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**DRAFT – FOR CONSIDERATION AT THE NOVEMBER 8, 2007  
MEETING OF THE HIGHLANDS COUNCIL**

**RMP Program: Sustainable Regional Economy**  
***Version: November 7, 2007***

<b>Issue Overview</b>	<p>The Highlands Region is characterized by a dynamic economy, and continues to exhibit strength relative to the State as a whole. The challenge facing many communities is the question of how to balance resource protection needs with maintaining a vibrant community and a sustainable local and regional economy.</p> <p>While water resource protection is a driving force behind the Highlands Act, the need for an economically viable Highlands Region is also addressed through certain goals and policies. One major goal is that of achieving "sustainable economic development in the Highlands Region" in order to achieve a more sustainable regional economy. The Act outlines what it seeks to encourage such as agricultural viability, redevelopment, smart growth strategies, improved land use efficiency, transit oriented development and shared services. Conversely, the Act discourages piecemeal, scattered and inappropriate sprawl-type development, and recognizes it as an inefficient use of land and an impediment to achieving a more sustainable regional economy.</p> <p>The Act states that it is critical to ensure the economic viability of all communities throughout the Region. Therefore, it is important that an economic program be established to provide a comprehensive suite of tools, incentives and assistance available for supporting regional vitality. Many RMP policies and objectives address this need. As the Highlands Region is large and diverse, certain policies and objectives may be more or less relevant depending on the local character and surroundings.</p> <p>In areas characterized by high natural resource values, economic vitality will be in the form of agriculture and forestry, efficient land use practices such as redevelopment of brownfield and greyfield sites and existing developed areas, expansion of recreation and tourism, and greater efficiency through sharing of municipal services. Agricultural areas will</p>
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	<p>benefit from an agricultural sustainability approach that includes agri-tourism and reduction of the potential for conflicting land uses through clustering and redevelopment of existing developed lands. Economic viability that stems from efficient land, infrastructure and resource use is perhaps best served in areas characterized by existing infrastructure and compact development. These opportunities may include redevelopment, sharing of services, downtown revitalization, business retention and expansion, transit oriented development, and heritage tourism.</p> <p>In order to evaluate the health of the regional economy in a reliable and consistent manner, monitoring, tracking and evaluation are required. As the RMP is being implemented over time, it is critical that there be a means to assess the long-term economic conditions of the Region, as well as the programs, policies and objectives associated with the Plan. The long-term economic tracking program will support and coordinate the comprehensive economic development efforts of the Highlands Council and other agencies.</p>
<p><b>RMP Policies and Objectives Addressed</b></p>	<p><b>Policy 8.1.1.</b> To promote appropriate, sustainable, and environmentally compatible economic development throughout the Highlands Region.  <i><b>Objective 8.1.1.1.</b> Establish a Highlands Economic Development Program which identifies sustainable economic development opportunities and strategies for recruiting and promoting such development in the Highlands Region.</i>  <i><b>Objective 8.1.1.2.</b> Serve as a technical resource and advocate for Highlands economic development assistance in working with municipalities, counties, regional agencies and the private sector to promote sustainable economic development in the Highlands Region on a coordinated basis.</i></p> <p><b>Policy 8.1.4.</b> To serve as a clearinghouse for economic development opportunities in the Highlands Region.  <i><b>Objective 8.1.4.1.</b> Identification and marketing of Highlands Region areas including brownfield sites that may be appropriate for local and regional redevelopment initiatives.</i></p> <p><b>Policy 8.1.5.</b> To conduct original research in regard to catalytic economic development initiatives, which would promote and support the long term integrity of the Highlands Region.  <i><b>Objective 8.1.5.1.</b> A long-term economic tracking program as a means to continually assess the long-term economic progress of the Region and its counterparts through specified economic indicators in order to establish Highlands trends.</i>  <i><b>Objective 8.1.7.1.</b> Develop protocols required for economic plan elements, including instruction on tracking and reporting of regional economic indicators</i></p> <p><b>Policy 8.2.1.</b> To monitor and evaluate the agricultural economy in the Highlands Region in order to support enhancement of agriculture and long-term sustainability.  <i><b>Objective 8.2.1.1.</b> Coordinated activities with the NJ Department of Agriculture and other entities to improve opportunities for sustainable agricultural operations that improve farm incomes and the long-term viability of farming.</i>  <i><b>Objective 8.2.1.2.</b> Monitor and evaluate agricultural economic metrics such as National Agriculture Statistics, Census of Agriculture, crop value and production rates, farm operations for State, Region, county and municipality.</i></p>

	<p><b>Policy 8.3.1.</b> To promote sustainable economic development like recreation and tourism which derive economic benefit from the natural resources of the Highlands Region through sustainable use.</p> <p><i><b>Objective 8.3.1.1.</b> Identification of specific economic development initiatives which would encourage and promote eco-, agro- and heritage tourism in the Highlands Region.</i></p> <p><i><b>Objective 8.3.1.2.</b> Evaluation of the feasibility of establishing transit-oriented tourism connections and opportunities.</i></p> <p><i><b>Objective 8.3.1.3.</b> Evaluation of economic feasibility of alternative forms of overnight accommodations to promote recreation and tourism.</i></p> <p><b>Policy 8.3.2.</b> To establish a certified eco-, agri- and heritage tourism program.</p> <p><i><b>Objective 8.3.2.1.</b> Identification of the necessary elements of a sustainable and comprehensive tourism program for the Highlands Region.</i></p> <p><i><b>Objective 8.3.2.2.</b> Creation of a formal tourism program for the Highlands Region.</i></p> <p><b>Policy 8.4.1.</b> To ensure opportunities for home office, entrepreneurial and other small business activities in the Highlands Region.</p> <p><i><b>Objective 8.4.1.1.</b> Municipal and county master plans and development regulations which permit the establishment of home occupations , small business incubator programs and innovative technologies that promote compact design, native species landscaping, low impact development, energy efficiency and resource conservation in support of comprehensive RMP goals.</i></p> <p><b>Policy 8.5.1.</b> The Cash Flow Timetable shall track the revenues and costs associated with the above aspects of the Highlands Protection Fund, with the exception of the Pinelands Property Tax Stabilization Aid category. Four components that shall be tracked in the Cash Flow Timetable include:</p> <ul style="list-style-type: none"> <li>• Planning Grants Program (including Incentive Planning Aid and Regional Master Plan Compliance Aid);</li> <li>• Highlands Property Tax Stabilization Aid;</li> <li>• State Aid for Local Government Units (Watershed Moratorium Offset Aid and other State Aid funding); and</li> <li>• Land Acquisition Tracking.</li> </ul>
<p><b>Program Summary</b></p>	<p>This program serves as a comprehensive mechanism for supporting and monitoring the continued and enhanced economic health of the Highlands Region. The program includes tools, incentives and assistance which are available to support municipalities and counties through the Plan Conformance process and in support of all Highlands stakeholders. The focus is on the objective of long-term, sustainable economic viability, not short-term economic activity.</p> <p>The Council will conduct research with respect to existing and new economic development initiatives that can help promote and support the long-term integrity of the Region. These initiatives will address a variety of areas including heritage and eco-tourism, agri-tourism, business retention and improvement, land acquisition tracking, agricultural</p>

	<p>sustainability, land owner fairness concerns and enhanced growth and economic development. In order to ensure the viability of such Council initiatives, funding in the form of technical resources, planning assistance and grants is also anticipated. The program will monitor and evaluate the "Highlands Protection Fund" outlined in the Act for the purposes of RMP compliance, property tax stabilization, planning incentives, watershed offset aid, and in support of regional initiatives.</p> <p>The Economic Tracking Program will monitor and evaluate the health of the Highlands economy for a set of regionally available economic indicators. The program will provide essential information for consideration by Council as it seeks to meet the requirements of the Act, providing periodic evaluations of the performance of Highlands Region economic conditions. The information provided in the tracking program will also support development of the required economic plan element. The local economic plan element will be developed by conforming municipalities using the consistent economic indicators described in Economic Tracking Program description, below. As such, the tracking program will provide municipalities with the resources and data necessary to evaluate sustained economic vitality and economic development opportunities over time.</p> <p>The fiscal monitoring component of the program includes the Cash Flow Timetable tracking mandated by the Highlands Act and the monitoring and tracking of municipal fiscal performance in support of conformance activities and regional shared service opportunities.</p>
<p><b>Tourism Opportunities</b></p>	<p><b>Program Description</b></p> <p>Tourism is a major component of New Jersey's economy. It is the second largest industry in the State and continues to be a significant revenue source for the State in terms of billions of dollars annually and provides approximately 500,000 tourism-related jobs statewide. The tourism component seeks to recognize the Region's historic, cultural, recreational and scenic locations not just as tourism resources, but as economic assets which can be developed and enhanced in a sustainable manner adding much benefit to local economies.</p> <p>The program includes coordination with the Office of State Tourism to promote agri-tourism and eco-tourism activities to support the farm economy by allowing farmers to benefit from additional sources of income; and coordination with historic preservation, open space and recreation efforts as a means to link agricultural preservation/retention efforts; and the development of economic development incentives that include flexible land use regulations to support the expansion of food and farm-related businesses. (See <i>Historic, Cultural and Scenic Programs</i> and <i>Agricultural Sustainability and Management Programs</i> for addition details)</p> <p>The program components include:</p> <ol style="list-style-type: none"> <li>1. Identification of the necessary elements of a sustainable and comprehensive tourism program for the Highlands Region that both</li> </ol>

	<p>takes advantage of and sustains the Region’s environmental, historic, cultural and scenic resources.</p> <ol style="list-style-type: none"> <li>2. Establish a certified eco-, agri- and heritage tourism program through a cooperative effort among appropriate agencies.</li> <li>3. Evaluate the feasibility of establishing transit-oriented tourism connections and opportunities.</li> <li>4. Evaluate the economic feasibility of alternative forms of overnight accommodations to promote recreation and tourism.</li> <li>5. Coordinate with NJDEP and New Jersey Commerce, Economic Growth and Tourism Commission on innovative ways to market and expand the Region's recreation and tourism resources in a sustainable manner.</li> </ol>
<b>Agricultural Vitality</b>	<p><b>Program Description</b></p> <p>This program will monitor and evaluate agricultural economic metrics for the Highlands Region in coordination with the United States Department of Agriculture, New Jersey Department of Agriculture, New Jersey Board of Agriculture, County Agriculture Development Boards, and additional sources as appropriate. It will utilize data from national, state, county and local resources to evaluate regional conditions and performance. (See <i>Agricultural Management and Sustainability Program</i> for additional details).</p> <p>The program component will evaluate data including but not limited to the following:</p> <ol style="list-style-type: none"> <li>1. Farmland Assessed Data as it relates to Agricultural Land Use types, Agriculture Crop types and yields, specialty crops, and livestock types.</li> <li>2. Value of Farm Land and buildings.</li> <li>3. Net Cash Farm Income.</li> <li>4. Value of agricultural products sold for direct and organic.</li> <li>5. Benefit to community if farms are permitted second businesses.</li> </ol>
<b>Economic Efficiency</b>	<p><b>Program Description</b></p> <p>This program will monitor the efficiency of land development practices, and opportunities for value added economic development of development and redevelopment activities in the Region. It will coordinate with various municipal and county conformance elements and evaluate performance of RMP initiatives throughout the Region. It will also monitor the <i>Landowner Fairness Program</i> components related to the <i>Transfer of Development Rights Program</i> and support the tracking of exemptions and waivers in accordance with the Act.</p> <p>The program will serve as an opportunity to maximize connections of local expertise and knowledge with regional initiatives and economies to support efficient land development practices, infrastructure investment and performance, enhanced services and resource protection. The program tracking will include: monitoring of development and redevelopment activities, number of residential units and employment generated along with the number of acres that are redeveloped or developed, the infrastructure needs and capacity, and resource protection</p>

	<p>or enhancement measures. The information will provide a perspective on RMP economic efficiency initiatives and identify additional program refinements that may be required overtime. (See <i>Redevelopment Program, Housing Program, Highlands Land Preservation Program, Cluster and Alternative Development Program</i> and <i>Highlands Conformance Program</i> for additional details.)</p>
<p><b>Regional Master Plan Funding</b></p>	<p><b>Program Description</b></p> <p>In recognition of the costs associated with municipalities and counties conforming to the RMP, the Highlands Act provides funding, planning and technical assistance to avoid placing undue financial burdens on these entities. It is recognized, however, that the current funding available to Council for the purposes of RMP implementation will not cover all associated costs. The Act also prescribes the tracking of certain fiscal information through the development of a Cash flow timetable.</p> <p>This program tracks and assesses data, provides technical assistance and funding and includes but is not limited to the following:</p> <ol style="list-style-type: none"> <li>1. Track and update revenues and costs associated with the Cash Flow Timetable including: Highlands Planning Grants Program, which includes Incentive Planning Aid and Regional Master Plan Compliance Aid; Highlands Property Tax Stabilization Aid; State Aid for Local Government Units and in support of Land Acquisition</li> <li>2. Provide funding and technical assistance to eligible municipal and county governments for the purposes of revisions to their master plans, development regulations, and other regulations through RMP Compliance and Incentive Planning Aid</li> <li>3. Provide planning grants and technical assistance to be used by municipalities for special projects including the preparation of case studies relevant to Plan Conformance.</li> </ol>
<p><b>Economic Tracking Program</b></p>	<p><b>Program Description</b></p> <p>This program addresses the need for a continual evaluation of the health of the regional economy as it compares to the rest of the State and its regional counterparts. As the RMP moves towards implementation, it is critical that there be a means to assess the long-term economic trends of the Region and thereby seek to gain insight regarding the effects of the RMP on a number of tangible economic indicators. It is important to understand and capture what a sustainable economy means to the region and support sustainable practices. The economic impact of certain land use restrictions associated with RMP implementation is of major interest to landowners, residents and businesses in the Region. As such, this program will look to refine and enhance baseline economic data and examine requests for expanded and additional regional economic indicators for Region. It will present data and describe trends in the context of sustainable economic practices and it will include areas of population, demographics, socio-economics, real estate, efficient land development practices, land preservation and municipal finance.</p> <p>The primary purpose of the program will be to establish a means for</p>

	<p>evaluating economic segments over time so that Highlands-related trends can be distinguished from general trends, regarding factors such as jobs to housing relationships, community and housing diversity, business mix, performance of local economic support programs, and community facilities. Conforming municipalities and counties will support the program by tracking data through the Economic Plan Element. The information will also support the development of information in support of performance milestones for the RMP Monitoring and Improvement program.</p> <p>This program initially will track the following and is subject to enhancement and refinement as required:</p> <ol style="list-style-type: none"> <li>1. Population <ul style="list-style-type: none"> <li>• Distribution and Age Demographics</li> </ul> </li> <li>2. Household units <ul style="list-style-type: none"> <li>• Age and Type of Structure</li> </ul> </li> <li>3. Building Permits <ul style="list-style-type: none"> <li>• New Construction and Rehabilitation units</li> </ul> </li> <li>4. Property transactions <ul style="list-style-type: none"> <li>• Median Selling Prices of Existing and New Homes</li> <li>• Volume of Real Estate Transactions</li> <li>• Preserved Open Space and Acquired Lands</li> </ul> </li> <li>5. Income <ul style="list-style-type: none"> <li>• Per Capita and Per Household Income</li> </ul> </li> <li>6. Employment <ul style="list-style-type: none"> <li>• Unemployment</li> <li>• Number of Establishments</li> <li>• Payroll by Major Industry Sector</li> <li>• Retail Sales &amp; Establishments</li> </ul> </li> <li>7. Property Tax <ul style="list-style-type: none"> <li>• Property Tax Bills and Rates (County, Municipal, School)</li> </ul> </li> <li>8. Property Values</li> </ol>
<b>Tourism Funding</b>	<p><b>Program Description</b>  The Highlands Council shall seek to develop a funding source to promote agri- and eco-tourism in the Highlands. This will support and enhance the economy of the Region.</p>
<b>Land Use</b>	<p><b>Program Description</b>  Municipal zoning within the Conservation Zone should permit agri- and eco-tourism uses in this district, particularly when they are part of an established agricultural use and increase the economic health of the farm unit.  Municipal zoning within the Environmentally Constrained Conservation and Existing Communities Zones should permit agri- and eco-tourism uses but with additional standards to prevent degradation of natural resources.</p>