands Center planning is community-driven and flexible, resulting in a development/redevelopment plan tailored for a neighborhood or area.

In 2012, the Highlands Council approved designation of two additional Highlands Centers; one in Lopatcong, Warren County, and the other in Hopatcong, Sussex County. With the addition of eight previously designated Centers and Randolph Township in Morris County, which received a Highlands Center designation in January 2013, this brings the total number of Highlands Centers to 11.

Success Story:

Highlands Center Planning in Oxford

In addition to the designation of new Highlands Centers in 2012, Highlands Council staff also continued to work in partnership with municipalities to move Center planning efforts forward.

Oxford Township in Warren County was approved for a Highlands Center designation in 2011. The Center encompasses the Township's downtown area and includes an abandoned manufacturing site in need of remediation. The owner of the site had not paid taxes in several years, and the municipality was considering acquiring the property to curtail the losses, but was concerned about liabilities.

As part of the Center planning process, Highlands Council staff worked in collaboration with the municipality, offering planning support, bringing in brownfields experts from the state, and coordinating efforts to help address this challenging situation. The town ultimately decided to move forward with the purchase of the property. (See news story below.) Center planning with Oxford and all designated Highlands Centers continues to progress.

[Oxford Township Committee begins foreclosure process on OxWall property](#)

The Express-Times | Wednesday, September 19, 2012

Highlands Redevelopment Areas

In 2012, the Highlands Council approved requests for two Highlands Redevelopment Area designations in the Preservation Area. For Preservation Area lands, such approvals are a prerequisite for applicants seeking a Highlands Preservation Area Approval (HPAA) with redevelopment waiver from the NJDEP.

In Mount Olive Township, Morris County, the Highlands Council designated a Highlands Redevelopment Area on Route 46 to accommodate construction of an automobile dealership within a previously developed area. The project consists of a commercial building of 13,000 square feet (sq ft) and attendant parking for the storage of vehicles for sale, and for customers and employees. Also in Mount Olive

Township, the Council designated a Highlands Redevelopment Area on Bartley Chester Road that will enable the reconfiguration of an existing parking lot in an industrial area to improve safety and efficiency at the site. The project involves construction of an approximate 26,737 sq ft addition to the existing parking lot to accommodate tractor trailer parking for the existing warehouse.

Project Reviews

The Highlands Council is legislatively charged with reviewing proposed projects throughout the Highlands Region for consistency with the Highlands Act and Highlands Regional Master Plan (RMP). In the Preservation Area, jurisdiction for project reviews is shared with the New Jersey Department of Environmental Protection. In the Planning Area, the Highlands Council issues consistency determinations for proposed projects in conforming municipalities.

In 2012, the Highland Council provided a consistency review regarding a Tennessee Gas Pipeline Company project determining that the project meets the criteria for an exemption under the Highlands Act, which provides for “the ... upgrade of public utility lines, rights of way, or systems, by a public utility...provided that the activity is consistent with the goals and purposes of” the Highlands Act. The finding of consistency was conditioned on implementation of a Comprehensive Mitigation Plan to address any potential impacts to Highlands Resources.



Montville, NJ

During the year, Council staff also provided review and comment on components of a Comprehensive Mitigation Plan submitted by PSE&G for the Susquehanna-Roseland 500-kv Transmission Line project, following a Regional Master Plan consistency determination and exemption determination with conditions in 2009. In addition, Highlands Council staff continued to provide consistency determinations and comments for projects under the delegated authority of the Executive Director. A summary of all project reviews is available on the Highlands Council [website](#).

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 Conformance implementation tasks, including such items as amended development regulations, plans for Highlands Centers, stream corridor plans, agricultural retention plans, and sustainable economic development plans, the Highlands Protection Fund was created in the Act.

In 2012, six new municipal Petitions were approved by the Council making them eligible to receive grant funding above the initial \$100,000 awarded following a Notice of Intent. Only municipalities that submitted a Notice of Intent and had their Petition approved by the Highlands Council received an amended grant agreement, providing funding to address additional tasks toward the implementation of Plan Conformance.

Among all municipalities that have received awards in support of Plan Conformance activities to date (in total):

- 20 received awards to support Sustainable Economic Development plans, totaling \$355,000 (average award of \$17,750)/municipality);
- 21 received awards to support Highlands Centers Plans/Redevelopment plans, totaling \$490,000 (average award of \$25,238/municipality);
- 16 received awards to support Water Use and Conservation Management plans, totaling \$877,300 (average award of \$54,831/municipality);
- 30 received awards to support Habitat Conservation & Management plans, totaling \$511,000 (average award of \$17,367/municipality);
- Five received awards to support Lake Management plans, totaling \$145,000 (average award of \$29,000/municipality);
- 39 received awards to support Wastewater Management plans, totaling \$130,500 (average award of \$3,423/municipality);
- 18 received awards to support Agricultural Retention/Farm Preservation plans, totaling \$205,500 (average award of \$12,250/municipality); and
- Eight received awards to support Green Building/Environmental Sustainability/Alternative Energy plans, totaling \$77,000 (average award of \$9,625/municipality).

Please note that a portion of the funding dedicated to Highlands Center Planning and Redevelopment Planning will be used to identify areas that would support the Transfer of Development Rights program. In addition, the municipality of Pohatcong Township in Warren County received a separate grant to support an assessment that will help identify lands in the town that are eligible for the Highlands Council Transfer of Development Rights program. Of special interest, High Bridge Borough was recognized at the state level for successes in development of its Highlands Council-sponsored Sustainable Economic Development Plan and has been nominated for a national award for the same plan (see Success Story below).

For fiscal year 2013, 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, \$2,218,000 was transferred to the Watershed Moratorium Aid account within the Highlands Protection Fund. This leaves a balance of \$2,182,000 for Plan Conformance grant activities for FY2013. On October 18, 2012, the Highlands Council passed a Highlands Protection Fund Capital Budget for FY2013. The FY2013 Highlands Protection Fund Budget is based upon the almost \$2,200,000 appropriation authorized by Governor Christie in the FY2013 State Budget. This funding will provide additional grant dollars for continued Plan Conformance work for an estimated 30 municipalities and counties in FY2013. The FY2013 budget estimates that \$3,591,970 additional dollars will be encumbered for municipalities and \$720,000 will be encumbered for Highlands counties.

Success Story:

High Bridge Sustainable Economic Development Plan

In May, a Highlands Council-funded Sustainable Economic Development Plan (SEDP) for the Borough of High Bridge was recognized for excellence by the New Jersey Planning Officials (NJPO) Association, a New Jersey planning organization. The plan provides the Borough with guidance about how to maximize economic potential while protecting valued natural and historic resources within the community.

The first of its kind to be developed within the Highlands Region, the High Bridge SEDP received a 2012 New Jersey Planning Officials Planning Award that cited the plan's comprehensive nature and actionable components: "The resulting document advances a number of smart growth principles; it incorporates action items and deadlines, making it a living document."

The High Bridge SEDP is already being implemented within the Borough and used as a model for other municipalities in the Highlands: Twenty municipalities within the Region are currently developing, or have been funded to develop similar plans using the High Bridge approach. The plan has also been submitted for national recognition as a nominee for the 2013 Donald Hunter Award for Excellence in Economic Development Planning, sponsored by the American Planning Association.



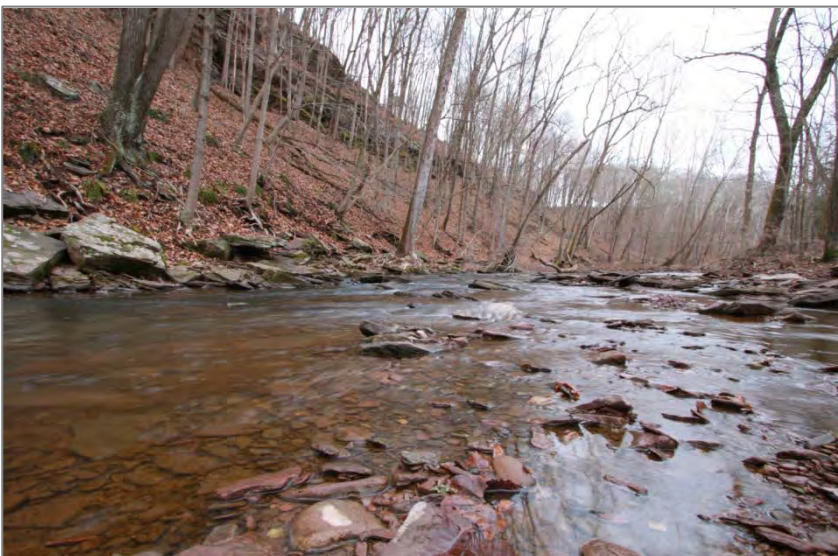
Transparency and Outreach

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. In 2012, the Highlands Council added a News and Public Notices headline section to its homepage providing faster access to the most current information.

The Highlands Council has developed cutting-edge [Interactive Mapping](#) tools to share resource and other related information with any interested parties. The website also provides information about [projects reviewed by the Highlands Council](#), the [Transfer of Development Rights Program](#) and Highlands Development Credit Bank, and materials related to [Plan Conformance](#). The [Highlands Development Credit Estimator](#) 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 site also provides several tracking sheets to keep the public informed regarding progress on Petitions for [Plan Conformance](#), municipal and county [implementation status](#), [project reviews](#), and the status of HDC [allocations](#) and Bank [closings](#).

In 2012, the Highlands Council also began developing informational brochures and other materials to provide basic information regarding the Council and its work. A [Fact Sheet](#) with core facts and figures is updated regularly and available on the Highlands Council website, along with an [overview brochure](#) about the Council. Early in 2013 the Council also added materials designed to provide the public with more information about [TDR Receiving Zones](#).

Also in 2012, the Highlands Council began formally tracking its outreach efforts to constituents throughout the Highlands Region. Since 2006 Highlands Council staff has been responding to public inquiries, providing guidance to landowners and their representatives regarding the NJDEP Preservation



Nishisakawick Creek Alexandria, NJ

Area rules and the RMP. Where requested, staff members will meet with landowners regarding site options. Since April 2006 Highlands Council staff have responded to more than 2,200 constituent inquiries at an average of 27 inquiries per month. In 2012, 259 such inquiries received responses.

During 2012, the Highlands Council also took a leadership role in laying the foundation for

creation of a Highlands Specific Working Group designed to ensure coordination and collaboration among all state agencies involved with land preservation in the Highlands Region including the Council, HDC Bank, Green Acres, State TDR Bank, State Agriculture Development Committee (SADC), Department of Agriculture, Office of Planning Advocacy/State Planning Commission, and NJDEP. The purpose of this working group is to ensure maximum effective preservation outcomes and better coordinate the identification, prioritization, and evaluation of candidate preservation projects.



Lake Hopatcong, Hopatcong, NJ

NEW JERSEY HIGHLANDS WATER PROTECTION AND PLANNING COUNCIL
Statement of Activities and Financial Report for the period ending December 31, 2012

General Operating Budget FY12 - July 1, 2011 through June 30, 2012

REVENUES:

State of New Jersey Appropriation FY12	\$ 2,272,228.03
Balance from FY11	\$ 179,212.94
Miscellaneous Revenues & Reimbursements	\$ 3,150.88
TOTAL	\$ 2,454,591.85

EXPENDITURES:

Salaries	\$ 1,647,228.03
Materials and Supplies	\$ 29,946.01
Other Operating Expenses	\$ 115,952.15
Maintenance and Repairs	\$ 237,750.76
Equipment, Additions, and Improvements	\$ 64,822.47
Balance through June 30, 2012	\$ 358,892.43
TOTAL	\$ 2,454,591.85

General Operating Budget for Portion of FY13 - July 1, 2012 through December 31, 2012

REVENUES:

State of New Jersey Appropriation FY13	\$ 2,315,000.00
Highlands Balance from FY12	\$ 233,425.06
Miscellaneous Revenues & Reimbursements	\$ 3,000.00
TOTAL	\$ 2,551,425.06

EXPENDITURES:

Salaries	\$ 668,760.56
Materials and Supplies	\$ 9,230.28
Other Operating Expenses	\$ 47,599.75
Maintenance and Repairs	\$ 98,836.85
Equipment, Additions, and Improvements	\$ 13,156.27
Transfer to RMP Account	\$ 178,101.59
Balance through June 30, 2013	\$ 1,535,739.76
TOTAL	\$ 2,551,425.06

Regional Master Plan Budget for Portion of FY13 - July 1, 2012 through December 31, 2012

REVENUES:

Balance from FY12	\$ 663,970.22
Transfer in from General Operating Account	\$ 178,101.59
TOTAL	\$ 842,071.81

EXPENDITURES:

Contracts Paid to Date	\$ 17,972.50
Balance on Approved Contracts	\$ 229,728.76
Balance through June 30, 2013	\$ 594,370.55
TOTAL	\$ 842,071.81



All photos by Nathan McLean, Highlands Council GIS Specialist