

Office of Smart Growth

Annual Report

FY 2003-2004



Message from the Acting Governor and Commissioner

In January 2002, the Office of State Planning was renamed the Office of Smart Growth (OSG) to convey a fundamental shift in the activity of the Office toward a service-oriented organization. The staff was reorganized to create planning assistance teams. Composed of experienced planners, these teams are available to help towns better understand and accept the fundamental principles of the State Development and Redevelopment Plan (SDRP) and to apply them to create realistic, appealing, economically sustainable plans that reflect the local character and desires of each community.

To expand the reach of OSG and broadly promote the long-term benefits of good land use planning, OSG sponsors and participates in conferences, workshops, and studios around the state. The combination of technical assistance, educational outreach and Smart Future Grants is proving to be a winning formula.

Another goal of the reorganized Office was to break down the barriers that separated the various state agencies when the SDRP was first adopted and, to a large extent, still existed. A truly collegial spirit is developing among agencies at all levels of government, including the legislative support needed to expand the planning tools available to local and state governments alike. Indeed, the smart growth message is taking hold all over New Jersey.

We are making tremendous strides in demonstrating that development and the preservation of open space are not mutually exclusive. In the past year, we have seen the passage of two important laws: Transfer of Development Rights (TDR) and the Highlands Water Protection and Planning Act. The first will stimulate clustered growth and redevelopment while the latter will ensure the preservation of open space. We are also pleased to report a vigorous trend in urban development. In our seven largest cities, permits for housing construction are up from a low of 2,938 in 1996 to 5,311 in 2003. Even more exciting is that in the same time period, the value of the buildings constructed has increased from \$284,865,654 to \$849,593,830. New housing, new urban amenities, and transit-enabled freedom from hours wasted in traffic give city living new appeal.

State policies and regulations are being retooled in every agency so that they are compatible with other local, regional and state efforts to promote smart growth. This is an ongoing effort, but it is an enormous achievement. The Transit Village Task Force, a group made up of 9 state agencies, received a record-setting 20 Transit Village applications this year as more municipalities seize the opportunity to reinvigorate their downtown transit stations and revitalize the neighborhoods that surround them. The Board of Public Utilities has adopted new rules that will provide financial incentives or disincentives depending on the compatibility of a development with the State Plan. The Economic Development Authority and Commerce Commission partnered to add smart growth benefits to their Business Employment Incentives Program.

Communities across the state are responding positively to our new approach. Municipalities understand that smart growth policies and practices can improve the quality of life, create a sense of community, reduce development pressures on remaining open land and reduce the cost of infrastructure.

We thank you for working with us to advance smart growth and look forward to seeing these positive trends continue as we plan for New Jersey's future. Looking ahead twenty years, it is now possible to envision a New Jersey that has balanced growth and preservation.

With regards,

Handwritten signature of Richard J. Codey in black ink.

Richard J. Codey
Acting Governor
State of New Jersey

Handwritten signature of Susan Bass Levin in black ink.

Susan Bass Levin
Commissioner
Department of Community Affairs

Message from the Chair and Executive Director

This year marked the beginning of a new round of Cross-acceptance to update the State Plan and the State Plan Policy Map. Required every three years by the State Planning Act, Cross-acceptance is the process by which local governments and the public provide input in creating the policies of the State Plan. New State Planning Rules have enhanced Cross-acceptance to make it a more effective process for local government participation and exchange of information. Throughout the summer, OSG staff met with all counties and their constituencies to discuss the Preliminary State Plan and Policy Map. In the coming year, we will complete the Cross-acceptance negotiations and produce a revised State Plan and Map.

2004 also marked the implementation of an improved Plan Endorsement process as the Commission's primary tool for executing and monitoring the State Plan. Plan Endorsement officially replaced the center designation process in July 2004. Centers must now be approved through Plan Endorsement, which encourages local and county plans to be consistent with the State Plan by providing a range of regulatory and funding benefits from various state agencies. Plan Endorsement places greater emphasis on comprehensive planning, recognizing the need to address both centers and their surrounding environs.

As a result of these efforts, counties and municipalities are now more aware than ever of how development and redevelopment, environmental conservation, and transportation have benefits and impacts that often transcend political boundaries. Furthermore, OSG has tailored its programs to encourage cooperative planning among local agencies, so that they can maximize their limited resources. At the state level, OSG and other agencies recognize the need to lead by example and are coordinating resources and responsibilities on all matters pertinent to planning and smart growth. This partnership has led to the creation of an inter-agency smart growth team as well as internal smart growth teams within each agency.

In 2005, we will be even more active, as we build upon the impressive accomplishments of Tim Touhey and Adam Zellner, both of whom recently stepped down from their respective leadership positions in the State Planning Commission and OSG. We will continue our public education effort and expand the assistance currently being offered to communities seeking to grow smart. We look forward to working with counties, municipalities and the people of New Jersey to improve the quality of life within our state.

Best wishes,



Christiana Foglio
Chair
New Jersey State Planning Commission



Maura McManimon
Executive Director
Office of Smart Growth

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Introduction

Statewide Goals from the State Plan

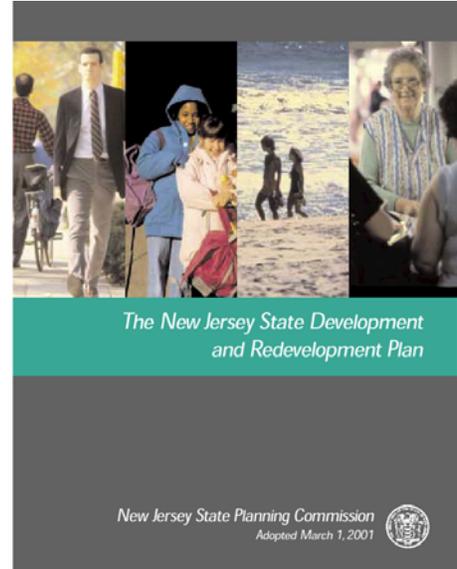
The 2001 State Development and Redevelopment Plan outlines Goals and Policies along with Indicators and Targets to measure performance. OSG and other agencies have made significant progress towards achieving the eight Statewide Goals. Listed by goal are descriptions of just some of the major accomplishments, which are discussed in greater detail throughout the report. As part of the Cross-acceptance process for updating the State Plan, OSG is currently restructuring the Indicators and Targets so that they provide a better measure of our success. The 2005 Plan will set the foundation for even more goal-oriented achievements and for the effective monitoring required to measure them.

Goal #1: Revitalize the State's Cities and Towns

- **Smart Future Planning Grants:** We have awarded \$6.6 million since 2003 to over 70 municipalities and 11 counties to help create and implement plans for downtown redevelopment and regional growth.
- **Revenue Allocation Districts (RAD):** The Local Finance Board adopted new rules for how municipalities can use this financing tool allowing a delineated area to draw upon a variety of revenue sources to help finance redevelopment.
- **Transit investment:** NJ TRANSIT projects have spurred redevelopment activity near many stations. Secaucus Junction, for example, has brought many more towns within a reasonable commuting time to midtown Manhattan, spurring housing demand and community revitalization.
- **Transit Village Initiative:** This program provides technical and grant assistance to promote dense mixed-use development around transit stations. During fiscal years 2003-2004, 7 Transit Villages were designated.
- **Housing:** The Department of Community Affairs and the Housing and Mortgage Finance Agency have invested billions of dollars in affordable and market-rate housing in our urban areas and other smart growth areas, giving thousands of New Jersey families access to quality homes.

Goal #2: Conserve the State's Natural Resources and Systems

- **Highlands:** The NJ Highlands Water Preservation and Planning Act protects drinking water supplies for over half of New Jersey's residents, thousands of acres of pristine forest, and over 150 threatened and endangered species.



- Garden State Preservation Trust: The refinancing of the GSPT bond program has made available \$150 million more for the preservation of open space.
- C1 Designations: From 2003 to October 2004, NJ Department of Environmental Protection (DEP) has applied C1 protection to 600 miles of waterways and nine reservoirs, totaling 7,865 acres. The C1 designations help prevent any measurable deterioration in existing water quality, limiting development impacts and discharges to streams.



Goal #3: Promote Beneficial Economic Growth, Development and Renewal for All Residents of New Jersey

- Business Employment Incentive Program: BEIP grants are designed to attract businesses to New Jersey, with further incentives for businesses that apply smart growth principles (e.g. locating near transit) in their location decisions.
- Access: Transit projects have enhanced accessibility for commuters, residents and college students who do not have cars or prefer not to use them.
- Developer Assistance Package: This standardized package of documents and resources, available from the Office of Smart Growth, assists developers and other interested parties in the process of development and redevelopment in New Jersey.

Goal #4: Protect the Environment, Prevent and Clean Up Pollution

- Brownfield Development Area (BDA): The Department of Environmental Protection (DEP) launched the BDA initiative to help communities tackle the environmental and economic challenges posed by multiple contaminated sites.
- Brownfields Redevelopment Interagency Team (BRIT): Since the beginning of 2003, BRIT has provided consultation on 40 brownfields redevelopment projects throughout the state. An additional 50 projects have received assistance from the Office of Smart Growth and the BRIT.
- Cleanup Star Program: DEP allows environmental consultants to work with developers and responsible parties to clean up and redevelop low-risk properties quickly and efficiently.
- NJ Environmental Infrastructure Trust provides below market rates for financing environmental projects. Even more favorable rates are now available for projects meeting smart growth criteria.
- Transit improvements have helped improve air quality by diverting travel from cars to public transportation.

Goal #5: Provide Adequate Public Facilities and Services at a Reasonable Cost

- NJ Department of Transportation and the Board of Public Utilities have each focused their resources on existing infrastructure rather than subsidizing sprawl. Maintenance and enhancement of existing infrastructure in already developed areas is a cost-effective strategy that serves more people.
- Redevelopment of brownfields and greyfields takes advantage of existing infrastructure, reducing public service costs.

Goal #6: Provide Adequate Housing at a Reasonable Cost

- The Housing & Mortgage Finance Agency (HMFA) and DCA have financed 21,294 housing units, already surpassing its four-year target of 20,000 set for 2006.
- HMFA's Smart Start Closing Cost and Down Payment Program provides soft loans for up to 4% of the purchase price to homebuyers choosing to live in smart growth areas.
- The Council on Affordable Housing's (COAH) new Round 3 Rules are now linked to the State Plan, helping to ensure that affordable housing is developed where it is needed.

Goal #7: Preserve and Enhance Areas with Historic, Cultural, Scenic, Open Space and Recreational Value

- Transfer of Development Rights: TDR allows a municipality to transfer the development potential of historic sites, farmland or environmentally sensitive areas into a receiving area that can accommodate the growth.
- Green Acres: During fiscal years 2003 and 2004, the Green Acres program acquired over 46,000 acres for open space conservation and development of parkland.
- Farmland Preservation: The New Jersey Department of Agriculture (NJDA) has helped preserve 424 farms comprising 32,482 acres during fiscal years 2003 and 2004.



Goal #8: Ensure Sound and Integrated Planning and Implementation Statewide

- Plan Endorsement: This voluntary review process of the State Planning Commission provides various benefits to municipalities and counties to ensure that their master plans are consistent with the State Plan. Municipalities are already starting to take advantage, especially as state agencies link more funding and regulatory benefits to Plan Endorsement.
- Interagency coordination: Interagency teams such as the Smart Growth Project Review Team, the Interagency Smart

Growth Team, and the Brownfields Redevelopment Interagency Team bring together various agencies to coordinate planning policies and to assist municipalities and developers with the funding and permit approval processes.

- Corridor studies undertaken jointly by NJDOT, OSG and municipalities integrate transportation and land use to produce circulation systems that enhance the community and accessibility.
- The State Plan emphasizes the value of technical tools in planning and implementation. OSG has produced a range of GIS resources detailing elements of the State Plan. HMFA has developed a web-based GIS tool called the Smart Growth Locator, which allows users to obtain information on a property's smart growth area status and program eligibility.
- The Treasury's Division of Property Management & Construction (DPMC) now requires state agencies requesting to lease space to provide information on how the lease would comply with the State Plan.

75 Years of State Planning in New Jersey



2004 marked the 75th anniversary of state planning in New Jersey. In 1929, New Jersey recognized the need for planning beyond the municipal and county levels and established the Regional Planning Commission. The Commission's efforts paved the way for the first State Planning Act in 1934. New Jersey has been a progressive leader in planning ever since.

The earliest work of our state planners provided much of the infrastructure, utilities and parkland that we sometimes take for granted today. Published in 1951, the first State Development Plan proposed the construction of the Garden State Parkway and the New Jersey Turnpike. State planners, with the help of local officials and residents, also recognized the importance of land preservation. New Jersey voters authorized the Green Acres Bonds Act in 1961. The Pinelands Region Study of the mid-1950s eventually culminated in the creation of the Pinelands National Reserve in 1979.

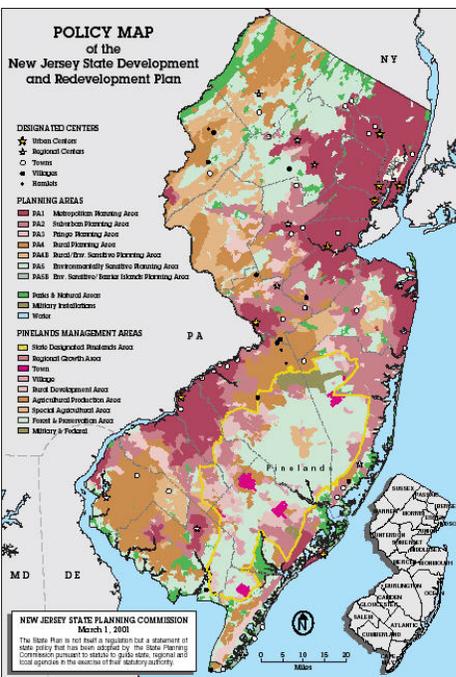
The 1960s and 1970s saw a significant revision of the Municipal Land Use Law and the first of the two landmark Mount Laurel decisions on affordable housing. Unfortunately, state planning objectives and procedures often remained on a separate track from county and municipal planning. To address this, the 1986 State Planning Act required the State Plan to be formulated through Cross-acceptance between the state, counties, municipalities and the general public.

In recent years, the State Planning Commission and the Office of Smart Growth have taken a more proactive approach to

coordinating planning efforts. Executive Order No. 4 (McGreevey, January 2002) directed all state agencies to incorporate smart growth principles into their programs, policies and activities. The Commission and OSG have since developed Plan Endorsement to encourage local planning to be consistent with the State Plan and smart growth principles. OSG and other agencies now look forward to working with counties and municipalities to revise and implement a new State Plan.

State Planning Commission

State Plan & Policy Map



The New Jersey State Planning Act, signed into law in 1986, created the State Planning Commission with the mandate to prepare and implement a framework for New Jersey's growth and preservation, created with input and cooperation from the public. The Legislature found that the public purpose of developing New Jersey's economy while protecting natural resources, providing adequate and diverse housing, and redeveloping cities required coordinated state action to control what is now known as sprawl. Land use control in New Jersey remains at the local level, and the State Planning Commission does not have the authority to override municipalities in this regard. Instead, through a system of coordinated policies and financial incentives, the State Plan seeks to encourage a regional approach to land use planning.

The State Plan is both a policy document that sets forth a set of goals and strategies for reversing the trends of sprawling development, and a map that provides geographic definition to the policies. The State Plan Policy Map delineates the Planning Areas outlined in the Plan, distinguishing areas for growth and redevelopment from areas for the protection of natural resources and agriculture.

Since its inception, the State Plan has been a vital tool in terms of visioning, setting goals and objectives, and explaining the benefits of concentrating growth in already developed areas. However, the Plan lacked the mechanisms needed to encourage counties and municipalities to buy into its principles. In 2002, the Office of State Planning was reorganized into the Office of Smart Growth to place greater focus on implementation. The State Planning Commission has supported this proactive approach by making significant changes in the State Planning Rules. Through a more clearly defined Cross-acceptance process, we will produce a better State Plan that will include stronger tools for implementation.

Cross-Acceptance

As required every three years by the State Planning Act, the State Plan is currently undergoing a cooperative review process known as Cross-acceptance. Cross-Acceptance III kicked off on April 28, 2004 when the State Planning Commission approved the release of "Building a Better New Jersey," the Preliminary State Development and Redevelopment Plan. Compared to previous rounds of Cross-acceptance, the current round has been enhanced by changes in the State Planning Rules, which clarify the procedure for meetings, hearings, notification, and

negotiation. OSG now has a greater role as a central depot for sharing information among all parties involved: state agencies, municipal and county governments, stakeholders and the general public. Thanks to the Rule change, Cross-Acceptance III will provide a greater opportunity for all New Jersey residents and levels of government to participate and shape the goals, strategies and policies of the State Plan.

Cross-acceptance is a bottom-up approach to planning, designed to encourage consistency between municipal, county, regional, and state plans to create an up-to-date and viable State Plan. Negotiating entities (usually the counties) work with local governments and residents to compare plans and identify potential changes that could be made to achieve a greater level of consistency with statewide planning policy. This level of public input makes New Jersey's State Plan a unique document that serves as a national model.

Rather than rewriting the entire 2001 State Plan, the Preliminary Plan consists of amendments proposed by the State Planning Commission to the current State Plan. The proposed amendments improve the implementation of the State Plan by clarifying the roles of the public and governments at all levels, restructuring the Indicators and Targets to better measure our progress, updating sections on Plan Endorsement, planning for the Highlands region, and expanding redevelopment opportunities.

Along with the Preliminary Plan document, the State Planning Commission also authorized the release of the Preliminary State Plan Map. OSG worked with the Departments of Environmental Protection, Agriculture, and Transportation to conduct a comprehensive review of the State Plan Map. To identify any potential impacts on planning area designation, the review covered the fullest range of data sources, including GIS files, local knowledge, aerial photography, various state-level and regional plans, and public comments from meetings conducted by the Departments of Agriculture and Environmental Protection. The resulting map is a starting point for discussion and negotiation during Cross-acceptance.

OSG has posted on its website, www.nj.gov/dca/osg, all relevant documents and maps, a resource list, and a link to additional data layers from other Departments. All of the counties have agreed to be the negotiating entities for Cross-acceptance and have been awarded grants to assist in this planning effort. Grants were also given to seven urban centers – Camden, Edison, Elizabeth, Hamilton (Mercer), Newark, Paterson and Woodbridge – to encourage coordination of local and county planning efforts.



Impact of the State Plan

As part of Cross-Acceptance III, OSG is in the process of retaining consultants to conduct an Impact Assessment and Infrastructure Needs Assessment. In comparison to previous rounds of Cross-acceptance, these independent assessments will pinpoint geographic trends and needs in addition to discussing macro-level impacts.

In preparation for this study, OSG has gathered the most recent population and employment growth forecasts available from various agencies, including New Jersey's three Metropolitan Planning Organizations (MPOs) and the state's Department of Labor. The selected consultants will review this data and generate their own projections.

OSG will use the results in its negotiations with counties and municipalities, who will submit their own projections through their Cross-Acceptance Reports. As with other elements in the Cross-acceptance process, the goal is to achieve consensus – in this case, on a realistic set of forecast data.

The projections that will be included in the State Plan will serve a number of key roles. OSG will use the projections in reviewing Plan Endorsement petitions. The Council on Affordable Housing will give them a presumption of validity when reviewing municipal petitions for substantive certification of Fair Share Housing Plans.

Center Designation

Centers are compact forms of development that consume less land, deplete fewer natural resources and are more efficient in the delivery of public services compared to sprawl development. As the key organizing principle for development and redevelopment, Centers represent the State Plan's preferred vehicle for accommodating growth. Each of the five different types of Centers (Urban, Regional, Town, Village and Hamlet) has specific designation criteria establishing basic thresholds of land area, population, employment and density.

The 2001 State Plan adopted Plan Endorsement as a new tool for local implementation, improving upon and replacing the Center designation process. Originally, Center petitions received prior to 2001 were eligible for consideration by the State Planning Commission until August 2003. However, the FY04 budget bill extended the consideration of all pending Center petitions through June 30, 2004, delaying the implementation of Plan Endorsement. During the fiscal years of 2003 and 2004, the State Planning Commission designated 15 centers in 6 counties. As of July 1, 2004, all new Centers must be designated through Plan Endorsement so that the State Planning Commission can take a

comprehensive view of planning for both the Center and its environs.

Plan Endorsement

The State Planning Commission established Plan Endorsement as a mechanism for the effective implementation of State Plan policies. Plan Endorsement is a voluntary review process. The State Planning Rules were amended to make Plan Endorsement a two-tiered process, designed to encourage municipalities and counties to make their master plans consistent with the State Plan and to engage in cooperative regional planning. The first tier is Initial Plan Endorsement, which allows petitioners to submit to the Commission the fundamental planning documents, such as required elements of the master plan, growth projections, and a vision for what the community should look like in the future. Petitioners that obtain Initial Plan Endorsement have the option to move on to Advanced Plan Endorsement by engaging in more extensive planning efforts. Furthermore, Plan Endorsement gives priority to county and regional strategic plans where multiple agencies are involved.

Plan Endorsement brings all the state agency members of the State Planning Commission to the table to review the submitted master plans and coordinate state resources to help facilitate their implementation. An endorsed plan entitles municipalities and counties to a higher priority for available funding, streamlined permit reviews, and coordinated state agency services. Advanced Plan Endorsement entitles a local government to additional benefits.

As of December 2004, OSG has held pre-petition meetings with thirteen municipalities and a regional entity. Asbury Park City was the first municipality to submit a petition for Initial Plan Endorsement, followed by Ocean Township. We expect many more petitions for 2005.

Interagency Coordination



On January 31, 2002, Executive Order No. 4 directed state agencies to ensure that all their plans, projects and spending are consistent with the State Plan and smart growth principles. The order was broad in scope, covering matters often outside the typical planning framework, such as school construction and its link to community revitalization.

To apply smart growth principles, state agencies had to address some fundamental questions on how they used their resources for farmland preservation, infrastructure, and even the location of state offices. As agencies reviewed their programs and spending, they recognized that the lack of interagency coordination was a key issue.

The Smart Growth Summit in October 2002 marked an important step towards resolving interagency conflicts. OSG became the coordinating entity among state agencies, using the State Plan as a guide for cooperation. The resulting Interagency Smart Growth Team, Smart Growth Project Review Team, and various internal teams have enhanced communications across state agency lines. These teams have since moved beyond setting up procedures and resolving major differences to push forth the smart growth agenda.

Interagency Smart Growth Team

Executive Order No. 4 directed the creation of a Smart Growth Policy Council to ensure consistent smart growth policies and processes across state agencies. The Council provided the leadership and laid the groundwork upon which the Interagency Smart Growth Team now operates to help implement coordinated planning objectives. This dynamic team recognizes that each agency's planning resources can be maximized through cooperation. The team also serves as a smart growth deliberative body that provides information to the Cabinet and State Planning Commission. Member agencies include: Transportation, Economic Development Authority, Housing and Mortgage Finance Agency, Education, Commerce & Economic Growth Commission, Board of Public Utilities, Environmental Protection, Treasury, NJ TRANSIT, Agriculture, Community Affairs and the Office of the Governor.

Internal Smart Growth Teams

The Department of Community Affairs, through OSG, facilitates smart growth implementation teams within state agencies. Currently, internal teams operate at the Department of Transportation, Department of Agriculture, and the Commerce and Economic Growth Commission. These teams help influence

and align internal decision-making and agency policy with the principles of smart growth. Teams use the *Smart Growth Project Consistency Checklist* to assess consistency of proposed projects with the principles of smart growth.

Ultimately, the goal of the interagency and internal teams is to ensure that the state's smart growth agenda is understood and implemented cooperatively between state agencies. Selected accomplishments to date include:

- Agricultural Smart Growth Plan
- Brownfield Development Areas (BDA)
- Transportation Corridor Studies
- HMFA Smart Growth Locator

These and other achievements are discussed in detail below. They mark the beginning of many more smart growth programs to come.

Smart Growth Progress of Individual Agencies

In October 2002, the Governor's Executive Order No. 38 outlined specific programs for individual agencies to develop to implement smart growth principles. The various inter- and intra-agency smart growth teams have had a major impact in this regard, leading individual agencies to modify or create programs to promote good planning. Several agencies have created their own smart growth plans. For example, NJ Department of Transportation's programs such as Fix It First and Transit Villages are products of its plan. With smart growth as the overarching philosophy, each agency has focused on its strengths in its individual efforts rather than duplicate the activities of OSG or other agencies.

Department of Agriculture (NJDA): Agricultural Smart Growth Plan

NJDA has created a Smart Growth Working Group to coordinate efforts for the implementation of the Agricultural Smart Growth Plan. Released in November 2003, the Plan serves as a roadmap for agriculture in the 21st century and is to be integrated into the statewide comprehensive plan for smart growth. The plan is meant to be integrated with plans from other state agencies, ensure the voice of the agricultural community is expressed, and, perhaps most importantly, puts the interests of farmers and the agriculture industry in the forefront of planning initiatives.

The Agricultural Smart Growth Plan will enhance the Department's preservation activities, which in 2004 helped to permanently preserve 171 farms covering more than 13,000 acres. New Jersey continues to lead the nation in farmland preservation, with 16 percent of its approximately 805,000 acres of farmland permanently preserved.



A key component of the Plan is the Strategic Targeting Project of the Farmland Preservation program, which involves a more strategic approach to prioritizing farmland preservation investments to ensure that all levels of government make the most efficient use of available resources. The Project's achievements in this regard include:

- 18 of 21 NJ counties have established Agricultural Development Areas
- 9 counties have adopted Comprehensive Farmland Preservation Plans and more than 37 municipalities have adopted Farmland Preservation Master Plan Elements
- 79 Planning Incentive Grant Project Areas have been created in 41 municipalities in 9 counties, targeting 1,664 farms and 94,909 acres for permanent preservation

The Project will be updated during the Cross-acceptance process to maintain its effectiveness.

Board of Public Utilities (BPU)

In December 2004, the Board of Public Utilities adopted a comprehensive regulatory scheme that governs extension of utility service in a way that is consistent with the State Plan. The new scheme ends the traditional practice whereby all utility ratepayers contributed to the subsidization of development. The regulations will require developers to pay the full price of extending utility service outside of smart growth areas. There will also be incentives for developers in urban and suburban areas (PAs 1 and 2), centers and growth areas within endorsed plans. Finally, there will be a pilot program designed to ensure that adequate utility infrastructure is available at no cost to developers in smart growth areas.

Council on Affordable Housing (COAH)

COAH took great initiative in requiring municipalities who participate in its process to align their plans with the State Plan. COAH's Third Round Rules, which became effective on December 20, 2004, give a presumption of validity to plan projections for population and employment growth that are consistent with the Cross-Accepted State Plan projections. In addition, the rules require municipalities who are certified with COAH to receive initial plan endorsement from the State Planning Commission within three years of receiving their substantive certification. In December 2004, COAH and the State Planning Commission updated their Memorandum of Understanding outlining how both agencies will collaborate to reinforce their respective programs.

Economic Development Authority (EDA) and Commerce & Economic Growth Commission (NJ Commerce) - Business Employment Incentive Program (BEIP) Grants

The BEIP program, which attracts businesses to New Jersey by giving them grants worth up to 80% of their withholding taxes, now has a smart growth component. A company with a base grant of 50% can raise that to 80% if it promotes certain smart growth strategies. This can be achieved in a number of ways. The business can locate in smart growth areas (PAs 1 and 2 and Designated Centers), an Urban Coordinating Council Municipality or other distressed municipality as defined by DCA. Redevelopment provides another means for qualification, whether it involves redeveloping a brownfield site or locating in an area designated as an "area in need of redevelopment." A company may also upgrade its grant by locating near mass transit or linking up with nearby housing construction or renovation.



Department of Education (DOE)

In June 2004, the State Treasurer granted final designation to six Demonstration Projects in Trenton, New Brunswick, Union City, East Orange, Camden and Vineland. Authorized by the Educational Facilities Construction and Financing Act, the Demonstration Projects Initiative recognizes that schools have an important community role beyond their primary function of education. The initiative therefore seeks to develop visionary school projects that boost the revitalization of entire neighborhoods. If completed as proposed, these projects will result in a \$524 million investment in school facilities and community revitalization. The Department of Education, the New Jersey Schools Construction Corporation, the school district, and the municipality collaborate to leverage school construction funds to secure private investment and maximize redevelopment. Addressing both local education and community development needs, Demonstration Projects produce schools that incorporate features such as athletic venues, childcare centers, health care clinics, and media centers accessible to both students and the community.



DOE has also begun its School Renaissance Zone pilot program in Trenton, Neptune, Paterson and Union City. DOE and EDA coordinate in designating the zones and partner with several state agencies such as HMFA to provide assistance in a focused investment strategy. The Renaissance Zone concept complements smart growth goals of revitalizing urban areas and encourages economic development around new schools, which will protect the state's investment in these multi-million dollar facilities.

NJ Environmental Infrastructure Trust (NJEIT)



NJEIT has instituted a financing rate of one-quarter the prevailing market interest rate for projects meeting certain smart growth criteria. This rate compares very favorably with the NJEIT standard, which is one-half the market rate. Currently eligible projects include Combined Sewer Overflow (CSOs) problems, purchase of open space, and other projects in a designated Urban Center or Urban Complex. In 2005, projects within Brownfield Development Areas (BDAs) and Transit Villages will also be eligible for the smart growth rate.

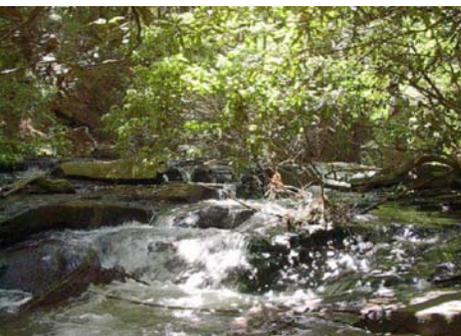
Department of Environmental Protection (DEP)

DEP has contributed significantly to efforts such as the Highlands Act and the ongoing preservation of open space. While protecting drinking-water supplies and other vital natural resources in environmentally sensitive areas, DEP is helping to promote development in smart growth areas such as brownfields.

Green Acres

In fiscal years 2003 and 2004, the Green Acres program preserved 46,347 acres of land for open space, parks and recreation, adding significantly to the current total of over half a million acres. The total statewide inventory of open space, held by the state, local governments, and nonprofit organizations, comprises over one million acres. With significant public support, Green Acres continues to preserve and enhance an important aspect of New Jersey's quality of life by protecting the state's rich natural, historic and cultural heritage.

C1 Designations and Stormwater Management



DEP is designating an increasing number of stream segments as Category One (C1), particularly those that provide drinking water and important habitats for threatened or endangered species as well as fisheries and popular recreation fish like trout. C1 represents the highest level of water-quality protection. From July 2002 to present, DEP designated 34 C1 waterbodies. C1 designation not only safeguards specific waterbodies but also the tributaries that feed them. Since the start of 2003 to October 2004, DEP has applied C1 protection to 600 miles of waterways and nine reservoirs comprising 7,865 acres. These measures help protect drinking water supplies for 4 million people.

As part of its new stormwater management rules, DEP will create buffer zones around waterways called Special Water Resource Protection Areas. These areas will help ensure the maintenance and integrity of C1 waterbodies and support groundwater

recharge. The new rules promote low impact building techniques that prevent and minimize impacts on new development sites. These techniques include reducing site disturbance, minimizing impervious cover (driveways, sidewalks, etc.) and maintaining natural ground cover.

Brownfields

DEP promotes brownfield revitalization by providing programs and experienced personnel to make it easier, faster and financially viable to bring these properties back to life. DEP encourages brownfield reuse in many communities by expediting cleanups at slightly contaminated sites. Under its new, innovative Cleanup Star program, DEP allows qualified environmental consultants to work with developers and responsible parties to clean up and redevelop low-risk properties quickly and efficiently.

To help communities tackle the environmental and economic challenges posed by multiple contaminated sites, DEP launched the Brownfield Development Area (BDA) initiative. DEP has designated BDAs in Camden, Trenton, Elizabeth, Irvington, Newark, Milltown and Palmyra, working closely with these communities to clean up and redevelop brownfield sites in a coordinated planning effort.

The brownfields team at DEP works closely with the Office of Smart Growth through the Brownfields Redevelopment Interagency Team.

Housing & Mortgage Finance Agency (HMFA) & Department of Community Affairs (DCA)

Recognizing that an adequate supply of affordable housing is intrinsic to the success of the State Plan, DCA and HMFA set a goal of financing 20,000 housing units within four years. Through a variety of means, they have surpassed this goal. As of December 2004, the agencies' efforts have produced over 21,294 units, with a market value of over \$2.5 billion, encompassing all 21 counties and almost 500 communities across the state.

Several DCA and HMFA initiatives that promote housing opportunities consistent with the State Plan include the following:

- The Smart Growth Locator, a Geographic Information Systems (GIS) program, tells developers, municipal officials and individuals if a given address is in a smart growth area. Available at www.nj.gov/dca/hmfa/, the tool also provides eligibility information for DCA and HMFA-based loans and subsidy programs.



- HMFA has designed its project review process to ensure that the most competitive projects are applications located in smart growth areas.
- The Close-to-Home Mortgage Program encourages employees to live close to where they work.
- The At Home Downtown Program aims to revive the vitality of New Jersey's downtowns and neighborhood commercial districts by stimulating residential development amid the commercial uses. Since January 2002, almost \$5 million has been invested into developing mixed-use properties. In addition to providing premier storefront commercial space, 25 housing units have been created.
- The Low Income Housing Tax Credit Amenity Incentive offers financial assistance to applicants that locate projects within walking distance of public transportation, markets, playgrounds, schools and other desirable community resources.
- The Neighborhood Revitalization Tax Credit provides a 50% tax credit to businesses that invest in community development projects.
- DCA's Deep Subsidy Program enables developers of rental projects to offer units affordable to families earning as little as 30% of the effective median income.

NJ Meadowlands Commission

Thanks to the New Jersey Meadowlands Commission's (NJMC) dedication to smart growth, the Meadowlands has been experiencing a renaissance. In January 2004, NJMC approved its first Master Plan for the Meadowlands in over 30 years. The plan will change the course of economic growth and environmental preservation in the Meadowlands, one of the country's largest urban wetland systems. While calling for the preservation of the 8,400-acre ecosystem, the Master Plan is also designed to revitalize blighted areas into strong points of economic and community-oriented growth, setting the stage for redevelopment with a potential market value of \$5.6 billion and the creation of 56,250 new permanent jobs. The plan will establish places for fishing, boating and walking, and calls for the completion of the Meadows Path, 26 miles of trails that stretch from Little Ferry to Kearny, and the Secaucus Greenway that stretches from Ridgefield to Jersey City.

In support of the Master Plan, NJMC also approved new regulations and a new zoning map. This streamlined set of regulations will provide district municipalities an enhanced role in charting their own future. The regulations and zoning map give the



Master Plan its teeth, setting the stage for redevelopment, which will include 24 million square feet of commercial space and 2,750 hotel rooms over the next 25 years. When added to other redevelopment initiatives, the regulations will help create a \$73.1 million positive fiscal impact for the district's 14 municipalities.

The final major component of this project is the Meadowlands Mobility 2030 transportation plan, a wide-ranging document that covers mobility planning both within and outside of the district. The document merges existing and future projects into one comprehensive plan, and investigates rail expansion, better roads, bus rapid transit (BRT), the movement of freight, and augmented satellite parking to pick up traffic before it hits the Meadowlands.

NJ TRANSIT

Capital Projects

NJ TRANSIT has made major investments in projects that will contribute significantly to smart growth by improving the links between our rail systems and between our major urban areas. Secaucus Junction has integrated the statewide rail system to encourage transit travel within New Jersey, and to New York City, by connecting ten of the state's eleven commuter rail lines. The Hudson-Bergen Light Rail system has expanded in Bayonne and Weehawken, with more new stations scheduled to open next year as part of a \$1.2 billion expansion plan. The River Line light rail system opened in March 2004, connecting Trenton to Camden and towns in between, spurring development interest along the route. The expansion of Newark's subway system, one of two major transportation projects in the city due to be completed in 2006, enhances connectivity between Penn and Broad Street Stations and key land uses such as the business district, NJ Performing Arts Center and Riverfront Stadium. These projects are already encouraging redevelopment of the smart growth areas that exist along the new or enhanced transit routes, in some cases dovetailing with the Transit Village Initiative.

Through the first three quarters of the 2004 fiscal year, NJ TRANSIT's overall system experienced an impressive increase of over 2% in ridership. Current transit improvements will ensure that this level of performance continues in the upcoming years.

Smart Commute

New Jersey homebuyers now have a powerful financial incentive to purchase a home near public transportation. The Smart Commute Initiative allows prospective homebuyers to include savings from using public transportation as additional borrower income in qualifying for a mortgage. NJ TRANSIT represents the largest transit system in the nation participating in this Fannie Mae program.



For homebuyers who choose a home within a half-mile of a rail or light rail station, or a quarter mile of a bus stop, participating lenders will add a portion of their potential transportation savings to their qualifying income. Nearly a dozen lenders will originate the mortgages under the initiative and Fannie Mae will purchase the eligible loans of up to \$333,700, increasing the home-buying power of a typical purchaser of a median-priced home by approximately \$10,000. Other benefits include a low down payment, HMFA incentives for qualifying borrowers with incomes under 80 percent of the area median, and up to two free one-month NJ TRANSIT passes per household.

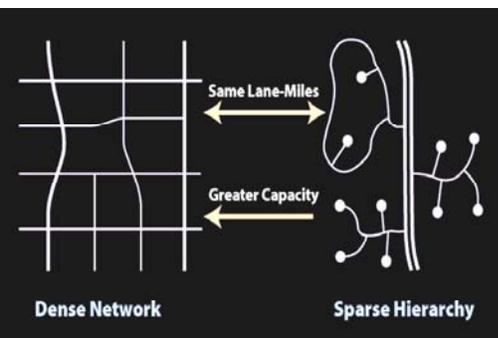
Outreach and implementation are well under way. The New Jersey Association of Realtors supports this initiative and will work with Fannie Mae and NJ TRANSIT to educate its 45,000 members about Smart Commute.

Department of Transportation (NJDOT)

Fix It First

NJDOT has a "Fix It First" policy guiding its capital program, which focuses limited resources on maintaining and fixing an aging transportation infrastructure. To encourage smart growth and redevelopment in urban and older suburban areas, NJDOT has advanced a series of projects that would increase mobility and accessibility, such as improved access from I-280 to downtown Newark and from I-676 to downtown Camden. Substantial funding is proposed for the reconstruction of the Holland Tunnel approaches in Jersey City. These measures address the causes of congestion, improve driving conditions and enhance the economic well-being of New Jersey residents.

Corridor Studies



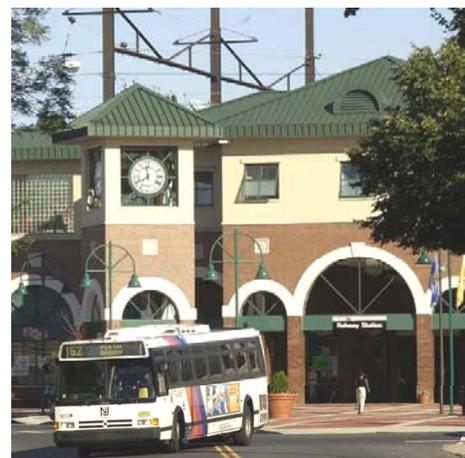
As part of the state's regional focus on planning for infrastructure and preventing new road-building that encourages sprawl, NJDOT has embarked upon 12 pilot studies in key corridors, in which the Department is partnering with counties and municipalities to explore new ways to look at circulation, as opposed to traditional highway capacity and operational improvements. With emphasis on street connectivity and non-single occupant vehicle travel modes, these corridor studies intend to encourage land use patterns that maximize the efficiency of the transportation system. For example, greater use of parallel road alternatives can distribute local trips more evenly throughout a community and complement adjacent land uses.

Overall, this integrated approach recognizes that transportation infrastructure built without consideration of local land use and circulation systems is likely to have its new capacity filled up, as

well as create barriers within communities. This alternative process will help reduce traffic pressures on our roads and the accompanying drain on state and local capital resources. NJDOT and OSG are working to advance these concepts throughout the state with dozens of towns and counties. Areas currently undergoing corridor studies include the Route 9 corridor in Ocean County, the Route 1 corridor in Middlesex County, the Route 57 corridor in Warren County and the Route 31 corridor in Hunterdon County.

Transit Villages

Fourteen Transit Villages have been designated to date under the Department's Transit Village Initiative, including seven of them during fiscal years 2003-2004. These recent designations include Belmar, Bloomfield, Bound Brook, Collingswood, Cranford, Metuchen and Matawan. More towns are realizing the fiscal, economic and environmental benefits of surrounding transit stations with dense, comprehensively planned development. Transit Village designation has enabled these municipalities to promote travel mode alternatives such as walking and transit, and to realize a vision for Center-based, compact, mixed-use development that embodies smart growth and State Plan principles. Designation benefits include coordination and technical assistance from state agencies as well as priority funding from some agencies, including NJDOT's own annual \$1 million grant program for Transit Villages.



Park-and-Rides

Transit Villages and transit in general have been supported by investment in Park-and-Ride facilities, which increases accessibility to mass transit, sustains economic and social development, and supports walkable neighborhoods. NJDOT's Park-and-Ride Program primarily focuses on establishing parking lots along commuter routes served by private bus service providers and areas where ridesharing activities take place. NJ Transit's Park-and-Ride Program addresses commuter-parking demand along its own rail and bus routes. Working together, NJDOT and NJ Transit are striving to preserve and maximize the use of the existing park-and-ride system capacity, as well as add new capacity where needed. Between January 2002 and June 2004, approximately 8,300 parking spaces were added to the park-and-ride system in the state. For fiscal year 2005, NJDOT anticipates that an additional 4,500 spaces will be added to the system.

Department of the Treasury, Division of Property Management & Construction (DPMC)

The Treasury's Division of Property Management & Construction (DPMC) has incorporated smart growth principles into a major component of the State of New Jersey's internal operations,

namely where and how state agencies use space. Now, for every lease initiative, as part of the Space Planning Request (SPR) process, DPMC requires the state agency requesting to lease space to provide detailed information regarding its compliance with the State Development and Redevelopment Plan. The information provided will remain an essential part of the SPR evaluation process and will ensure that state leases serve the principles of smart growth and implement the State Plan.

Smart Growth Project Review Team

The Smart Growth Project Review Team meets monthly to assist local jurisdictions and developers navigate through funding and permit approval processes as they move forward with their redevelopment projects. By bringing together representatives from various state agencies that have a regulatory stake in, and can provide financial support to, the development process, the Review Team provides a one-stop shop to assess any potential obstacles to a redevelopment proposal. This ensures that a project is on the right track from the start, saving valuable time and money for all parties. The Team continues to move more than 16 redevelopment projects forward in locations such as Bloomfield, Riverside, Jersey City, Edison, Phillipsburg, Irvington, and Newark.

Agency Training & Board Participation

OSG has taken significant measures to ensure that other state agencies understand smart growth and its relevance to their programs and policies. In this regard, OSG conducted a series of 15 training sessions, in which public information officers have also been included to help the state craft and publicize a unified smart growth message. OSG also has staff members on the boards of the State Agriculture Development Committee (SADC) and the Clean Water Council (CWC). For SADC, OSG provides input on matters such as farmland affordability and availability and Transfer of Development Rights to help the Committee administer the Farmland Preservation Program. With CWC, which advises the Department of Environmental Protection and seeks to improve the Water Pollution Control Program, OSG has been instrumental in helping design and organize a novel approach to conducting this year's hearing on stormwater management.

Financial Resources

Smart Future Initiative

The Smart Future Planning Grant Program is a cornerstone of the state's incentive-based smart growth agenda. As New Jersey's towns juggle multiple responsibilities such as fire and safety, resources are often limited for long-range strategic planning. The grant program addresses this need by providing funds directly to counties and municipalities for them to undertake comprehensive planning that enhances the quality of community life.

Especially significant is the new emphasis on rewarding cooperative planning initiatives at the regional and inter-municipal levels. Traditionally, planning activity has been contained to a single municipality, uncoordinated with planning in neighboring communities and the greater region. The Smart Future Initiative recognizes that the state is comprised of interconnected towns that share common planning challenges and therefore seeks to encourage towns to work together and pool their resources.

Another focus of the Smart Future Initiative is transit-oriented development. New Jersey is the most rail-connected state in the country and forms the central portion of the Northeast Corridor of the national rail system. Smart Future Planning Grants reward efforts that capitalize on this connectivity by encouraging the redevelopment of communities surrounding rail stations and other transit links.

Since 2003, the Office of Smart Growth has invested over \$6.6 million in over 70 municipalities, 11 counties and several economic development organizations. Table 1 (see side) shows how this total breaks down by county.

Detailed below are several examples of best practice throughout New Jersey in the use of Smart Future Planning Grant dollars:

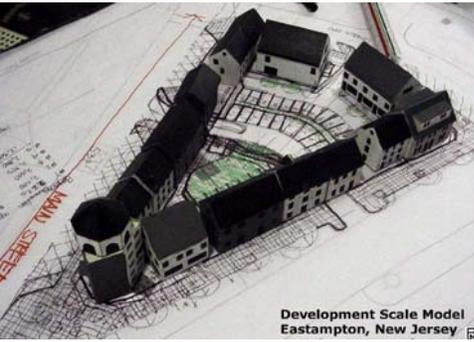
Passaic County Strategic Revitalization Plan

The Passaic County Strategic Revitalization Plan seeks to reconcile the interests and needs of a county that is as diverse geographically as it is culturally. While housing the City of Paterson, the state's third most populous city, the county is also home to many environmentally sensitive areas, including five towns in the Highlands region. Therefore, the Plan's focus on revitalization is complemented by growth management measures for rural areas, taking into account a wide range of planning issues such as economic development, housing, transportation, environmental protection and quality of life.

Table 1. Smart Future Grants by County FY2003-2005

Bergen	\$1,197,000
Burlington	\$60,000
Camden	\$363,000
Cape May	\$320,000
Essex	\$55,000
Gloucester	\$275,000
Hudson	\$455,000
Hunterdon	\$112,000
Mercer	\$280,000
Middlesex	\$429,300
Monmouth	\$904,000
Morris	\$94,000
Ocean	\$375,000
Passaic	\$465,000
Salem	\$135,700
Somerset	\$100,000
Sussex	\$240,000
Union	\$672,000
Multi-county	\$100,000
Total	\$6,632,000

Eastampton Village Plan



Work on the Village Plan began with a community visioning process focused on updating an antiquated commercial district and an adjacent 35-acre parcel owned by the Township. During these workshops, Eastampton residents expressed a strong preference for a classic mixed-use village center, where employment and recreational opportunities coexist with housing for young professionals and older residents. The plan seeks to strengthen the town's commercial base and create a vibrant center that connects with the rest of the community. Eastampton Township has garnered recognition from New Jersey Future and the League of Municipalities for its efforts with the village center as well as land and historic preservation.

Glassboro Downtown Strategic Redevelopment & Implementation Plan and South Jersey Technology Park (SJTP) at Rowan University Master Plan



This initiative incorporates two separate but related proposals involving Rowan University. An ambitious effort has already implemented the initial steps of the Glassboro plan, including the acquisition of necessary property and the removal of blighted buildings. The redevelopment plan calls for the construction of a roadway within a new right-of-way, linking downtown, the Rowan Campus, and a hotel and conference center. The SJTP master plan has also made significant progress, with land already acquired to accommodate construction. SJTP will be a regional economic development engine, fostering high-tech business, creating jobs, transferring new technologies to commercial enterprise, and providing a competitive advantage to students.

Technical Planning Resources

The Office of Smart Growth, as staff to the State Planning Commission, works with both state and local officials to make Smart Growth happen. At the state level, this means coordinating our approach to major investments in roads, sewers, and open space that impact where municipalities will pursue their growth and preservation goals. At the local level, this often means taking a new approach to community design. The planning professionals in the Office of Smart Growth provide quality technical planning, design and research assistance to municipalities throughout the state.

New Jersey Mayor's Institute on Community Design

The Office of Smart Growth, in partnership with the Regional Plan Association, conducted successful Mayor's Institute programs in 2003 and 2004. Each year, we offer two intensive three-day workshops for local elected officials to learn about opportunities for innovative design within their towns and have a forum for networking with design experts and fellow mayors from around the state. Twelve mayors participated in the Institute in 2003, including Mayor Jim Maley of Collingswood, who received guidance on how to redevelop underutilized parcels along the rail line, and Mayor Jose Torres of Paterson, who worked on school and stadium redevelopment in the Cliffside neighborhood. Case studies for 2004 included Saddle Brook, where Mayor Louis D'Arminio seeks to create a vision for Market Street that can reestablish it as the town's Main Street, and Denville, where Mayor Gene Feyl received advice on creating linkages between the local hospital, high school and train station.



Sussex County Charrette

In June 2003, the Legislature granted an extension for center designation applications that were pending before the State Planning Commission. Sussex County in particular had several remaining petitions. OSG held a joint meeting with the county, the affected municipalities, and relevant state agencies to guide the discussion on issues impacting designation of these centers and to help the towns determine whether to continue to seek center designation. As a follow up, on November 7 and 8, the planning staff of OSG held a "charrette" session for Sussex County and five of the towns with pending petitions for center designation, all situated along Route 206. With the help of a team of accomplished design professionals and state agency representatives, OSG and the towns spent a day and a half taking a fresh look at these proposed centers and re-evaluating them in



terms of Smart Growth design principles and the broader context of the Route 206 region. By all accounts, the session was a valuable resource for the towns and the county – and showed them the potential outcomes of combining good design with coordinated state investment.

Studios

The Office of Smart Growth has been coordinating with universities in and around New Jersey to create studio projects as an innovative way to educate planning students and assist communities with planning and design.

Fairview

During the Fall 2003 semester, a group of master-level students and their instructors from Rutgers University's E.J. Bloustein School of Planning and Public Policy conducted a community visioning process for Fairview Borough, in collaboration with Bergen County and OSG. Initial conversations between OSG and Fairview representatives recognized the local interest in redevelopment opportunities but also saw that there was no concrete vision for the community's future. OSG felt that using students to conduct a visioning study would allow the municipality to explore its redevelopment options without having to make a political and financial commitment to the initiative.

Bloustein students conducted research and stakeholder meetings, and later presented their findings to the Borough council and general public. The final visioning document consisted of GIS maps, visualization tools, documentation of existing conditions, redevelopment strategies and information about funding resources, all provided free of charge to the municipality. Following the studio, Fairview applied for and was awarded a Smart Future Planning Grant of \$70,000 to create a Strategic Economic Development and Redevelopment Plan. The students' efforts and final report gave them significant momentum to get started on their redevelopment efforts.

Florence

Students from the Infrastructure Planning Program at the New Jersey Institute of Technology's (NJIT) School of Architecture participated on the Florence-Roebling Workplace Project, a semester-long endeavor focusing on planning and design issues in Florence Township. Under the direction of Professor Tony Santos and Burlington County's Planning Director Mark Remsa, students concentrated on areas surrounding two of the new River Line stations of Florence and Roebling. For these two areas, encompassing a ten-minute walking distance from the respective stations, students concentrated on transit-oriented design

concepts. The proposed developments featured a diverse selection of land uses such as light industrial, commercial, retail, office spaces and housing, supported by infrastructure improvements creating a more pedestrian-friendly environment and better vehicular circulation.

Stakeholders from the state and municipality contributed to this project by sharing advice and recommendations during presentations and charrettes throughout the semester. This project has sparked interest in plan implementation and redevelopment of the study areas. NJIT will compile details of this excellent project in a final report.

Redevelopment Initiatives

Brownfields



Brownfields redevelopment is a complex process necessitating the involvement of several agencies. Contamination, regulatory obstacles and locational context all add to the risks associated with brownfields. OSG and other agencies have worked together to reduce those risks and make brownfields a viable option for redevelopment. This intensive effort is justified by many benefits. The most direct impact is that of a formerly contaminated site returned to productive use. Brownfields redevelopment also preserves New Jersey's dwindling open space and protect drinking-water supplies and other precious natural resources, helping to ensure a robust economy with cleaner, safer, more livable communities.

Prior to 2004, the limited amount of brownfields funding at the state level had been a significant obstacle. In 2003, OSG worked together with the Brownfields Redevelopment Interagency Team, NAIOP, and ULI to make excess underground storage tank (UST) cleanup funds available to municipalities and developers to restore brownfield sites. Supported by a ballot referendum, bill S-853 (A-2343) shifted one-half of unexpended appropriations from the underutilized Private Underground Storage Tank Remediation Program to the Hazardous Discharge Site Remediation Fund (i.e. the Brownfields Program). The reallocation of funds will generate more than \$46 million in additional funding for brownfields revitalization projects.

Brownfields Redevelopment Task Force (BRTF)

The Brownfields Redevelopment Task Force brings all agencies into one place. Originally created by legislation in 1998, the Task Force stayed active for only two years until it was revived in late 2003. Since that time, both BRTF and its state partner, the Brownfields Redevelopment Interagency Team, have pursued an aggressive agenda to identify New Jersey's brownfield sites and advise the towns and developers who want to redevelop them.

Brownfields Redevelopment Interagency Team

Launched in tandem with the Brownfields Redevelopment Task Force, this team is a resource group representing more than twenty state programs and agencies that provide financial and technical support for brownfields redevelopment. The team's goal is to make brownfields redevelopment comprehensible, provide direct access to state resources, and guide projects through the regulatory requirements. Local government officials and the business community benefit from this opportunity to receive clear

and immediate feedback from numerous state agencies at one place and time.

Since the beginning of 2003, the NJ Brownfields Redevelopment Interagency Team (BRIT) has provided consultation on 40 brownfields redevelopment projects throughout the state. An additional 50 projects have received assistance from the Office of Smart Growth and the BRIT. Project examples include:

South Bound Brook

South Bound Brook has been working with BRIT to clean up and redevelop the former GAF site. Through the resources of BRIT, the town was able to negotiate partial coverage of the demolition costs as part of the cleanup, so that the developer could be reimbursed for those expenses. This reimbursement has now become standard practice when the demolition costs can be reasonably considered to be necessary for cleanup. The project was also a test case to determine the treatment of innocent purchasers under Natural Resource Damage regulations. Successful resolution of both the cost and liability issues was instrumental to the project's economic viability. The project would not have happened without the leadership of the mayor and other local officials, as well as the developer's commitment to take on the risks of entering into this project. The mixed-use development will include residential and commercial elements with open space.



Wood-Ridge

The Curtiss-Wright property in Wood-Ridge covers 67 acres, about one-third of the borough's total landmass. OSG and BRIT are actively involved with the town and the developer in their efforts to convert this abandoned former aeronautic engineering plant into a mixed-use community that is pedestrian-friendly and accessible to transit. With the help of extensive consultation, technical assistance and planning grants, the mayor has the leverage needed to put together a plan and build local support for the redevelopment. OSG helped facilitate a design "charrette" for the town with a prominent community design firm. The municipality and the developer intend to incorporate affordable housing into the final project design. BRIT facilitated access to the state's resources for brownfields cleanup and redevelopment, including modifying the extent and schedule of the site cleanup to ensure project completion within a reasonable timeframe.

Brownfields Site Mart

The Brownfields Redevelopment Task Force created a searchable listing of former commercial or industrial properties nominated by owners, both public and private. This service provides the business community the opportunity to easily find a redevelopment site

and work with state agencies to proceed with the project. This information is accessible on the web at www.njsitemart.com. The website includes a link to active brownfields databases in municipalities and counties throughout the state. DCA was recently awarded a \$175,000 grant from EPA to help pay for the inventory, Site Mart and outreach efforts of the Brownfields Redevelopment Interagency Team. Brownfields Site Mart staff work directly with municipal and county representatives to collect information on brownfields properties and build upon local, county and state brownfields inventories.

BRTF sponsors a Data Day each year, drawing over 60 representatives from municipalities, counties, regional authorities, universities, non-profits and state agencies. The event is designed to reinforce a communications network to enhance and expand all brownfields inventories at the local, county and regional levels, as well as the Brownfields Site Mart.

County-Municipality Academic Partnerships

"C-Map" is a forum for New Jersey counties and municipalities to work together with local college and university students to develop brownfields inventories and promote brownfields redevelopment by incorporating that information in the Brownfields Site Mart. The program gives students an opportunity to be involved in projects that will have a real impact on the current brownfields redevelopment initiatives in local New Jersey communities, and to become familiar with the processes and functioning of government on federal, state, and local levels.

Greyfields

Greyfields Task Force

OSG has advanced a major initiative to encourage the redevelopment of areas that are already built up but in various phases of physical decline and/or economic underutilization. In comparison to OSG's successful work with brownfields, our greyfields efforts focus on areas that are not contaminated. Greyfields include under-performing shopping centers, strip malls and office parks. There are various greyfield indicators, including physical appearance of the land and buildings, retail sales per square foot, and occupancy rates.

Existing greyfield uses can be overlooked in the overall planning process in favor of greenfield sites that are easier to plan from scratch. However, greyfield locations in urban areas, inner-ring suburbs and on highway corridors have significant mixed-use redevelopment potential. They offer opportunities to meet community goals because they are often close to existing infrastructure, including roads, sidewalks, public transit, schools,



and other community facilities. Redevelopment of existing built-up areas can help to save open space, reverse any deterioration in the immediately surrounding areas, increase the tax base, and stabilize the community at large.

OSG is actively working with its Greyfield Task Force to develop a strategy to encourage local officials and the private sector to concentrate redevelopment activities on greyfield locations. The twenty-five members include various state agency staff, local planners, developers and the academic community. The Task Force is advising OSG on the launch of a Greyfield Development Pilot Program, and the preparation of any needed development tools and educational programs.

Legislative Accomplishments

Highlands Act



On August 10, 2004, the Highlands Water Protection and Planning Act became law. This act established a Preservation Area and a Planning Area within the Highlands region. It also established a Highlands Council, responsible for developing a regional master plan for all 88 municipalities in the region. And it put in place a DEP permitting program for the Preservation Area that took effect immediately.

Once organized, the Council will have 18 months to write a regional master plan. Municipalities within the Preservation Area will be required to conform to that master plan. Municipalities in the Planning Area can decide to opt in to that plan or not. The benefit of opting in is that they will receive the same benefits as communities that have Plan Endorsement from the State Planning Commission.

So, what does this mean for the Highlands region? First, it puts strict limitations on development in the Preservation Area. But second, it makes sure that there are opportunities for appropriate development within the Planning Area. The major tool for making this happen is the Transfer of Development Rights (TDR). The Council is charged with identifying sending areas in the Preservation Area and voluntary receiving areas in the Planning Area. The draw for municipalities to accept this growth - both within the Planning Area and outside the Highlands - is that establishing receiving areas above a certain density makes them eligible to charge impact fees of up to \$15,000. We believe that this will help achieve the legislative goal of identifying 4 percent of the Highlands Planning Area as TDR receiving areas.

The Office of Smart Growth and the State Planning Commission will be working closely with the Highlands Council as it develops and implements its regional master plan.

Transfer of Development Rights (TDR)

New Jersey now has the nation's first statewide legislation authorizing municipalities to target growth into designated areas using Transfer of Development Rights (TDR). TDR allows a municipality to transfer the development potential of historic sites, farmland or environmentally sensitive areas into a receiving area that can accommodate the growth. Developers purchase development rights from the sending area in order to be able to build in the receiving area.

The TDR concept is modeled after a 10-year pilot program in Burlington County, where Chesterfield Township is a notable example for application at the local level. Another significant example is the Pinelands and the transfer of Pinelands Development Credits into growth areas since 1981.

TDR captures the best of both worlds, enhancing the viability of development in urban and suburban areas while protecting undeveloped land from sprawl. Municipalities therefore have greater control over where growth occurs. Other beneficiaries include landowners, who are compensated fairly for their land, and developers, who have a clearer picture of where they can build. By relying on a market exchange structure, TDR places less strain on limited public funds than other methods where the state acquires land or development rights.

We are now working to put a number of demonstration projects in place to serve as a best practice model for towns across the state.

Revenue Allocation Districts (RAD)

In January 2005, the Local Finance Board adopted regulations for establishing Revenue Allocation Districts (RAD). OSG coordinated with other state agencies on the regulations and guidelines for the implementation of RADs at the local level. These regulations will implement the Redevelopment Area Bond Financing Law and Revenue Allocation District Financing Act, which was passed in January 2002. RADs provide greater incentives for redevelopment in areas in which private capital investment is otherwise deterred and give municipalities more flexibility in the financing of local redevelopment projects. Municipalities may establish one or more RADs for a range of redevelopment purposes, including land acquisition, demolition, construction, and infrastructure improvements.

RAD is a reworking of a technique known as tax increment financing (TIF). The underlying foundation of TIF is that public investment in an area will increase property value, thereby generating additional tax revenue that would not have occurred otherwise. This "increment" in taxable value is captured and used to pay off the bonds issued to support the public investment. RAD expands the TIF concept by permitting municipalities to use other revenue sources such as sales tax, parking fees or payments in lieu of taxes (PILOTs).

RAD is a powerful redevelopment tool, and OSG encourages municipalities to incorporate smart growth principles and good, comprehensive planning when putting it to use.



Outreach & Education

Plans, programs, and resources cannot thrive if people do not know about them. Ultimately, our efforts in implementing the State Plan and smart growth principles are for the public good and require public support. OSG has therefore placed great emphasis on outreach and education, getting the message out to as broad an audience as possible. This mindset pervades our everyday work, whether it is through Cross-acceptance or in the provision of resources to municipalities and counties. We also invest significant time in conferences, meetings and other major events, where we can most easily reach the diversity of stakeholders involved in the planning process.

OSG Participation in Conferences

OSG takes part in numerous conferences every year to spread the smart growth message. During fiscal years 2003-2004, OSG staff member have participated in at least 25 conferences and over 60 other major events. These conferences present a tremendous advantage in that government officials, planners, developers and community organizations from many of New Jersey's 21 counties and 566 municipalities are in attendance. The League of Municipalities Conference, for example, typically attracts over 20,000 people, providing OSG not only a platform to discuss smart growth but also an opportunity to learn about the issues affecting governments, planners and people at the local level. Other conferences in which we have participated include Downtown NJ, NAIOP, NJ Chapter of the American Planning Association, and ULI. OSG staff members often serve as speakers or panelists, participate in workshops, and operate conference booths.



New Jersey Planning Officials (NJPO) Education Sessions

Every year, NJPO offers training to new and experienced members of local planning and zoning boards. The Office of Smart Growth was asked to participate in these sessions starting in 2003, as the State Plan began to take on more and more importance in land use decisions across the state. OSG staff discuss the goals of the State Planning Commission, its Cross-acceptance and Plan Endorsement processes, the roles and responsibilities of the Office of Smart Growth, and relevant policy and legislative initiatives. In 2003 and 2004, OSG staff attended 30 sessions in 15 counties and reached over 3,200 local officials.

Meetings

National Governors' Association

In May 2004, the National Governors' Association (NGA) conducted an all-day workshop entitled, "State Challenges in Addressing Community Revitalization & Land Development." The NGA profiled New Jersey, along with Massachusetts and Pennsylvania, as a pioneer on smart growth issues and reforms. Top policy practitioners from New Jersey – including Susan Bass Levin, DCA Commissioner; Adam Zellner, former OSG Executive Director; Robert Ceberio, Executive Director of the Meadowlands Commission; and Lopa Kolluri, Deputy Director of the Division of Community Resources – shared experiences and strategies with decision-makers from other states and with premiere academics from Harvard University's Kennedy School of Government. The agenda contained a broad set of issues related to smart growth, such as affordable housing, job creation, infrastructure, community revitalization, and environmental protection.



As the most densely populated state in the country, New Jersey knows first-hand the need for sound planning and has stepped up to the challenge. Evidenced by the NGA selection, New Jersey is a national model for smart growth. During the workshop, attendees from other states learned about how DCA led the creation of Inter-agency teams to align all state agencies under a common planning and development agenda. Other examples of New Jersey's progress included the creation of Transit Villages, brownfield redevelopment, and the revision of the Meadowlands Master Plan. Overall, the workshop was a great success, and the NGA plans to follow up with a "white paper" describing New Jersey's smart growth accomplishments in greater detail.

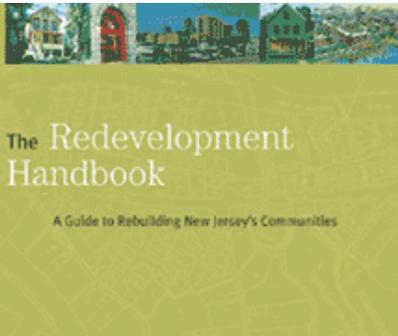
Resource Kits

Brownfields Redevelopment Resource Kit

Published in September 2003, this kit serves as a comprehensive resource to anyone interested in redeveloping brownfields, whether it is for residential, commercial or recreational use. The kit contains information on the financial, legal, technical and planning resources available from the state. It also includes clear prerequisites to qualify for assistance as well as contacts in each state agency that will assist in the redevelopment process.

Redevelopment Handbook

In September 2003, DCA and the New Jersey Chapter of the American Planning Association jointly published this practical guide, written by experienced planners Stan Slachetka and David



Roberts. The handbook helps New Jersey communities more effectively control the development process and implement smart growth by providing a thorough review of relevant laws and guidelines. It also contains case studies and current examples of how towns throughout the state have used redevelopment to revitalize their communities.

New Jersey Smart Growth Planning and Program Resources Guide

The effect of Executive Order No. 4 on policies and programs required a realignment of technical assistance and funding priorities. Agencies made changes to enhance consistency with the State Plan and to make resources more available to municipalities, counties, community organizations, and redevelopers. The Program Resources Guide serves as a single source for all this information, describing grant, loan and technical assistance resources that are available to assist with planning and infrastructure improvements in New Jersey.

Developer Assistance Package

OSG has compiled a standardized package of documents and resources to assist developers and other interested parties in the process of development and redevelopment in New Jersey. This package includes all of the information that a developer needs to know to get started. Materials from various state agencies are included and provide details on smart growth principles, programs, funding and even direction as to where redevelopment opportunities exist. In the coming year, our goal is to continually update and enhance the package to facilitate smart growth-oriented development.

Smart Growth and Planning Publications for 2003-2004

OSG and its partner agencies and organizations have published a wide range of plans, reports, reference documents and CD-ROMs on matters pertaining to smart growth and planning. Listed below are all major publications from the last two years, listed alphabetically by title.

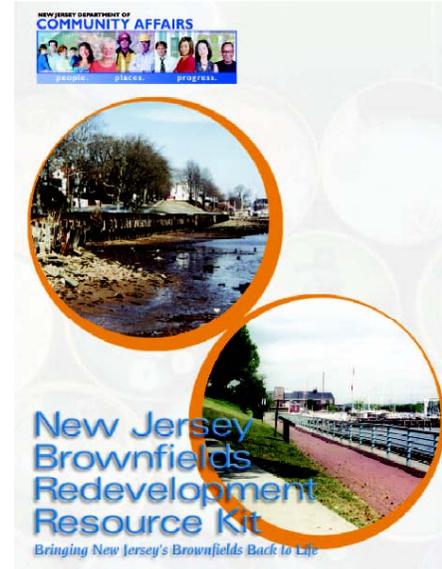
Plans & Policies

- *Building a Better New Jersey – The New Jersey State Development and Redevelopment Plan: Preliminary Plan.* New Jersey State Planning Commission, April 2004.
- *2004 Cross-Acceptance Manual.* New Jersey Office of Smart Growth, April 2004. 45 pages.

- *Plan-Endorsement Guidelines*. New Jersey Office of Smart Growth, April 2004.
- *Preliminary Plan CD 2004 v 1.0*. New Jersey Office of Smart Growth, June 2004. Windows/Macintosh CD-ROM.

Guidance & Technical Assistance

- *Brownfields Data Collection and Information Resource: Your Guide to Gathering Brownfields Property Information and Tips on How to Obtain a Private Property Owner "Consent and Release" Form*. New Jersey Office of Smart Growth, August 2004.
- *Mercer: Trenton, Lawrenceville and Ewing. An Advisory Services Panel Report*. Urban Land Institute, March 2004. Co-sponsored Planning Study.
- *NJ Brownfields Redevelopment and Inventory Assistance*. New Jersey Brownfields Redevelopment Task Force, September 2004.
- *NJ Brownfields Redevelopment Resource Kit*. New Jersey Brownfields Redevelopment Interagency Team, June 2004.
- *New Jersey Smart Growth Planning and Program Resources: Technical and Financial Assistance*. Paul Drake & Megan Lang. New Jersey Office of Smart Growth, April 2004.
- *Paterson, New Jersey. An Advisory Services Panel Report*. Urban Land Institute, December 2003. Co-sponsored Planning Study.
- *Planning Resources CD*. New Jersey Office of Smart Growth. Windows/Macintosh CD-ROM.
 - September 2003, 2003 v 3.0
 - April 2004, CD 2003 v 3.1
 - June 2004, CD 2003 v 3.2



Outreach & Education

- *Building a Transit Friendly Community*. New Jersey Transit with New Jersey Office of Smart Growth, et al., June 2003.
- *Mayors Create Healthy Communities, The 2003 New Jersey Mayors' Institute on Community Design*. Regional Plan Association with the New Jersey Office of Smart Growth, June 2004.
- *Smart Growth, NJ*. New Jersey Office of Smart Growth.
 - Fall 2003 (Vol 1, Number 1)
 - Winter 2004 (Vol 1, Number 2)

GIS Mapping

- *GIS Resources CD*. New Jersey Office of Smart Growth. Windows/Macintosh CD-ROM.
- *Informational Layer & 2001 NJ State Development & Redevelopment Plan Maps CD, December 2003*. New



Jersey of Smart Growth, September 2003. Windows/Macintosh CD-ROM.

- OSG's GIS Cartography and Research Unit produces and maintains hundreds of maps and data files to satisfy an ongoing flow of data requests from the public regarding planning areas, and population and employment data. These numerous files will help OSG analyze the proposed Policy Map amendments and data projections to be submitted by counties during Cross-Acceptance III.

Conclusion

Recent developments such as the Highlands Act and the TDR Act present a tremendous opportunity to ensure economic growth in New Jersey without sacrificing our environmental resources or quality of life. The potential for these new tools reflects the investment of time and effort made by the State Planning Commission, OSG and other state agencies in reorganizing our programs and resources. Prior to 2002, the State Plan had a smart growth vision, but lacked the means to make it into a reality. Executive Order No. 4, the Smart Growth Summit, and the resulting actions springing forth from those events changed that. We now integrate smart growth into every facet of our work, leading to a more coherent set of planning policies across different agencies and facilitating redevelopment where it is needed. Through Cross-Acceptance III, we will continue to focus on implementation as we revise the State Plan.

Our efforts have already produced significant benefits for New Jersey, with the help of tools such as Smart Future Planning Grants that encourage counties and municipalities to engage in smart growth planning. Thanks to our increased outreach activities, the coordination we have fostered at the state level is now increasingly reflected in local planning efforts. More municipalities are recognizing the importance of working with their neighbors in the planning process. We will further promote these efforts with the regulatory and grant benefits that come from Plan Endorsement. Municipalities are also linking into resources outside OSG such as Transit Villages and brownfields funds. Strategic, comprehensive planning, combined with targeted projects, is the key to smart growth.

The concept of smart growth recognizes that every one of us is both a beneficiary and a steward of New Jersey's extraordinary collection of resources. Right now, redevelopment projects are creating jobs and housing, infrastructure improvements are restoring aging roads and utilities, and new schools are revitalizing communities and serving as focal points. Despite all of this progress, the real payoff will be for our children and grandchildren, who will enjoy the economic, cultural and environmental assets we leave behind. Using the State Plan and other tools, OSG will continue to work with various stakeholders to strengthen our cities and towns and preserve our farms and open space, not just for ourselves but also for generations to come.



OSG Staff & Contact Information

OSG has undergone significant restructuring and expansion to respond to the new level of expectations for the State Plan and its objectives. We are now better equipped to implement the Plan, supporting our research and planning activities with outreach to other agencies, counties and municipalities. The diverse nature of the OSG team, detailed in the chart below, helps us work with other stakeholders from start to finish, from Cross-acceptance to plan implementation.

Staff Organizational Structure

Office of Smart Growth

Maura McManimon, Executive Director

Joe Donald, Deputy Executive Director

Carmen Valentin, Assistant Director/Operations

Wendy McVicker, Executive Secretary to the Director

Brownfields Frances Hoffman <i>Brownfields Director</i>	Gilda Barnwell <i>Brownfields Program Assistant</i>	Mark Schulz <i>Brownfields Program Assistant</i>	Cynthia Weiser <i>Brownfields Admin. Assistant</i>
Grants and Funding Jean DiGenarro <i>Grants and Funding</i>	Carol Cavallo <i>Admin. Analyst</i>	Dawn Starling <i>Grants Admin. Assistant</i>	Patricia Sullivan <i>Office Manager</i>
Information Technology Steven Karp <i>Information Technology Director</i>	Debora Eisenmann <i>Database Management</i>	Jason Goldberg <i>GIS/Information Technology</i>	Karl Hartkopf <i>GIS/Information Technology</i>
	Mukund Kumar <i>Data and Analysis</i>		
Planning Paul Drake <i>Planning Director</i>	Barry Ableman <i>Planner</i>	Garry Bulluck <i>Planner</i>	Khara Ford <i>Planner/Community Development</i>
	Jung Kim <i>Planner/ANR</i>	Curt Lavalla <i>Planner/Community Connectivity</i>	Russell Like <i>Planner</i>
	Sharon MacLean <i>Planner</i>	James Ruggieri <i>Planner</i>	
Policy William Harrison <i>Chief Counsel</i>	Tracie Gelbstein <i>Deputy Counsel</i>	Danielle Stevens <i>Policy Coordinator</i>	
Projects James Requa <i>Projects Manager</i>	Sheila Bogda <i>Office Support</i>	Courtenay Mercer <i>TDR/Highlands</i>	Alan Miller <i>Outreach</i>
	Herman Volk <i>Transportation/ Greyfields</i>		

Contact Information

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