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Highlands Council Final Staff Recommendation Report Proposed Highlands Redevelopment Area Designation *Heath Village Retirement Community*

Date: April 7, 2010

Re: Application Type:	<i>Proposed Highlands Redevelopment Area Designation</i>
Name:	<i>Heath Village Retirement Community</i>
Municipality:	<i>Washington Twp</i>
County:	<i>Morris</i>
Highlands Act Area:	<i>Preservation Area</i>
LUCM Location:	<i>Existing Community Zone (ECZ) and ECZ Environmentally-constrained Sub-zone</i>
Property:	<i>Block 20, Lots 56, 57, 58, 72 and 74</i>
Proposed Use:	<i>Institutional Health Care Facility and Assisted Living Community</i>

1.0 PROJECT DESCRIPTION

Heath Village is a senior living campus with assisted living and in-patient care facilities located on several contiguous parcels in Washington Twp, Morris County. The applicant is petitioning the Highlands Council for a Highlands Redevelopment Area Designation in the Preservation Area using the 70% impervious surface criteria established in the Highlands Act. The Highlands Redevelopment Area Designation allows the applicant to apply for a Highlands Preservation Area Approval (HPAA) with redevelopment waiver(s) from the New Jersey Department of Environment Protection.

Heath Village site consists of several contiguous parcels: Block 20, Lots 56, 57, 58, 72 and 74 totaling 164 acres (lot 58 was not located in parcel maps). However the proposed Redevelopment Area is located entirely within Lot 72 (53 acres), which is the focus of this review. Lot 72 is located in the Existing Community Zone (ECZ) and ECZ Environmentally-constrained Sub-zone, and is bounded to the west by County Road 517, a Category ~~Two~~One (C21) stream to the north, to the east by a forested steep slope, and to the south by low density residential homes.

Heath Village is a senior service facility serving over 400 residents. Because many of the buildings within the campus date back to the 1960s, there is a need to replace the existing buildings and construct new buildings. The petition submitted to the Highlands Council is for the designation of a

Highlands Redevelopment Area of which 70 percent is existing impervious surface. The redevelopment activities propose to raze eight existing residential structures that contain 37 senior housing units and replace them with four new buildings containing 90 senior housing units, and construct four new one-story attached units to replace an existing single-family home. The construction and associated disturbance will occur over areas that have been previously disturbed, many of which are considered impervious. No disturbance is proposed of the natural resources that exist on the site. The site is served by municipal water and sewer, and will require in an increase in water demand and wastewater generation. Sufficient capacity exists for both. The project received municipal approvals in 2006.

The project review performed by Highlands Council staff includes an analysis of the whether the overall application satisfies the 70% impervious surface criteria for designation of a Highlands Redevelopment Area. The review also evaluates the redevelopment proposal for consistency with the Regional Master Plan (RMP). If inconsistencies were noted, a recommendation was included for whether a waiver from those standards is appropriate.

2.0 ADMINISTRATIVE PROCESS

The applicant first informally consulted with Highlands Council staff in 2005. In June 2006, Heath Village submitted conceptual plans to the Highlands Council. Beginning in late 2007 and into 2008, the Highlands Council Natural Resources committee began project review of Water Quality Management Plan amendments and a Highlands Redevelopment Area Designation. The critical issue was what constituted an impervious surface and how applicants need to satisfy the 70% impervious surface criteria.

In January 2008, council staff met with Heath Village's consultant's to discuss the project and the redevelopment process. In this meeting, staff provided feedback to the applicant regarding the feasibility of the Highlands Redevelopment Area delineation and potential impacts to RMP resources. Following adoption of the Council's Regional Master Plan and Procedures for Redevelopment Area Designation, staff issued formal comments to Heath Village in November 2008. The letter identified potential resource impacts that the project might create and provided recommendations on how to avoid, minimize and mitigate those effects.

Heath Village returned in May 2009 for a meeting with staff to discuss their project and revised site plans. In November 2009, Heath Village submitted responses and comments to the Highlands Council's November 2008 letter in support of their redevelopment petition. Revised site plans were submitted that showed how the applicant avoided siting new buildings in undisturbed areas and demonstrated on-site mitigation for increased consumptive water use. The site plans dated July 2009 were the basis for the Highlands Council review.

3.0 FINDINGS AND RECOMMENDATIONS

Council staff has reviewed the petition application package. The digital site plan was analyzed to verify the reported size of the proposed Highlands Redevelopment Area and the areas of impervious surface. Detailed analysis of consistency with the RMP is provided in the Highlands RMP Consistency Determination for this project. Findings include:

- **Impervious Surface Requirement:** The applicant's calculations were checked and the proposed Highlands Redevelopment Area was found to contain at least 70 percent impervious surface, as required by the Highlands Act.
 - Existing Impervious Surface = 636,979 SF
 - Allowable Highlands Redevelopment Area = 909,197 SF
 - Proposed Highlands Redevelopment Area = 909,197 SF
- **Natural Resource Assessment:** Based upon a review of the site plan and Highlands Council GIS data layers, the redevelopment proposal includes the construction of four new buildings at the site. Two of the buildings (Buildings 'A' & 'D') encroach into the Highlands Open Waters (HOW) buffer, associated with a stream and wetlands complex, in areas that are currently disturbed. This encroachment into a HOW buffer is inconsistent with several RMP policies and requires those standards to be waived by the Highlands Council, and likewise would require a waiver by NJDEP under the Highlands Rules at N.J.A.C. 7:38-6.7. A portion of Building 'A' will encroach approximately 100 ft. into the HOW buffer; however, existing structures and an access road are already situated between the proposed building and the buffer. Runoff from the building is proposed to be recharged and no runoff will drain into a HOW buffer. Therefore, a de minimis impact to the habitat value or water quality of the buffer is anticipated. By contrast, Building 'D' will be entirely within an already disturbed HOW buffer, with the applicant stating that approximately 35-70 ft. of buffer will remaining. The undisturbed buffer ~~is shall not be~~ reduced by the proposed development. The close proximity to the wetlands complex feature ~~and the fact the runoff is not directly recharged~~ has the potential for impacts. The applicant should propose a plan to mitigate impacts.
- **Net Water Availability:** The proposed improvements will generate an increased water demand of 10,220 gallons per day (GPD). Due to the location of the water supply and wastewater discharge in the same HUC14 subwatershed, the water use is considered consumptive. The consumptive of that demand is 2,964 gpd. Because the source for the public water relies on a Current Deficit Area, this increase in consumptive use is inconsistent with the RMP unless appropriate mitigation is provided. The HUC14 subwatershed has sufficient conditional availability for the proposed water use. The applicant is proposing on-site mitigation through recharge basins, equivalent to 125% of the consumptive use (in addition to recharge requirements of applicable stormwater rules. If the mitigation is made a condition of approval, no waiver from the RMP will be needed. This issue is not addressed in NJDEP's Highlands Rules at N.J.A.C. 7:38.
- **Smart Growth and Sustainable Economic Development:** The applicant has stated that the facilities have become outdated and need to be updated to improve the economic viability of the site. From an economic standpoint, the redevelopment activities represent a rehabilitation and expansion of an existing residential and institutional site. Facilities like Heath Village provide beneficial services for the senior citizen population and are necessary for community health and welfare. The redevelopment proposal also enhances an existing developed site and utilizes previously disturbed and impervious areas. The applicant considered various conceptual plans before submitting the petition, which now avoids new disturbance of natural resources. The project is therefore consistent with many RMP and Highlands Act goals of encouraging redevelopment, smart growth, and expanding the economic base with appropriate and compatible development.

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). The Highlands Council staff recommends that the proposed project meets these criteria, which are addressed as follows:

Requirement	Staff Analysis
1) would have a de minimus impact on water resources and would not cause or contribute to a significant degradation of surface or ground waters;	The proposed project will require additional potable water and generate additional wastewater. The increased water demand's source is from a Current Deficit Area HUC14 subwatershed, but will be offset by an on-site mitigation in the amount of 125% increased consumptive demand. The applicant should propose mitigation by retrofit of the detention basin or enhancement of riparian corridor so de minimus water quality or habitat value impacts are caused.
2) would cause minimal feasible interference with the natural functioning of animal, plant and other natural resources;	The project does not encroach into any of these natural resources. The disturbance will be limited to existing impervious areas or previously disturbed areas.
3) will result in minimum feasible alteration or impairment of the aquatic ecosystem;	With applicant's plan of avoiding natural resources, a stormwater management plan that will be required to provide recharge and water quality treatment, no alteration to aquatic ecosystems is anticipated.
4) will not jeopardize the continued existence of endangered animal or plant species;	With applicant's plan of avoiding natural resources and disturbing only existing impervious areas or previously disturbed areas, no endangered animal or plant species' existence will be jeopardized.
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 uses and municipal zoning. The facility provides beneficial services and enhances 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 redevelopment activities will encroach on the historic areas or degrade public scenery.
7) meets all other applicable NJDEP standards, rules, and regulations and State laws.	Compliance with all remaining NJDEP standards will be addressed through the HPAAs with redevelopment waiver permit process.

It is the Highlands Council staff's recommendation that the Council approve the proposed Highlands Redevelopment Area designation and current redevelopment proposal subject to the following conditions:

1. that the applicant develop a Highlands Open Water protection area mitigation plan, reviewed and approved by the Highlands Council and NJDEP, to mitigate potential impacts from Building 'D' to the wetlands and associated buffer. Staff recommends these potential impacts be mitigated by means such as enhancement of the adjacent detention basin with vegetation and vegetated filter strip. ~~Alternatively the applicant can, make~~ enhancements to the riparian buffer along the stream corridor, ~~or other similar means.~~ , which must deed restricted. Any mitigation plan must be approved cooperatively by the Highlands Council and NJDEP. The mitigation plan must also be maintained in perpetuity with appropriate deed restrictions.
2. that the applicant design and implement the proposed on-site recharge to mitigate for the additional consumptive water demand created by the project. The amount of annual mitigation required is 1,352,234 gallons per year. The applicant has proposed utilizing rooftop runoff into recharge basins to satisfy this requirement, which should be incorporated into their stormwater management plan.
3. that the remainder of Block 20, Lots 56, 57, 58, 72 and 74 outside of the proposed Redevelopment Area be deed restricted to prevent future development and that the deed restriction recognize any existing easements for the water tower and access and potential forest stewardship plans;
4. that the construction of sewer lines and laterals within the Tier 1 Wellhead Protection Area must prevent exfiltration of untreated sewerage into ground water (e.g., using PVC pipe with viton gaskets and water-tight joints tested to HMUA standards for exfiltration); and
5. that the project be designed to incorporate low impact development techniques and other Best Management Practices where feasible, including stormwater management techniques and non-structural measures to the maximum extent feasible. Natural hydrology and vegetation should be used to the maximum extent possible to achieve required stormwater performance targets.