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Regional Plan Association

Statement to the Assembly Environment and Solid Waste Committee
March 8, 2010

Dear members of the Environment and Solid Waste Committee:

My name is Carlos Rodrigues. I am the New Jersey Director for Regional Plan Association, the oldest independent regional planning organization in the nation.

As you know, the Highlands Act of 2004 established the Highlands Region, consisting of a Preservation Area and a Planning Area. It also established the Highlands Council and charged it with creating a Regional Master Plan to which all municipalities in the Preservation Area are required to conform and municipalities in the Planning Area are encouraged to conform. In doing so, the Legislature took a major step towards creating a planning and regulatory framework to protect a critical source of drinking water for future generations.

For municipalities, the process of conforming to the Highlands Master Plan is worthwhile, but costly. Anticipating this, the Legislature directed an annual dedicated source of funding to allow the Council to provide municipalities with the financial resources necessary to hire the professional services needed to do the technical work required to achieve Plan Conformance.

A separate fund was established to ease the property tax burden of municipalities facing potential loss of revenue from vacant land that may have depreciated as a consequence of the additional development restrictions imposed by the Act.

To date, the Highlands Protection Fund Planning Grants have accumulated approximately \$18.4 Million and the Highlands Property Tax Stabilization Aid has accumulated approximately \$13.1 Million.

The Highlands Council was not able to disburse these funds until after the Regional Master Plan was adopted in July of 2008. Upon plan adoption, municipalities in the Preservation Area were given 15 months to submit conformance petitions. To date, the Council has achieved 95% compliance in the Preservation Area and 35% in the Planning Area. But plan conformance is just the first step. In order to improve water quality and quantity in significant ways – and rehabilitate degraded environmental systems in general -- municipalities in the region are expected to engage in specific long term planning initiatives, such as developing water use and conservation plans, creating redevelopment and remediation plans for brownfields and greyfields sites, adopting stream and lake restoration plans and others. Without the financial support provided to local governments through the planning fund, vigorous plan implementation will not occur and New Jersey will not realize the promised benefits.

We fully expect that the current proposal to lapse the unencumbered balance in the two funds will seriously discourage Highlands municipalities -- already burdened by other proposed cuts in state aid -- from continuing to pursue conformance with the Regional Master Plan. Eliminating the planning funding would also eliminate the funding necessary to establish a viable Transfer of Development Rights (TDR) program that will — again, with proper planning — provide landowners with a mechanism to recoup losses in property values and preserve sensitive lands at little cost to the State.

New Jersey has invested considerable financial and human resources to create a sophisticated planning and regulatory framework for the Highlands region. To defund this process as it is about to seriously enter the implementation stage would be short-sided and negate the state's previous allocation of scarce public resources to this process.

New Jersey's Highlands initiative is the most ambitious regional planning effort underway in the Northeast. As such, it is being closely monitored by many interested parties in other states. Defunding it before it has a real opportunity to deliver results would be an embarrassment.

For over 80 years RPA has been working to protect open space, shape transportation systems and promote better community design for the region's continued growth through research, planning and advocacy. We believe the job is not done in the NJ Highlands and want to ensure that the main objectives of the 2004 Highlands Act are not abandoned. We urge you to reinstate the unencumbered balances and commit to future allocations to these two Highlands funds going forward.

Thank you.