



# State of New Jersey

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## Highlands Council Staff Draft Recommendation Report Proposed Highlands Redevelopment Area Designation Township of Mount Olive Budd Lake/Rt. 46 Mount Olive, Morris County

Date: August 26, 2013

Re:	Application Type:	<i>Proposed Highlands Redevelopment Area Designation</i>
	Name:	<i>Township of Mount Olive Budd Lake/Rt 46 Proposed Highlands Redevelopment Area Designation</i>
	Municipality:	<i>Mount Olive Township</i>
	County:	<i>Morris</i>
	Highlands Act Area:	<i>Preservation Area</i>
	Property:	<i>17 parcels southwest of Budd Lake</i>
	Project:	<i>The purpose of the proposed municipally-sponsored Highlands Redevelopment Area Designation is to facilitate efforts to remove abandoned buildings, create conditions to induce reinvestment within this commercial corridor, and to manage such development/redevelopment in a comprehensive fashion.</i>

### EXECUTIVE SUMMARY

The Township of Mount Olive is seeking a Highlands Redevelopment Area Designation and associated master planning grant for an area along Route 46, adjacent to Budd Lake. The total Highlands Redevelopment Area is 16.1 acres, with an existing impervious surface of 12.5 acres, or 77.6%. This meets the required 70% Highlands Redevelopment Area standard. The area consists of 17 parcels that are primarily previously developed properties, with a number of vacant, underutilized sites, including the Budd Lake beach area and former municipal complex. Highlands Resources in the area are limited and are addressed in the complete staff review that follows. The purpose of the proposed Highlands Redevelopment Area Designation is to facilitate efforts by the Township to remove abandoned buildings, create conditions to induce reinvestment, and to manage such development in a comprehensive fashion. Staff Recommendation is to approve the Highlands Redevelopment Area with conditions, and provide additional grant funding to complete the necessary master plan and resource management to further implement the Highlands Redevelopment Area Designation.

**DRAFT FOR REVIEW AND PUBLIC COMMENT**

## 1.0 PROJECT DESCRIPTION

The proposed Highlands Redevelopment Area is comprised of all or portions of 17 parcels and encompasses approximately 16 acres along or proximate to State Highway Route 46 in the Budd Lake section of Mount Olive Township (see Exhibit A). Within this segment of the Township there are business and retail properties, a bank, several residential units, a couple of vacant lots, a marina, the Budd Lake First Aid squad complex and the municipal beach at Budd Lake along with an expanse of contiguous asphalt that once contained the Mount Olive Municipal Building and public works facilities.

The purpose of the proposed municipally-sponsored Highlands Redevelopment Area Designation is to facilitate efforts to remove abandoned buildings, create conditions to induce reinvestment within this commercial corridor, and to manage such development/redevelopment in a comprehensive fashion. The study area includes a portion of the shoreline and waters of Budd Lake – the “predominant surface water feature in the Township” – which is the headwaters of the South Branch Raritan River. Mount Olive Township is required to work in collaboration with Highlands Council staff and appropriate officials and staff of other agencies, including the NJ Department of Environmental Protection (NJDEP) and the NJ Department of Transportation (NJDOT) to develop specific standards and guidelines within a new zone district for the proposed Highlands Redevelopment Area in order to implement key goals, policies and objectives as set forth in the Highlands Regional Master Plan (RMP) and in the Township of Mount Olive’s Highlands Preservation Area Master Plan Element.

A particular focus of the proposed redevelopment planning will be placed on the goals, policies, and objectives of the RMP regarding Lake Management, Scenic Resources, Stormwater Management, Critical Habitat protection, Sustainable Economic Development, and Transportation. Pedestrian connections and safety are among the Township’s key concerns, with the aim of developing options to navigate the barrier created by Route 46 between the lake and its environs and residential neighborhoods to the south. The Township will implement the goals, policies and objectives of the RMP and Highlands Element in concert with public input from visioning sessions and stakeholder meetings to produce an amendment to the Township’s Master Plan and a new zone district for this area. The Township intends to establish a foundation for other improvements in this area that transcend a list of land use activities and land development regulations. The following are among the Township’s key objectives for the proposed Highlands Redevelopment Area:

- Visioning sessions for the Township Beach and contiguous four-acre vacant site as a center for lake-related activities and public amenities.
- Initiate discussions with NJDOT on pedestrian safety improvements across and along Route 46 to link residential neighborhoods to the lake area.
- Develop a Lake Management manual to provide information and direction on Shoreland Protection, Water Quality, Scenic Resources, and Lake Watershed tiers pursuant to the Lake Management goals, policies and objectives of the RMP.
- Develop Water Quality Management Tier standards that recognize enhanced stormwater management techniques.
- New zoning for the proposed redevelopment area together with comprehensive site design standards (architectural, landscaping, signage, lighting).

- Pilot Sustainable Economic Development Plan for this area with a focus on recreation and tourism related to Budd Lake, nearby State parks, and local farms.
- Circulation plan for pedestrian and bicycle linkages to Stephens State Park, Allamuchy State Park, the Musconetcong River, local farms hosting seasonal activities (e.g., corn maze; hay rides; etc.), and other cultural sites. Further, plan for safe pedestrian and bicycle crossing(s) across Route 46 to link residential neighborhoods (south) to lake, farms, state parks and other key locations.

The total Highlands Redevelopment Area is 16.1 acres, with an existing impervious surface of 12.5 acres, or 77.6%. The Township of Mount Olive is seeking a Highlands Redevelopment Area Designation from the Highlands Council. The Township and property owners will subsequently apply for a Highlands Preservation Area Approval (HPAA) with redevelopment waiver permit from the NJDEP. Due to the nature of the privately owned developed lots in the area, owners may be eligible for an Highlands Area Exemption #4 (redevelopment of up to 125% of the existing developed area) and would then be subject to the local review under an updated Township Master Plan and zone district for this area. The Redevelopment Area Designation and associated master plan and resource management plan grant funding allows for comprehensive planning and resource management for this area in accordance with the RMP and limits the potential for a piecemeal redevelopment approach.

## **2.0 ADMINISTRATIVE PROCESS**

The Township of Mount Olive's Petition for Plan Conformance was approved by the Highlands Council (Highlands Council Resolution # 2011-1 adopted on January 20, 2011.) An important component of the Township's Petition is redevelopment planning for the Township using a phased approach. During the Petition process, through discussions with Highlands Council staff, Mount Olive identified areas along Sand Shore Road and Route 46 for potential designation as a Highlands Redevelopment Area. Phase I was proposed to include existing industrial properties located in Block 8300 along the north side of Sand Shore Road (this Highlands Redevelopment Area Designation, known as Sand Shore Road (Mount Olive Township) Highlands Redevelopment Area, was approved by the Highlands Council via Resolution 2011-18 on May 19, 2011). Phase II was proposed to review a potential redevelopment area addressing developed properties along Route 46 (the subject of this Staff Recommendation Report).

With approval of Plan Conformance for Mount Olive Township in 2011 as discussed above, an opportunity arose for the Township to provide leadership in the evaluation and designation of multi-parcel, multi-owner Highlands Redevelopment Areas. The Township identified a number of possible areas, and the Highlands Council approved planning funds for investigation of these. As provided for in the Procedures for Highlands Redevelopment Area Designation, approved by the Highlands Council, proposed Highlands Redevelopment Areas involving multiple property owners must be sponsored by the municipality. The Township of Mount Olive is the applicant for the proposed Township of Mount Olive Budd Lake/Rt 46 Highlands Redevelopment Area Designation.

On May 7, 2013 Highlands Council staff met with representatives from the Township of Mount Olive to discuss the project and the procedures for submitting an application for a Highlands Redevelopment Area Designation (see meeting summary attached). Application materials for a Pre-

Application meeting were submitted on May 21, 2013. The Highlands Council staff determined that the initial meeting with the Township met the requirements of the Pre-Application meeting. A Petition for a Highlands Area Redevelopment Area Designation for the proposed project was submitted on June 20, 2013.

### **3.0 SMART GROWTH AND SUSTAINABLE ECONOMIC DEVELOPMENT CONSIDERATIONS**

Redevelopment opportunities continue to be an important vehicle for economic development within the Highlands Region, particularly within the Preservation Area. Redevelopment policies and objectives within the Highlands Regional Master Plan (RMP) envision the conversion of underutilized, previously disturbed lands into new economic contributors to the Region's fiscal health. As stated in the RMP, "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."

Given that redevelopment is one of the major opportunities for sustainable economic development and smart growth in the Highlands Region, the proposed Highlands Redevelopment Area was reviewed for policies and objectives relevant to smart growth and sustainable economic development. The Highlands Act calls for the RMP to "promote compatible...uses and opportunities within the framework of protecting the Highlands environment."

The area proposed for the Highlands Redevelopment Area Designation contains a variety of diverse and many nonconforming properties, many of which are either underutilized or vacant. Public sewer and water serve almost all of the properties. A Highlands Redevelopment Area Designation and the introduction of new land use and design standards will allow redevelopment to occur in a comprehensive fashion in which the economic and environmental goals of the community and those of the Highlands Council can be reasonably advanced.

Management of stormwater from the project area shall be addressed through the HPAA with redevelopment waiver permitting process. The project shall be designed to incorporate low impact development techniques where feasible, including stormwater management techniques used for mitigation. Any disturbance and construction activities must be managed to minimize impacts to the surrounding environment. Designation of the proposed Highlands Redevelopment Area provides for beneficial public use. By reusing and redeveloping previously disturbed areas, economic investment and community development within the framework of smart growth is assured. The project promotes smart growth policies by a maintaining land use patterns, balancing economic development with resource protection, and providing an equitable distribution of the costs and benefits of redevelopment.

### **4.0 FINDINGS**

Council staff reviewed the complete application package. Findings include:

- **Impervious Surface Requirement:** The total Highlands Redevelopment Area is 16.1 acres, with an existing impervious surface of 12.5 acres, or 77.6%. This exceeds the 70% impervious surface Highlands Redevelopment Area requirement.

- **Resource Assessment:** Based on review of the Highlands Council GIS data, the proposed Highlands Redevelopment Area does not lie within a Forest Resource Area (see Exhibit B). There is an isolated area in the southwest portion of the proposed Highlands Redevelopment Area that is mapped as forest (forest outside of a Forest Resource Area) that encompasses approximately less than one half of an acre and is surrounded by developed lands to the west, north, and east. Based on review of the Highlands Council GIS data, this area is also mapped as Critical Wildlife Habitat. Highlands Council staff conducted a site reconnaissance of this area and found it to be highly degraded. There are extensive invasive species present, a portion of it is being used as boat storage, and it is surrounded by developed lands. It is the opinion of Highlands Council staff that the area is not functioning as forest or Critical Wildlife Habitat, nor does it serve as an adequate wildlife corridor. Potential mitigation opportunities will be evaluated as part of the site plan review process.

Practically the entire proposed Highlands Redevelopment Area lies within the 300-foot Highlands Open Waters buffers and Riparian Areas of Budd Lake (see Exhibit C). While redevelopment activities will be proposed within the 300-foot Highlands Open Waters buffers and Riparian Areas, which is generally inconsistent with the goals, policies, and objectives of the RMP, the intent of the proposed Highlands Redevelopment Area Designation is to protect, restore, and enhance the function and value of Budd Lake as well as its buffer and riparian areas. This is consistent with the overarching tenant of the Highlands Act and the RMP to “protect, restore, and enhance.”

The source water for the area is within a HUC14 Subwatershed that the Highlands Council GIS data indicate is a deficit HUC14 Subwatershed. Consistent with Objective 2B8b, proposed new consumptive or depletive water uses within a Current Deficit Area shall only occur under the auspices of a Water Use and Conservation Management Plan approved under Objective 2B8c or through mitigation of the proposed consumptive or depletive use within the same HUC14 subwatershed. As a condition of approval, the Township will be required to commit to the development of a Water Use and Conservation Management Plan and/or mitigation of any proposed consumptive or depletive uses within the same HUC14.

Based on review of the Highlands Council GIS data, the proposed Highlands Redevelopment area lies within Tier 1, Tier II, and Tier III Wellhead Protection Areas (see Exhibit D). The purpose for the proposed redevelopment area is to improve existing uses and to be protective of natural resources, which would include surface and groundwater. Consistent with RMP Objectives 2H2a, 2H2b, and 2H2c regarding Wellhead Protection Area, new land uses would be prohibited in the proposed redevelopment area that have a potential to result in the discharge of pathogens and persistent organic or toxic chemicals sources to groundwater or to the land surface that may degrade or contribute to the degradation of groundwater quality.

Stormwater regulations also must be followed in the project design upon HPAA with redevelopment permitting. The project shall be designed to incorporate low impact development techniques where feasible, including stormwater management techniques used for mitigation. Any disturbance and construction activities should be managed to minimize impacts to the surrounding environment.

- Smart Growth and Sustainable Economic Development:** The proposal is consistent with the RMP regarding smart growth and sustainable economic development; however, details should be provided as part of the NJDEP HPAAs permitting process to demonstrate the implementation of low impact development techniques as addressed in the Low Impact Development Program of the RMP. Designation of the proposed Highlands Redevelopment Area provides for beneficial public use. By reusing and redeveloping previously disturbed areas, economic investment and community development are assured within the framework of smart growth. The project promotes smart growth policies by maintaining land use patterns, balancing economic development with resource protection, and providing an equitable distribution of the costs and benefits of redevelopment.

The Highlands Act allows a waiver of any provision of a Highlands permitting review on a case-by-case basis for a redevelopment proposal, conditioned upon the finding by NJDEP that it meets the requirements of the narrative criteria described in Section 36 of the Act (N.J.S.A 13:20-34). To assist NJDEP, the Council staff concludes that the proposed project meets the waiver criteria, which are addressed as follows:

Requirement	Staff Analysis
1) would have a de minimis impact on water resources and would not cause or contribute to a significant degradation of surface or ground waters;	A fundamental goal of the proposed Highlands Redevelopment Area Designation by Mount Olive Township is to improve the conditions of Budd Lake the “predominant surface water feature in the Township” – which is the headwaters of the South Branch Raritan River. The proposed Highlands Redevelopment Area does <u>not</u> feature Prime Groundwater Recharge Areas. The purpose for the proposed redevelopment area is to improve existing uses and to be protective of natural resources, which would include surface and groundwater.
2) would cause minimal feasible interference with the natural functioning of animal, plant and other natural resources;	The proposed project would not adversely affect the natural functioning of animal, plant, and other natural resources as most all of the parcels that comprise the proposed redevelopment area are fully developed. The one parcel that is mapped as forest and critical habitat was found to contain extensive invasive species and is surrounded by developed lands. It is the opinion of Highlands Council staff that the area is not functioning as forest or Critical Wildlife Habitat.
3) will result in minimum feasible alteration or	A fundamental goal of the proposed

Requirement	Staff Analysis
impairment of the aquatic ecosystem;	Highlands Redevelopment Area Designation by Mount Olive Township is to improve the conditions of Budd Lake the “predominant surface water feature in the Township” – which is the headwaters of the South Branch Raritan River. The project is proposed to enhance the aquatic ecosystem.
4) will not jeopardize the continued existence of endangered animal or plant species;	For the reasons stated above, proposed activities within the redevelopment area will not jeopardize the continued existence of endangered animal or plant species.
5) is located or constructed as to neither endanger human life or property nor otherwise impair public health, safety and welfare;	The proposed Highlands Redevelopment Area is compatible with existing municipal zoning. Redevelopment activities within the proposed redevelopment area would not endanger human life or property nor otherwise impair public health, safety and welfare.
6) would result in minimal practicable degradation of unique or irreplaceable land types, historical or archaeological areas, and existing public scenic attributes; and	No resources of this type occur within the proposed Highlands Redevelopment Area.
7) meets all other applicable NJDEP standards, rules, and regulations and State laws.	Compliance with all remaining NJDEP standards will be addressed through the HPAA with redevelopment waiver permit process.

## 5.0 RECOMMENDATION

It is the Highlands Council staff's recommendation that the Highlands Council approve the proposed Highlands Redevelopment Area designation with the conditions that:

1. The stormwater regulations must be followed in the project design upon HPAA with redevelopment permitting, as part of the NJDEP permitting process. There shall be a coordinated review between the staff of the Highlands Council and the NJDEP such that under the NJDEP waiver, the applicant shall supply a stormwater management plan that incorporates low impact development techniques.
2. The Township will be required to commit to the development of a Water Use and Conservation Management Plan and/or mitigation of any proposed consumptive or depletive uses within the same HUC14. Further, the Township will be required to work with the Highlands Council to ensure that proposed new uses in the proposed Highlands Redevelopment Area are consistent with all the goals, policies, and objectives regarding water resources availability.

3. Through funding approved under the Township's previously approved Plan Conformance Grant, the Township will be required to prepare and implement a Stream Corridor Protection/Restoration Plan for the Budd Lake inlet area.
4. Through funding approved under the Township's previously approved Plan Conformance Grant, the Township will be required to prepare and implement a Critical Habitat Conservation Management Plan for the entire Township which would address any confirmed Critical Wildlife Habitat present in the proposed Highlands Redevelopment Area.

## **6.0 PROPOSED FUNDING AND SCOPE OF WORK**

This project will involve the planning consultant for Mount Olive Township as the lead professional with participation from Township's engineer and environmental consultant and the Township and Planning Board attorneys. The objective is to define a 16 acre portion of the Route 46 corridor in the Budd Lake section of Mount Olive Township comprised of 17 properties as a Highlands Redevelopment Area. Its purpose is to facilitate revitalization of underutilized properties, enhance the recreational and commercial potential of the Municipal Beach and surrounding parcels, restore degraded environmental conditions along the Budd Lake Outlet (a *Natural Heritage Priority Site* within the New Jersey Natural Heritage Program), and to incorporate the innovative strategies set forth in the Highlands Regional Master Plan and in the Township's Highlands Master Plan Element together with new zoning and design standards to implement the intended objectives.

### Funding

Funding is recommended to support continued planning for the project. This is to be provided through allocations within the Township's existing Plan Conformance Grant and an additional grant recommended to be approved by the Highlands Council in conjunction with the approval of the Redevelopment Area Designation as follows:

- Stream Corridor Restoration/Protection Plan: Recommend targeting \$22,000 to Budd Lake Area. \$52,000 awarded under Plan Conformance Approval. Balance of \$30,000 will remain for completion of Plan Conformance Task.
- Habitat Conservation and Management Plan: Recommend targeting \$6,000 to Budd Lake Area. \$26,000 awarded under Plan Conformance Approval. Balance of \$20,000 will remain for completion of Plan Conformance Task.
- Additional Funding: New grant funding of \$57,000 is recommended to complete planning and implementation of Budd Lake Redevelopment Area, including development standards in compliance with the Highlands Redevelopment Area approval, including stormwater management and water quality standards.

### Scope of Work

- Preparation and Identification of Highlands Redevelopment Area;
- Highlands Council approval of Highlands Redevelopment Area;
- Establish and work with Stakeholders Committee including property owners within Highlands Redevelopment Area and Township representatives including Planning Board, Environmental Commission, Open Space Committee, and Recreation Department

to develop vision plan for Highlands Redevelopment Area;

- Conduct public visioning sessions;
- Develop new zone district standards and range of permitted uses including comprehensive site design standards for architecture, landscaping, signage, and lighting;
- Conduct meeting(s) with NJDOT & Mount Olive Police Department to consider various pedestrian and vehicular safety improvements within the Highlands Redevelopment Area corridor including potential pedestrian crossings at existing traffic signal at Wolf Road and Route 46 intersection with an aim towards drafting a new Circulation Plan with a focus on creating safe pedestrian and bicycle linkages between residential neighborhoods located south of the highway to the Highlands Redevelopment Area and environs i.e. Municipal Beach, local farms, Pax Amicus theater, Stephens and Allamuchy State Parks, and the Musconetcong River;
- Coordinate with Highlands staff on the following components of the Highlands Redevelopment Area:
  - Lake Management manual regarding Shoreland Protection, Water Quality, Scenic Resources, and Lake Watershed tiers pursuant to the Lake Management goals, policies and objectives;
  - Water Quality Management Tier standards;
  - Stormwater Management;
  - Stream Corridor Protection/Restoration Plan for Budd Lake Outlet;
  - Sustainable Economic/Eco-tourism Development Plan for Redevelopment Area with a focus lake-related recreation and linkages to local farms and the nearby State park system.
- Prepare Master Plan Amendment's to Township's Land Use, Circulation, Recreation, Conservation, Open Space, and Community Facilities plan elements; conduct Planning Board public hearing(s) for adoption;
- Prepare new zoning regulations for Highlands Redevelopment Area with Planning Board Ordinance Committee;
- Public hearing of Highlands Redevelopment Area Ordinance for adoption by Township Council.

#### Attachments

- Summary of Pre-Application Meeting
- Consistency Determination

## Summary of Redevelopment Area Designation Pre-application Meeting

Date: May 7, 2013  
Time: 10:00 am  
Location: Highlands Council Office in Chester, NJ  
Re: Application for Redevelopment Area Designation – Township of Mount Olive Budd Lake/Rt 46 Highlands Redevelopment Area Designation

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### Attendees:

Highlands Council Staff	Applicant
James Humphries	Chuck McGroarty
Chris Ross	Catherine Natafalusy

### Summary of Meeting

- Chuck McGroarty presented the concept for the proposed Highlands Redevelopment Area Designation along Budd Lake/Route 46 in Mount Olive. He described the existing structures and businesses and pointed out the beachfront area. He noted that the main purpose of the proposed redevelopment is to remove abandoned buildings, improve the lakefront environment, provide for economic stimulus, and conduct comprehensive planning in concert with Highlands Council staff.
- James Humphries and Chris Ross reviewed the 70 percent impervious surface requirement for the delineated redevelopment area. The group reviewed an aerial view of the general area of interest and concurred that it was likely that an area could be delineated that met the 70 percent impervious surface requirement.
- The group discussed the application submittal requirements as presented in the Procedures for Highlands Redevelopment Area Designations.