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## Highlands Council Launches TDR Program

*New tool will allow property owners to estimate Highlands Development Credit numbers*

CHESTER, N.J. – The Highlands Water Protection and Planning Council and Highlands Development Credit Bank today took a major step in the launch of the transfer of development rights (TDR) program with the approval of a web-based application called the Highlands Development Credit Estimator. Using this tool, owners of a residentially zoned property in the Preservation Area will be able to see a range of how many TDR credits their property may be entitled to receive if they choose to enroll their property in the Council's regional TDR program.

“TDR is a valuable tool for shifting development from environmentally sensitive areas into those communities that have the infrastructure to support growth,” Highlands Development Credit Bank Chairman Scott Whitenack said. “With today's launch, the TDR program has reached a critical milestone towards addressing the equity concerns of Highlands property owners.”

The initial phase of the TDR Program was made possible by the appropriation of \$10 million to the Highlands Development Credit Bank in September 2008. The Bank will play a critical role during the initial phase of the TDR program, using these funds to purchase HDCs from property owners that face hardship circumstances. Over time, as voluntary receiving zones are established throughout the seven counties in the Highlands Region, holders of HDCs will be able to sell rights to developers who will use the HDCs to increase development density or intensity. Until that time, the HDC Bank will serve as one of the primary purchasers of HDCs.

The tool, which was unveiled at today's Highlands Development Credit Bank meeting, can be accessed at <http://maps.njhighlands.us/hgis/hdc/>. Built on open source software with Google Maps and Microsoft Bing, the HDC Estimator also provides a link to the HDC Allocation Application form, which may be submitted to the Highlands Council for a formal allocation determination.

In the Regional Master Plan, the Highlands Council established the method of allocating transferrable development rights, termed Highlands Development Credits (HDCs), to residentially

zoned parcels. Under the RMP, all lands in the Preservation Area, except those located entirely in the Existing Community Zone or in approved Highlands Redevelopment Areas, are eligible to serve as sending zones and to be considered for allocation of HDCs. Where a residentially zoned parcel of land is eligible, HDCs are awarded on the basis of lost development potential but adjusted for relative differences in land value occasioned by property location (by municipality) and the type and intensity of development (underlying zoning) that could have been constructed onsite prior to enactment of the Highlands Act.

“This tool allows the general public to draw on the same information the Highlands Council uses in allocating HDCs,” Highlands Council Chairman John Weingart said. “We believe these credits will help steer development towards the least environmentally sensitive areas while providing compensation to landowners volunteering to participate in the program.”

The HDC Estimator provides an estimated HDC range only to those potential sending zone parcels that satisfy the following requirements: (1) the parcel is located in the Preservation Area; (2) the parcel is located in the Protection Zone, Conservation Zone or environmentally constrained subzones; (3) the parcel is residentially zoned based upon the Highlands RMP composite zones; (4) the parcel is 5 acres in size or greater, or, if less than 5 acres in size, is at least 3 times the minimum lot size for the relevant composite zone; and (5) after accounting for pre-Highlands Act environmental constraints, the parcel had at least one lost development opportunity (i.e. at least one potentially buildable lot).

The HDC Estimator does not provide an estimated HDC range for properties that do not meet all five requirements above; however, the parcel may still receive an allocation after formal consideration by the Highlands Council. The HDC Estimator does not provide a result for non-residentially zoned parcels as the information to determine an allocation is site specific and must be evaluated on an individual basis. For those parcels that are non-residentially zoned, or did not otherwise satisfy the above requirements necessary to receive an estimated HDC range, property owners are encouraged to submit a HDC Allocation Application available on the Highlands Council’s website at the address listed above.

Although a parcel may receive an allocation, this does not mean that that parcel is entitled to have its HDCs purchased by the Highlands Development Credit (HDC) Bank or on the private market. The purchase of HDCs is a discretionary act. Moreover, with respect to the purchase of HDCs by the HDC Bank, such purchases will be based upon funding considerations along with other criteria established by the HDC Bank.