



# State of New Jersey

Highlands Water Protection and Planning Council  
100 North Road (Route 513)  
Chester, New Jersey 07930-2322  
(908) 879-6737  
(908) 879-4205 (fax)  
[www.nj.gov/njhighlands](http://www.nj.gov/njhighlands)



**CHRIS CHRISTIE**  
*Governor*

**JIM RILEE**  
*Chairman*

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**MARGARET NORDSTROM**  
*Executive Director*

## HIGHLANDS REGIONAL MASTER PLAN MONITORING PROGRAM ECONOMIC DEVELOPMENT STAKEHOLDER MEETING

**DATE:** December 10, 2014

**TIME:** 2:30PM – 4:30PM

**LOCATION:** Highlands Council  
Meeting Room  
100 North Road  
Chester, NJ

### ATTENDEES:

First Name	Last Name	Organization
Kathleen	Caren	Passaic County
Sue	Dziamara	Hunterdon County
Giulia	Iannitelli Grotenheirs	Highlands Tourism Partnership
Tom	Drake	Skylands Visitor Magazine
Jim	Jones	Morris County Economic Development Corporation
Deborah	Hoffman	Passaic County
John	Drake	Sussex County Economic Development Partnership
Tammie	Horsfield	Sussex County Chamber of Commerce
Margaret	Nordstrom	NJ Highlands Council - Staff
Andy	Davis	NJ Highlands Council - Staff
Chris	Danis	NJ Highlands Council - Staff
Judy	Thornton	NJ Highlands Council - Staff
Maryjude	Haddock-Weiler	NJ Highlands Council - Staff
James	Humphries	NJ Highlands Council - Staff
Corey	Piasecki	NJ Highlands Council - Staff
Courtenay	Mercer	Regional Plan Association
Janani	Shankaran	Regional Plan Association

# HIGHLANDS REGIONAL MASTER PLAN MONITORING PROGRAM



## MEETING PURPOSE:

To provide an overview of the Highlands Regional Master Plan Monitoring Program and process; brainstorm topics and data availability for ongoing monitoring; identify potential technical advisory committee members; and discuss next steps.

- 1) Introductions
- 2) Overview of Monitoring Program Process
- 3) Discussion Items:
  - a) Business and tourism industry perceptions of RMP and regulatory restrictions.
  - b) How can outreach and education from the Highlands Council be improved to help attract business to the region?
  - c) How can the Highlands assist in the expansion and promotion of tourism in the region?
  - d) What RMP topics/information are most appropriate for ongoing monitoring?
  - e) Do you have access to and/or relevant information about data that can be used for the ongoing monitoring of the RMP?
- 4) Identification of Potential TAC Members
- 5) Wrap up/Next Steps

## MEETING SUMMARY:

The meeting opened with welcome remarks by Courtenay Mercer, NJ Director at Regional Plan Association (RPA), the project consultant. Attendees introduced themselves. Ms. Mercer gave a short PowerPoint presentation with background on the Highlands Regional Master Plan (RMP) Monitoring Program and process. Key points included:

- The RMP is continually updated as new factual information is made available, but the Monitoring Program evaluates progress toward achieving the goals of the RMP by identifying and measuring indicators and milestones.
- Stakeholder meetings are being conducted now to identify potential indicators and data sources that may not be readily available. Public outreach stakeholder meetings will be held in mid-December and January.
- Two series of technical advisory committee (TAC) meetings will take place, one in early 2015 and the second after initial research and analysis has been completed.
- The process will result in the Monitoring Program Recommendations Report (MPRR) and a science and research agenda.

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- A Fiscal Impact Assessment (FIA) will be conducted concurrently to measure the economic state of the Highlands region as well as provide comparisons to other regions.

Participants then engaged in discussion, facilitated by Ms. Mercer, about opportunities for enhanced outreach by the Highlands Council as well as improvement within the Highlands RMP.

In Sussex County, there is perception that the Highlands Act and RMP have been restrictive and have deviated from their original intent of environmental resource and water protection. Within Sussex County, many believe that Highlands policies were responsible for the failure of the Hidden Valley ski resort. Some in Sussex County are wary of the Council's efforts to implement economic development and tourism programs, particularly because the Council had previously rejected a tourism grant proposal by the County.

Participants expressed that a greater emphasis on science is required, and that the planning and preservation area boundaries should be revisited. The Highlands Council should focus activities toward core preservation areas, rather than the entire region. Further, there should be a larger investment in tourism and economic development within the region. In reply, Council staff expressed that the planning and preservation area boundaries were dictated by the Act, and not the RMP. Accordingly, the Council cannot necessarily make any changes as a result of the monitoring program process, but can offer recommendations.

In response to a comment that the nitrate dilution model has had an adverse impact on development in Warren County, Highlands Council staff conveyed that nitrate dilution is part of the NJ Department of Environmental Protection (NJDEP) rules, and outside the purview of the Highlands Council. Nevertheless, through the monitoring program process, the Council can make recommendations to address the concern.

Participants also conveyed concern regarding the lack of Council action on land owner equity. Proper land owner compensation has not materialized. Current efforts to address land owner equity, such as development of a transfer of development rights (TDR) program, have yet to be fully implemented. Although development credits have been purchased for two properties in West Milford, the flaw in the program is that the TDR receiving zones were not mandated. Council staff relayed that there are ongoing conversations with municipalities on identifying and instituting receiving zones. Recently, the Council approved a number of grants that will facilitate

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completion of a TDR feasibility studies, including a fiscal assessment in proposed receiving zone communities. Newton is one community moving along in the process to implement a TDR receiving zone.

Participants also recommended further clarification on developer approvals: where should developers go to obtain approval on a project? Staff then requested recommendations for data sources.

In terms of the economic health of the region, participants conveyed that it may be difficult to differentiate the impacts of the Highlands Act and RMP from the impacts of the recession. Communities outside of the Highlands region are also suffering as a result of the economic downturn. Ms. Mercer explained that the FIA process will look at the economic state of the region and compare the Highlands to other regions.

Participants then discussed opportunities for business expansion. Given Highlands development restrictions, it is easier for a large employer to simply move out of the region than to initiate the process of expansion. Offering a number of relocation incentives, neighboring Pennsylvania poses a threat to the economic health of the Highlands region, luring businesses away from New Jersey. In terms of economic health, it is important to consider perception along with reality, and the general public perception is that there is limited or no opportunity for growth within the Highlands region. In response to this discussion, Council staff conveyed that there are several means whereby businesses can expand. If a pre-Highlands Act property owner wishes to expand, then the Act and RMP development policies do not apply. There are a number of additional exemptions: businesses can expand to 125% of the original developed footprint. In the planning area, conformance is optional. Further, municipalities are encouraged to direct initial development applications to the Council for a (no-fee) review. Participants followed up by emphasizing the importance of educating the public and land owners on exemptions.

Highlands Council staff asked participants for feedback on how to be more effective as an organization, for example, by creating a realtor training program. Participants conveyed that there should be greater information-sharing with businesses, attorneys, counties and employers. In reply to a comment about the Council's passive outreach approach, Council staff replied that they are in the process of an institutional shift to be more proactive instead of reactive. One participant remarked that the Council website provides a lot of resources for land owners. In terms of land owner compensation, preservation area land owners have lost considerable value and will not be able to recoup that value through sales. Currently, dual appraisal is in the NJ

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legislature for a vote. Another participant commented that investments are uncertain in nature.

Ms. Mercer then asked participants to discuss opportunities for enhanced tourism. Participants agreed that greater funding and planning should go into formulating a strong tourism program. The Highlands Council can fund tourism plans and studies through its municipal and county grant program. One participant recommended that a regional tourism study incorporate existing county tourism plans and efforts. Further, it is important that an enhanced tourism program is financially self-sustaining. In Morris County, the Morristown Partnership (the Special Improvement District of Downtown Morristown) spearheaded much of the effort to promote tourism within the town and county. Nevertheless, the Highlands region cannot rely solely on the tourism industry to provide an economic boost; a broader economic development and business attraction strategy will be required.

In Morris County, there is a general perception that Highlands policies do not have a large adverse impact on economic health and development. There are large, viable tracts of land that can still be developed. Nevertheless, with the second largest office sub-market in North Jersey, it will be important to reimagine and reposition office parks. In the future, Morris County is seeking greater collaboration between its economic development corporation and tourism bureau.

Ms. Mercer then asked participants to discuss potential indicators and data sources. Because tourism data is not readily available and must be parsed from larger datasets, it will be difficult to measure the ripple effects of the tourism industry on the larger regional economy. Sussex County conducts a tourism study every few years. The Delaware River Basin Commission is finalizing a report on tourism in the basin. Participants commented that tourism in the Highlands region differs from tourism in other areas. Many attractions (such as trails) are informal and unmonitored, further complicating the ability to get an accurate snapshot of tourism in the region. Participants conveyed that there are opportunities to extrapolate this information from sales tax. Among states, New Jersey falls behind in tracking and promoting tourism. One participant described the growth of the tourism industry in Sussex County. Ms. Mercer commented that within New Jersey (outside of the Jersey Shore) Sussex and Morris are the state's largest tourism destinations. Hunterdon County recently hired an employee to work on the Hunterdon Heritage and Cultural Commission. In the long term, this commission will eventually collect data to track tourism. In Hunterdon, smaller towns and boroughs are promoting tourism opportunities; Flemington is one such example where local representatives are capitalizing on creating an arts district.

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One participant actively involved in tourism promotion conveyed that Skylands visitors are most interested in outdoor activities, including walking and hiking. The most effective means of tourism has not necessarily been drawing outside people to the area, but raising awareness among residents about local ecotourism opportunities. In terms of lodging, participants expressed the need for more moderately priced accommodation; building more lodging would require fewer restrictions in development. Bed and breakfasts represent the primary type of lodging that can be found in rural areas of the region, and are busiest on weekends and during the fall season. On weekdays, businesses rely on bed and breakfasts for accommodation.

Highlands Council staff asked participants to submit to the Council any data worth measuring. Regarding tourism, participants expressed opportunities to leverage the growing popularity of the region's main streets. The Council should work in partnership with a community to pilot a main street tourism initiative. Participants also explained that there is no singular place where the breadth of tourism opportunities in the Highlands is advertised. Ms. Mercer commented that in the Catskills and Poconos, tourism documents are comprehensive and shared among entities; a similar model could be implemented in the Highlands. Council staff explained that tourism does not simply stop at the Highlands region border; there needs to be an understanding of how Highlands tourism can tap into the New York metropolitan region market. Participants agreed, stating the need for a better understanding of the trade area. Additional participant feedback regarding tourism included developing itineraries, building upon moderately-priced lodging, utilizing campsites year-round, and garnering support for promotion.

As the meeting concluded, Ms. Mercer remarked that participants are encouraged to send further feedback on indicators and data via email and through the online comment portal. Participants are also encouraged to identify potential TAC members. The TACs will meet in two series, the first set of meetings in January 2015 and the second pending release of NJDEP land use land cover data and associated project team analysis. Interested stakeholders should send resumes.

Over the next few weeks, Highlands Council staff and the project team will be meeting with municipal staff and holding public workshops.

### Next Steps/Action Items

- Participants should submit via email: additional feedback on indicators, additional feedback on data sources, and TAC member suggestions.

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- The project team and Highlands Council staff will follow up with individual participants regarding indicators and data sources.