



State of New Jersey

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



CHRIS CHRISTIE
Governor

JIM RILEE
Chairman

KIM GUADAGNO
Lt. Governor

MARGARET NORDSTROM
Executive Director

HIGHLANDS REGIONAL MASTER PLAN MONITORING PROGRAM NJDA STAKEHOLDER MEETING

DATE: October 29, 2014

TIME: 9:30am

LOCATION: NJ Department of Agriculture
Room 206
369 S. Warren Street
Trenton, NJ

ATTENDEES:

First Name	Last Name	Organization
Tim	Brill	NJ Department of Agriculture – State Agriculture Development Committee
Steven	Bruder	NJ Department of Agriculture – State Agriculture Development Committee & State TDR Bank
Monique	Purcell	NJ Department of Agriculture
David	Schaaf	US Department of Agriculture – Natural Resources Conservation Service
Richard	Vohden	NJ Highlands Council – Member
Margaret	Nordstrom	NJ Highlands Council – Staff
Andrew	Davis	NJ Highlands Council – Staff
Christine	Danis	NJ Highlands Council – Staff
Judy	Thornton	NJ Highlands Council – Staff
Corey	Piasecki	NJ Highlands Council – Staff
Courtenay	Mercer	Regional Plan Association
Janani	Shankaran	Regional Plan Association

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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) Thoughts on the current state of RMP utilization and collaboration by the agencies.
 - b) Thoughts on opportunities for improvement to the RMP.
 - c) What RMP topics/information are most appropriate for ongoing monitoring?
 - d) What are the relevant indicators to be monitored? e.g. *change in forest integrity score, amount of preserved land, change in farm employment, etc.*
 - 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 provided 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. County, municipal and public outreach stakeholder meetings will follow.
- Two series of technical advisory committee (TAC) meetings will take place, the first 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, likely to be released in summer 2015.

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Participants then engaged in discussion, facilitated by Ms. Mercer, regarding NJ Department of Agriculture (NJDA) interaction and collaboration with the NJ Highlands Council.

Participants remarked that there is a very good working relationship and that the two entities coordinate frequently. Ms. Mercer asked about the agriculture development review process. Participants conveyed that there have been a lot of inquiries, but few projects have materialized and moved forward. Ms. Mercer asked whether projects have been hindered due to Highlands regulations. Participants answered that existing constraints on the land, DEP regulations, and stormwater issues in particular have been the greatest challenges to advancing agriculture development projects. In this regard, Highlands regulations have not served as a hindrance.

Participants then discussed stormwater regulations and interaction between NJDA and NJ Department of Environmental Protection (NJDEP). There is a discrepancy between how stormwater regulations were written and how they are interpreted. For example, agriculture is generally exempt from the regulations; but have been applied for equine facilities, even though they are considered agriculture for assessment purposes. The stormwater regulations were recently readopted without changes, perpetuating the vagaries related to agriculture. So, the NJDA has been coordinating with NJDEP on a case-by-case basis. Therefore, further clarity is desired. Highlands Council staff will be meeting with NJDEP soon to discuss a Highlands Council ordinance regarding stormwater, presenting an opportunity for NJDA to participate in the discussion.

Ms. Mercer then asked about US Department of Agriculture (USDA) interaction with the Highlands Council. USDA staff replied that the department typically works with NJDA when addressing issues related to the Highlands, which is a good working model. In response to NJDA comments about conservation plans, Ms. Mercer asked whether there has been an increase in conservation planning since the Highlands Act. NJDA representatives remarked that it has been tough to track, and the department has limited resources to offer to landowners to engage in conservation planning. A number of projects have not come to fruition due to stormwater issues, and are often treated as commercial developments in the process. NJDA partners with USDA to offer conservation planning assistance, but because of prioritization of the US Farm Bill, there are limited resources for assistance. NJDA is exploring whether a modified, expedited training program can increase the number of trained conservation planning assistance planners.

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Ms. Mercer asked whether Highlands Council staff have identified landowners who may benefit from such assistance and whether the Highlands Development Credits (HDC) conservation easements require conservation plans. Highlands Council staff remarked that conservation plans are not required for HDC conservation easements. Participants then engaged in discussion regarding easements. In particular, there is confusion and misinformation regarding the easement template. Highlands staff relayed that the easement template went through multiple agency reviews, and has been working so far. There is a pending Memorandum of Understanding (MOU) that should clear up permissible activities in easement exception areas. The implementation of the MOU is something that could be monitored.

Ms. Mercer then asked whether Planning Incentive Grant (PIG) Agriculture Development Areas (ADAs) align with Highlands priority agriculture areas. Participants commented that for the most part, they align. Nevertheless, the 250-acre contiguous threshold can be an issue in some areas of the Highlands. Some municipalities have struggled with aligning ADAs because they tend to be scattered. Realignment of local zoning to be more consistent with agricultural resources has produced positive outcomes, and has allowed municipalities to take on a more aggressive preservation agenda. However, the expiration of the dual appraisal process presents a preservation challenge.

Commenting on dual appraisal, Ms. Mercer provided background on the Fiscal Impact Assessment (FIA), a research process that will occur concurrently with the Monitoring Program to evaluate the economic impacts of the Highlands RMP and compare to other neighboring regions. Ms. Mercer asked participants whether the agencies have tracked certified market values outside of the Highlands Region, commenting that given recent trends, demand for rural construction may have decreased over the past few years across the entire state. Further, year-to-year statewide data could be useful for the FIA. In response, participants stated that there is data on all appraised values, which could be broken down by region or area. There have not been many transfers of real estate over the past few years. Because there are few comparable sales, appraisal values are often “guestimated”.

One attendee asked for further clarification on the appraisal process. The process requires two appraisals, each including an assessment of unrestricted market value, and an assessment of the value with agricultural restrictions in place. The easement value equals the difference between the unrestricted and restricted value. A third party evaluates the two appraisals and recommends a certified market value for the easement. Property owners can negotiate up to the highest appraised value.

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Participants further discussed the PIG program and opportunities for large-scale, contiguous farmland preservation. The program was established in order to move away from an approach that evaluated farms on a case-by-case basis, and instead reward towns and counties for preparing a more coherent and comprehensive strategy for contiguous farmland preservation. Once plans are adopted and approved by the State Agriculture Development Committee (SADC), municipalities and counties are awarded block grants for acquisition. Highlands Council staff commented that they fund agriculture plans as part of Plan Conformance, and asked whether there has been an uptick in adoption of such plans. NJDA representatives were uncertain, but acknowledged that the plans were compiled under a different economic climate, and that many are in need of update. Further, the plans could serve as an indicator. Highlands Council staff remarked that part of their role is to help the state implement existing initiatives by providing planning funding and assistance to the Highlands communities. Looking ahead, there could be increased education about the planning funding opportunity from the Highlands.

Participants briefly discussed the NJ Green Acres Recreation and Open Space Inventory (ROSI), stating that unintended properties are sometimes listed on the ROSI.

NJDA planning emphasis has emphasized moving away from low-density zoning to density transfers and clustering. There is a lack of overwhelming interest in transfer of development rights (TDR) for various reasons, including complexity and cost. Non-contiguous clustering seems to be more reasonable for many rural municipalities.

The discussion then turned to agricultural economic development. While the Highlands RMP refers to this as a prospect for the Highlands Region, it does not convey the entirety of agriculture economic development opportunities. In terms of available resources, participants referred to data and research by DVRPC (food system planning), Rutgers University (supply chain), and the Census of Agriculture. NJDA representatives expressed interest in mapping existing agriculture infrastructure to serve as a basis to uncover niches and direct investment accordingly.

Ms. Mercer stated that the project team will be measuring farm employment and development on farmland (as according to NJDEP land use land cover) as indicators, and asked for further input on the draft indicators listed in the briefing book. Participants remarked that crop and livestock production are not very important as indicators. However, the following should be measured: value added, agriculture development projects, right-to-farm complaints, agriculture retention plans, value of agriculture products (through Census of Agriculture or county agricultural data),

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farms by value of sales and direct sales (from NJDA), and patterns of ownership (whether farmland is owned or leased by the farmer, from Census of Agriculture).

Participants then discussed farmland ownership, workforce development and labor. Some farmers are happy to farm other people's land. Anecdotally, it has been heard that some property owners pay farmers to farm in order to retain their farmland assessment. It would be useful to determine the trends around who is farming: age, ethnicity, income, gender, etc. Participants remarked that the Census of Agriculture may not capture all farm employment, particularly since many laborers are undocumented and work "under-the-table". Many farms, however, are family farms. Census of Agriculture data can reveal the following: patterns of ownership, farmer demographic information, and information related to food businesses. Ms. Mercer remarked that it would be beneficial to see where Highlands farmers sell their products. Data on farm-to-school initiatives is tracked. NJDA is currently working with the NJ Department of Labor and Workforce Development (NJDLWD) to refine a farm labor survey that provides information on farm and non-farm employment. Moving forward, workforce development activities should be linked to agricultural economic development.

In terms of challenges for farmers, participants remarked that in Sussex County, some farm and food production activities are prohibited by health regulations. The Rutgers Food Innovation Center in Bridgeton is a valuable resource; however, farmers are required to develop business plans to utilize the center, presenting a barrier to maximizing utilization. Mapping existing agriculture infrastructure would be a helpful exercise, e.g. like the Hackettstown Market, cooperatives, etc.

Existing state grant programs do not permit grants to individual farmers, but state programs could support counties and municipalities to re-grant funding to individual farmers. To aid farmers with business development, participants remarked that NJDA could leverage partnerships with the Rutgers University Cooperative Extensions and the soon to be hired marketing officer. An example program would be to match niche markets with farmers. Further, opportunities could extend beyond communities with farms, and also include processing opportunities. Highlands Council staff conveyed that they are happy to partner with NJDA to distribute educational information and advance these opportunities.

NJDA staff commented that the department recently released a white paper that provides an overview of the industry and compensation for farmland owners. Further, NJDA staff would be interested in seeing a forest easement program, as well as a mechanism for farmers to sell individual lots to recoup development value. NJDA

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also hopes that non-contiguous cluster could be a more utilized tool to compensate landowners.

Highlands Council staff remarked that the majority of unpreserved properties in the Highlands within the preservation area are less than 15 to 25 acres in size, and less than 50 unpreserved properties are greater than 50 acres in size. Most of these properties are individually owned. Farm preservation applications can include multiple lots that do not necessarily have to be contiguous.

Participants briefly discussed transit-oriented development opportunities within the Highlands Region. The region is served by NJ TRANSIT passenger rail and includes several designated NJ Transit Villages. Highlands Council staff replied that because many residents of the region rely on bus transportation, enhancing bus-to-rail transfers and connections will be important.

In terms of workforce development, participants also remarked that the agriculture industry has become more technical. County colleges, including Sussex County Community College, are developing additional agriculture training courses.

Ms. Mercer asked attendees about pesticide monitoring. Participants replied that pesticides are vigilantly monitored. Discussion then turned to organic farms; there are 70 certified in the state and over 200 classified as self-reported organic. These farms require a larger labor force than non-organic farms.

Ms. Mercer asked about the status of USDA environment easement (Wetland Reserve Enhancement Program - WREP and Conservation Reserve Enhancement Program - CREP) and assistance programs (Environmental Quality Incentive Program – EQIP). Information about participation can be found in the NRCS annual report. The easements are not necessarily mapped. Some county and local governments may have GIS mapping, but it is inconsistent. The NJDA soil conservation 8-year program is no longer funded. It was mentioned that reaching out to the North Jersey Resource Conservation & Development about its River Friendly Program might also be useful.

Ms. Mercer asked participants to relay final thoughts, conveyed below:

- One NJDA staff member suggested that transactions be tracked; more specifically, who is buying farmland, and are farmers expanding land holdings?
- Another participant stated that some farmers use proceeds from the sale of development rights to buy more farmland and then preserve it too. Some are buying unpreserved land in the Highlands at bargain prices, then taking

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advantage of the dual appraisal system to recoup pre-Highlands prices. While these actions preserve farmland, they are also benefitting people whose property values were unaffected by the adoption of the Highlands Act in 2004. Because the dual appraisal does not stipulate that the development right seller had to own the land at the time of the Highlands Act, this is somewhat of a loophole in the system.

- Despite the above, participants expressed the importance of reinstating dual appraisal.
- The project team should complete an analysis of county and municipal open space tax (tracked by NJDEP Green Acres) and other dedicated taxes within the Highlands.
- Highlands Council staff and the project team should ensure that the recommendations developed are forward-looking and plan for a desirable outcome.

As the meeting concluded, Ms. Mercer remarked that participants are encouraged to send further feedback about indicators and data via email. Participants are also encouraged to identify potential TAC members. The TACs will meet in two series of meetings, the first in winter 2015, and the second pending release of NJDEP land use/land cover data and associated project team analysis. Interested and recommended TAC participants must submit resumes to the Highlands Council staff. Over the next few weeks, Highlands Council staff and the project team will be meeting with other state agencies, as well as additional stakeholders.

NJDA representatives expressed interest in participating in the landowner equity, future land use, and economic development TACs. Further, representatives remarked that they should stay abreast of developments in the water resources; historic, cultural, archaeological and scenic resources; and implementation TACs.

Next Steps/Action Items

- Participants should submit the following to highlands@rpa.org: additional feedback on indicators, additional feedback on data sources, and TAC member suggestions/resumes. TAC information should also be submitted to Margaret Nordstrom at Margaret.nordstrom@.highlands.nj.gov.
- The project team and Highlands Council staff will follow up with individual participants regarding indicators and data sources.