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EILEEN SWAN
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MEMORANDUM

To: Highlands Council Members

From: Eileen Swan, Executive Director
Tom Borden, Deputy Executive Director and Chief Counsel
Chris Danis, Principal Planner

Date: July 5, 2008

Re: Analysis of RMP and State Planning Commission Plan Endorsement Process

The following summarizes the requirements of the Regional Master Plan (RMP) and Plan Endorsement (PE) petition for the Planning Area, the Memorandum of Understanding (MOU) between the Highlands Council (NJHC) and the State Planning Commission (SPC) and the Office of Smart Growth (OSG) regarding the Highlands Region PE process, and provides an analysis of the RMP Components as related to the PE Petition.

In accordance with Section 8 of the Highlands Act, within 60 days of adoption of the RMP the Council shall submit the RMP to the SPC for PE for the Planning Area. The State Planning Act and the Highlands Act mandate that the provisions of the State Planning Act not be construed to affect the plans and regulations of the Highlands Council for the Preservation Area. Therefore, in accordance with Section 69 of the Highlands Act, any portion of a municipality or county located in the Preservation Area shall be exempt from the SPC PE process.

In addition, if municipalities and counties in the Planning Area upon the SPC's endorsement of the RMP have master plan and development regulations that are approved by the Highlands Council, those plans shall be deemed the equivalent of having those plans endorsed by the SPC. The staff recommendation is to submit the RMP PE petition for the Planning Area as soon as possible after adoption of the RMP so as to expedite the PE process and support Planning Area Conformance activities.

Upon endorsement of the RMP by the SPC, municipalities and counties in the Planning Area will have the ability to conform to the RMP through the Plan Conformance process and be eligible for benefits from PE and Plan Conformance. The PE benefits include technical assistance, state capital investment, priority for state grants and loans, preferred interest rates for loans and a coordinated

regulatory review process. In addition to these PE benefits, conforming municipalities and counties will receive direct planning grant funding, enhanced legal protection, web-based digital and technical data management, priority updates and project review support and funding prioritization by the Council and the State.

On December 19, 2007 the Highlands Council, SPC and OSG signed a MOU in support of developing a cooperative planning process in order to provide greater predictability and transparency with respect to meeting the mandates of the Council and the SPC. This MOU defined the agreement regarding the coordination of the planning process, State Plan, RMP, Plan Conformance and Plan Endorsement, Transfer of Development Rights, redevelopment approvals, grants and other approvals. Specific to the Council's PE Petition, the MOU waived the following requirements for the petition: the PE Advisory Committee, the Self-Assessment Report (except for the requirement to perform an assessment of consistency with the State Plan goals, policies and strategies), and Community Visioning due to the activities of the Highlands Council and Highlands Task Force engaging the communities of the Highlands Region in preparing a vision as reflected in the Highlands Act.

The current PE Rules (N.J.A.C. 5:85) and Guidelines address county and regional PE petitions and have similar requirements. On June 16, 2008 the SPC published in the New Jersey Register proposed new PE rules that include criteria for Special Resource Area plans. The comment period for the proposed rules ends August 15, 2008. The Council's PE petition will follow the criteria of the proposed rules and also include a table that provides a cross-reference to the previous rule requirements for county and regional plans. Refer to Table 1 "Highlands Council RMP Plan Endorsement Outline" for a cross reference that summarizes the current and proposed PE Rules with the RMP. There are certain PE petition requirements that are not applicable (N/A) to the RMP as a Special Resource Area Plan identified in Table 1 these requirements have been discussed via staff to staff discussions between the Council and OSG.

The Office of Smart Growth has shared the State Plan policy map results of the most recent Cross – Acceptance process, though this mapping has not yet been approved in a new State Development and Redevelopment Plan. This information will facilitate the Highlands Council in the PE process for the RMP.