

**DRAFT- FOR CONSIDERATION AT THE MAY 15, 2008
MEETING OF THE HIGHLANDS COUNCIL**

Subpart e. Redevelopment

Redevelopment is a planning tool that converts underutilized areas, brownfields, and grayfields into new land uses through structure replacement, infill and adaptive reuse approaches. Redevelopment will help to meet the Region’s growth needs by optimizing the efficient use of previously settled areas with existing communities and available infrastructure, thus conserving natural resources. Brownfields and grayfields are two types of sites which commonly possess characteristics worthy of investigating for purposes of redevelopment. The definition of a brownfield is, “any former or current commercial or industrial site that is currently vacant or underutilized and on which there has been or there is suspected to have been, a discharge of a contaminant.” Grayfields are sites usually containing industrial or commercial facilities exhibiting signs of abandonment or underutilization in areas with existing infrastructure, but without evidence or expectation of contamination. As a concept, these sites are termed “Highlands Redevelopment Areas.”

In the Preservation Area, Highlands Redevelopment Areas are limited to redevelopment sites and brownfield sites as designated by the Highlands Council, which are then eligible for waivers from the NJDEP. In the Planning Area, Highlands Redevelopment Areas include redevelopment sites and brownfield sites using the Preservation Area definition, but may in addition include grayfields and underutilized areas, depending on the LUCM Zone of the area. Infill is permissible in any of the Highlands Redevelopment Areas as long as the area meets the designation requirements. Highlands Redevelopment Areas may be designated for the entire property, a portion of the property, or for collections of contiguous parcels in part or in whole.

GOAL 6J	ACCOMMODATION OF REGIONAL GROWTH AND DEVELOPMENT NEEDS THROUGH THE REUSE AND REDEVELOPMENT OF PREVIOUSLY DEVELOPED AREAS, INCLUDING BROWNFIELDS, GRAYFIELDS, AND UNDERUTILIZED SITES.
Policy 6J1	To encourage Preservation Area redevelopment of sites with 70% or greater impervious surfaces or a brownfield in areas designated by the Highlands Council as Highlands Redevelopment Areas in accordance with N.J.A.C 7:38-6.6 and 6.7.
Policy 6J2	To encourage redevelopment in the Existing Community Zone in the Planning Area of brownfields, grayfields, and other previously developed areas that have adequate water, wastewater, transportation capacity, and are appropriate for increased land use intensity or conversion to greenfields, as approved through Plan Conformance or the Highlands Redevelopment Site Approval Process.
Policy 6J3	To encourage redevelopment in the Conservation and Protection Zones in the Planning Area of brownfields and grayfields that have adequate water, wastewater, transportation capacity, and are appropriate for increased land use intensity or conversion to greenfields, as approved through Plan Conformance or the Highlands Redevelopment Site Approval Process.
GOAL 6K	CONCENTRATE RESIDENTIAL, COMMERCIAL AND INDUSTRIAL DEVELOPMENT, REDEVELOPMENT, AND ECONOMIC GROWTH IN EXISTING DEVELOPED AREAS IN LOCATIONS WITH LIMITED ENVIRONMENTAL CONSTRAINTS, ACCESS TO EXISTING UTILITY, AND

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TRANSPORTATION INFRASTRUCTURE.	
Policy 6K1	To promote redevelopment of brownfields, grayfields and other previously developed areas in a manner consistent with the goals and requirements of the Plan.
Objective 6K1a	Establish interagency teams as necessary to support and expedite redevelopment and development activities that conform to the Plan.
Objective 6K1b	Encourage and support the use of planning and financing tools that are available through state agencies and programs for appropriate redevelopment.

GOAL 6L CONFORMING MUNICIPALITIES AND COUNTIES CONSIDER DEVELOPMENT, REDEVELOPMENT AND BROWNFIELDS OPPORTUNITIES IN THEIR MASTER PLANS.	
Policy 6L1	To require that conforming municipalities identify development, redevelopment, and brownfield opportunities in the local land use plan element of their master plans.
Objective 6L1a	Municipal review, modification and application of the Redevelopment and Infill Analysis Tool for identification of redevelopment opportunities.
Policy 6L2	To require that conforming municipalities amend development regulations and zoning to enable project implementation of local redevelopment initiatives that are identified under Policy 6L1 and locally endorsed through Plan Conformance.
Objective 6L2a	Municipal review of local redevelopment projects are in conformance with RMP smart growth and low impact development policies and objectives.

GOAL 6M PROTECTION AND ENHANCEMENT OF HIGHLANDS RESOURCES THROUGH THE REMEDIATION OF CONTAMINATED SITES IN REGION.	
Policy 6M1	Encourage and support the restoration and redevelopment or open space use of contaminated areas.
Objective 6M1a	Coordinate with NJDEP on Highlands Brownfield designations and in support of a mechanism that facilitates remedial activities within the Highlands Region.
Objective 6M1b	Evaluate mechanisms for remedial activities that apply resource protection, enhancement, and restoration approaches that allow for a minimal redevelopment footprint, encourage “brownfields to greenfields” approaches, and include green energy and building concepts.
Objective 6M1c	Any restoration of contaminated sites shall be conducted in accordance with the criteria required by the NJDEP’s Technical Requirements for Site Remediation (N.J.A.C. 7:26E).
Objective 6M1d	As needed to ensure resource protection, prepare enhanced remediation standards for

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application in the Highlands Region through NJDEP's Technical Requirements for Site Remediation (N.J.A.C. 7:26E),

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Redevelopment

Issue Overview

The Regional Master Plan strives to accommodate regional growth and development needs primarily through the reuse and redevelopment of previously developed areas, including brownfields, grayfields, and underutilized sites. These areas generally have access to existing utility and transportation infrastructure and often are located in or near existing communities. As they have already been developed, these sites will have comparably fewer environmental constraints than undeveloped areas and the reuse of developed lands conserves natural resources and maximizes infrastructure investments. However, not all such sites are in locations conducive to redevelopment, especially where redevelopment could harm surrounding environmentally sensitive resources.

Redevelopment is a strategy to achieve sustainable development in the Highlands. Redevelopment projects may face more hurdles than the development of greenfields (undeveloped land). Complicating factors may include project financing, ownership and title issues, the regulatory process, legal requirements, remediation, and the demolition/adaptive reuse and rebuilding of land improvements. For this reason, the Highlands Council strives to maximize opportunities for redevelopment in appropriate locations by serving as an advocate for redevelopment in the Highlands Region and by providing technical resources and tools, planning assistance, and agency coordination to municipalities, counties, land owners, and non-profit organizations who are interested in pursuing redevelopment.

Program Summary

The *Redevelopment Program* helps interested parties, municipalities, counties, state, and federal agencies understand where redevelopment opportunities are targeted by the RMP, and how to achieve redevelopment within each RMP zone and in the Planning and Preservation Areas. Redevelopment is the preferred method for accommodating growth and economic development in the Highlands Region. The program also outlines incentives and technical assistance that will be provided by the Highlands Council. Redevelopment is a tool that will help achieve residential, retail, service, office, and industrial needs and achieve general economic sustainability in the Region.

Redevelopment in the Highlands is a process used to rebuild, restore, or enhance a previously developed area that is appropriate for economic investment and community development in accordance with smart growth policies of the RMP. Redevelopment activities may include the removal and replacement, adaptive reuse or infill of structures within areas which are surrounded by development or substantially developed, or conversion of similar sites to open space uses where appropriate. Redevelopment activities may take place in previously developed areas, brownfields, and grayfields.

Grayfield sites usually contain industrial or commercial facilities, exhibiting signs of abandonment or underutilization in areas with existing infrastructure, but without evidence or expectation of contamination. Grayfield sites may also include a residential component. These areas are often declining and

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**RMP Policies and
Objectives Addressed**

underutilized strip shopping areas. In the Preservation Area, previously developed areas must have 70% or greater impervious surfaces to be considered for approval by the Highlands Council as Redevelopment Sites.

Brownfield sites are defined as any former or current commercial or industrial site that is currently vacant or underutilized and on which there has been or there is suspected to have been a discharge of contaminant. In many cases, brownfield restoration and redevelopment ends with new development. In some cases, it may be more appropriate to consider a “brownfield to greenfield” conversion, which is a project that results in the restoration of contaminated sites into open space and conservation projects, rather than residential or commercial structures. It is also important that remediation standards and practices ensure that Highlands resources are protected.

In New Jersey, the phrase “area in need of redevelopment” refers to a process established through the Local Redevelopment and Housing Law (“LRHL”), N.J.S.A. 40A:12A-1 et seq.. This law establishes the process by which municipalities commence redevelopment as a public purpose. While the Highlands Act and the RMP refer to “redevelopment” activities, the term in this context is not intended to, nor should it be interpreted to indicate the redevelopment process pursuant to the LRHL. Depending upon the nature of the project, municipalities may decide to utilize the process established by LRHL or may find that it is not necessary.

Policy 6K1. To promote redevelopment of brownfields, grayfields and other previously developed areas in a manner consistent with the goals, and requirements of the Plan.

Objective 6K1a. Establish interagency teams as necessary to support and expedite redevelopment and development activities that conform to the Plan.

Objective 6K1b. Encourage and support the use of planning and financing tools that are available through state agencies and programs for appropriate redevelopment.

Policy 6L1. To require that conforming municipalities identify development, redevelopment, and brownfield opportunities in the local land use plan element of their master plans.

Objective 6L1a. Municipal review of the Redevelopment and Infill Analysis Tool.

Policy 6L2. To require that conforming municipalities amend development regulations and zoning to enable project implementation of identified local redevelopment initiatives.

Policy 6M1. Encourage and support the restoration and redevelopment or open space use of contaminated areas.

Objective 6M1a. Coordinate with NJDEP on Highlands Brownfield designations and in support of a mechanism that facilitates remedial activities within the Highlands Region.

Objective 6M1b. Evaluate mechanisms for remedial activities that apply

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**Preservation Area
Redevelopment**

resource protection, enhancement, and restoration approaches that allow for a minimal redevelopment footprint, encourage “brownfields to greenfields” approaches, and include green energy and building concepts.

Objective 6M1c. Any restoration of contaminated sites shall be conducted in accordance with the criteria required by the NJDEP’s technical requirements for site remediation (N.J.A.C. 7:26E).

Objective 6M1d. As needed to ensure resource protection, prepare enhanced remediation standards for application in the Highlands Region through NJDEP’s Technical Requirements for Site Remediation (N.J.A.C. 7:26E),

In the Preservation Area, land development is required to be in accordance with the enhanced environmental standards of the Highlands Rules (N.J.A.C 7:38) adopted by NJDEP. NJDEP grants waivers from the Highlands rules on a case-by-case basis for several scenarios, including redevelopment in previously developed areas and brownfields (see N.J.A.C 7:38-6.6 and 6.7). In order to qualify for a waiver from the Highlands Rules, a proposed redevelopment site must be designated as appropriate for development by the Highlands Council. Only those projects that satisfy both Highlands Council’s redevelopment criteria and NJDEP’s waiver criteria may be approved.

Redevelopment Site Approval - In order to initiate redevelopment activities on previously developed lands with 70% impervious surfaces in the Preservation Area, the general process is as follows:

1. The Highlands Council must approve the designation of a redevelopment site, which must have at least 70% impervious coverage and be appropriate for redevelopment. This approval process is called the Highlands Redevelopment Site Approval Process and can be initiated by any county, municipality, property owner, or designated agent. The Highlands Redevelopment Site Approval Process results in an approval, an approval with conditions, or the denial of an application requesting designation of a Highlands Redevelopment Area. In cases where the Highlands Council determines that a proposed Highlands Redevelopment Area is appropriate for redevelopment, the final determination may include specific conditions to restrict any activities on the site.
2. The NJDEP must review the proposed redevelopment project and issue a Highlands Preservation Area Approval (“HPAA”) with waiver if all necessary requirements are satisfied. A HPAA is a permit to conduct regulated activities in the Perseveration Area and includes a review of the project to determine that it is compliant with all provisions of the Highlands Act.

Brownfields Redevelopment Site Approval - Redevelopment of a brownfield site requires a three step process:

1. A site must be designated by the NJDEP as a Highlands brownfield. In accordance with N.J.A.C. 7:38-6.6, there are three tracks under which a site may be designated as a Highlands Brownfield, provided that the contamination onsite is not the result of a current or previous agricultural use:

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- Track One addresses sanitary landfill sites;
 - Track Two addresses former or current commercial or industrial sites for which:
 - i. Prior to the issuance of a No Further Action (NFA) letter, a remedial action report was completed confirming the presence of contamination onsite, and documenting the current or previous use as a commercial or industrial site;
 - ii. The NJDEP has issued an NFA letter for the entire site for which the brownfield designation is sought as of July 1, 1993, or later; and
 - iii. No discharge of a contaminant has occurred on the site since the date of the NFA letter.
 - Track Three addresses former or current commercial or industrial sites with suspected or confirmed onsite contamination that have not yet received a No Further Action letter.
 - In order to receive a brownfields designation from the NJDEP, a Highlands Resource Area Determination (“HRAD”) must be completed. An HRAD identifies and/or verifies the location of any Highlands resource area features. The HRAD is not a permit, but rather a process intended to confirm the presence, absence, or location of a Highlands resource area on a site as well as its boundary. On-site remediation may begin, where appropriate, and it must be conducted in accordance with the NJDEP’s Technical Requirements for Site Remediation (N.J.A.C. 7:26E).
2. The Highlands Council must identify a brownfield location as appropriate for redevelopment, through the Highlands Redevelopment Site Approval Process.
 3. Finally, the NJDEP reviews the proposed redevelopment project and grants a Highlands Preservation Area Approval (“HPAA”) with waiver if all necessary requirements are satisfied.

For further program details, refer to the Highlands Redevelopment Site Approval Process and N.J.A.C. 7:38. (see figures *Potentially Contaminated Sites Highlands Tier 1* and *Potentially Contaminated Sites Highlands Tier 2*)

**Planning Area
Redevelopment**

In the Planning Area, redevelopment opportunities exist in accordance with the RMP overlay zone where the proposed project is located. In the Existing Community Zone, opportunities include all previously developed lands, brownfields, and grayfields in locations with water, wastewater, and transportation capacity and are appropriate for increased land use intensity or conversion to greenfields. Redevelopment is encouraged where appropriate in the Existing Community Zone. Infringement on environmentally sensitive areas will be limited through application of RMP policies.

In the Existing Community Zone, conforming municipalities initiating redevelopment activities in accordance with the RMP and their conforming plans and ordinances do not require any specific approval from the Highlands Council; however, activities may be subject to call-up project review if they do not adhere to the RMP policies. Where a conforming municipality proposes a redevelopment that is not in conformance with the RMP, the municipality must

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**Redevelopment and
Infill Analysis Tool**

petition the Highlands Council through the Redevelopment Site Approval Process.

In the Conservation and Protection Zones, redevelopment of brownfields, grayfields is permitted in locations with water, wastewater, and transportation capacity and are appropriate for increased land use intensity or conversion to greenfields. In the Conservation and Protection Zone, Highlands Council approval of a site(s) is required, and approval may be granted as part of the Conformance process or in accordance with the Highlands Redevelopment Site Approval Process.

The Redevelopment and Infill Analysis Tool identifies parcels that are developed, vacant (adjacent to developed), economically underutilized, oversized residential lots, and sites with existing local conditions such as designated redevelopment areas, urban enterprise zones, foreign trade zones and Centers designated in accordance with the State Development and Redevelopment Plan. Parcels are evaluated in relation to regional transportation and transit opportunities. The Redevelopment and Infill Analysis Tool scores identified parcels based on relative redevelopment and infill potential (see figure *Redevelopment and Infill Analysis Tool*) and is meant to serve as a tool to assist in long-term planning evaluations. Using local input through Plan Conformance, it will become a comprehensive source of information on parcels in the Highlands with potential for redevelopment.

Conforming municipalities are required to identify development, redevelopment, and brownfields opportunities in the local land use plan element of their master plans. Municipalities may have identified opportunities through redevelopment plans. In support of this requirement, municipalities shall review and evaluate the findings from the Redevelopment and Infill Analysis Tool, and suggest additions and deletions as necessary. The information developed by the Council represents a rough estimate of development potential, and will be greatly enhanced with local input. Not all of the identified parcels will necessarily be appropriate for redevelopment; local and regional policy constraints, environmental constraints, land character, market conditions, and water and utility capacity constraints all will affect a site's ability for redevelopment.

**Site Development
Standards -
Redevelopment**

The Highlands Council will provide site development standards for all projects, including redevelopment projects. Site standards will guide and control development and redevelopment in the Region and are intended to provide protection of natural resources, environmentally sensitive areas, open space and agricultural lands, and to enhance and reflect community character. This will be achieved in part by providing flexibility for municipal site requirements that are incompatible with smart growth principles. Examples of flexibility may include the reduction of minimum setbacks, the modification of uniform road frontage requirements, and the increase in maximum permitted height.

The Highlands Council will develop site design standards that apply to redevelopment initiatives and contain provisions to create an incentive to redevelop and to use Highlands Development Credits (HDCs) in the process. These standards will be contained in the Smart Growth Manual and Community

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**General Assistance for
Eligible Projects –
Agency Coordination**

Development Design Guidebook (as described in *Highlands Smart Growth Manual Program* and *Community Development Design Guidebook Program*), and Low Impact Development Standards for Site & Subdivisions will be provided.

The Highlands Council will seek to streamline the redevelopment process by convening interagency teams as needed to support and expedite redevelopment and development activities that are consistent with RMP policies. Interagency teams will assist municipalities, counties, and interested parties in redevelopment initiatives that restore and enhance natural features and enhance the built environment. Teams may be comprised of relevant state agencies who will informally review projects with a problem-solving approach.

Agency coordination will also be required to evaluate the need for enhanced standards for remediation activities. The evaluation of site design and development for contaminated properties will require interagency coordination and will continue to be refined in support of RMP policies.

**General Assistance for
Eligible Projects –
Technical Assistance**

The Council will also provide technical assistance in the overall redevelopment process. Technical assistance and support is available for the following activities:

- Technical assistance with the Highlands Redevelopment Site Approval Process;
- Technical assistance with economic improvement issues through the *Sustainable Economic Development Program*, which covers available programs which enhance economic health and vitality of the Highlands Region;
- Information for those looking to acquire funding through existing resources. Currently, state and federal agency programs offer a variety of grant, loan, and technical assistance programs for the planning and implementation of development and redevelopment projects. While available programs and technical assistance may change over time, examples of programs and technical assistance that may be useful for a project in the Highlands Region include;
 - New Jersey Office of Smart Growth's smart future planning grant program, which offers planning grants to municipalities, counties and non-profit agencies;
 - New Jersey Economic Development Authority's real estate development programs and bond financing;
 - NJ Economic Development Authority and the NJDEP administer the Hazardous Discharge Site Remediation loan and grant programs, which awards funds for the investigation and remediation work on contaminated sites;
 - New Jersey Environmental Infrastructure Trust's low-cost financing for projects (including brownfield remediation) that protect and improve water resources; and
 - Natural Resource Damages Liability Protection for Developers provides liability protection for non-responsible developers against natural resource damage claims.

General Assistance for

The following describes several incentive based program elements that will help to support redevelopment projects; including those that incorporate transit

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**Eligible Projects –
Highlands Planning
Grants and Incentives**

oriented development and Transfer of Development Rights Programs.

- Priority project review by the Highlands Council for redevelopment projects that incorporate HDCs and affordable housing.
- Flexible design standards for projects that incorporate HDCs, at least 10 percent affordable housing, mixed use, and redevelopment.
- Discretionary planning grant program:
 - Highlands Council discretionary planning grants are intended to support important elements of the RMP through planning studies on targeted issues. The grant program serves as a mechanism to implement the goals and policies of the RMP. Sample projects that may be eligible include:
 - o Planning for brownfield and grayfield redevelopment;
 - o Town center/transit village development;
 - o Transit oriented development;
 - o Transfer of development rights;
 - o Enhancement of environmental resources through redevelopment;
 - o Community design; and
 - o Local and regional economic development strategies.

The *Plan Conformance Program* contains information on Highlands Council funding opportunities relating to the implementation of the RMP.

**General Assistance for
Eligible Projects –
Education and
Outreach**

The Highlands Council will support education and technical training programs for municipal officials and interested organizations for innovative/alternative development and redevelopment initiatives. These programs will support stakeholder understanding of balancing resource protection/restoration with redevelopment initiatives that contribute to making communities of place with a mix of uses. (See *Local Participation Program* for further details.)