
Committee Meeting

of

ASSEMBLY ENVIRONMENT AND SOLID WASTE COMMITTEE

ASSEMBLY BILL No. 2635

(The "Highlands Water Protection and Planning Act")

LOCATION: Trenton War Memorial
Trenton, New Jersey

DATE: May 17, 2004
2:00 p.m.

MEMBERS OF COMMITTEE PRESENT:

Assemblyman John F. McKeon, Chair
Assemblyman Michael J. Panter, Vice Chair
Assemblyman Robert M. Gordon
Assemblyman Reed Gusciora
Assemblyman Louis Manzo
Assemblyman Larry Chatzidakis
Assemblyman John E. Rooney



ALSO PRESENT:

Carrie Anne Calvo-Hahn
*Office of Legislative Services
Committee Aide*

David Eber
*Assembly Majority
Committee Aide*

Thea M. Sheridan
*Assembly Republican
Committee Aide*

Meeting Recorded and Transcribed by
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ASSEMBLYMAN JOHN F. McKEON (Chair): Thank you all for being patient. We're sorry we're a couple of minutes delayed in beginning today. I'm going to start by asking for the roll to be called of the Assembly Committee.

MS. CALVO-HAHN (Committee Aide): Assemblyman Rooney.

ASSEMBLYMAN ROONEY: Here.

MS. CALVO-HAHN: Assemblyman Chatzidakis.

ASSEMBLYMAN CHATZIDAKIS: Present.

MS. CALVO-HAHN: Assemblyman Manzo.

ASSEMBLYMAN MANZO: Here.

MS. CALVO-HAHN: Assemblyman Gusciora.

ASSEMBLYMAN GUSCIORA: Here.

MS. CALVO-HAHN: Assemblyman Gordon.

ASSEMBLYMAN GORDON: Here.

MS. CALVO-HAHN: Vice Chairman Panter.

ASSEMBLYMAN PANTER: Here.

MS. CALVO-HAHN: Chairman McKeon.

ASSEMBLYMAN MCKEON: Present.

As you can see, this has been an extraordinary partnership between the Assembly and the Senate in historic joint hearings that have taken place over the last several months. Quite obviously, the Senate Committee isn't here today. Senator Smith -- and I presume there was some type of public notification of that, at some point in time earlier this morning -- Senator Smith has asked me to further announce, if you don't already know, that the Senate Committee will meet this Thursday at, I believe, 11:00 a.m -- this Thursday at

11:00 a.m. -- to wit, they will consider Senate Bill No. 1, which is the Senate companion bill to the Assembly bill that we're ready to move on now. Thursday at 11:00 a.m. -- that one way or the other, that committee meeting will take place. That vote will be on the agenda, and it will be either released or denied, depending upon how those members vote at that point in time. The meeting may not be here in War Memorial; the place is yet to be announced. It certainly will be here in Trenton, perspective either in the Annex, the State House, or, of course, potentially here. But that will be announced shortly.

With that, I would ask -- there's only one matter on our agenda today. That is Assembly Bill No. 2635. I would ask that the amendments on that bill be read by staff.

MS. CALVO-HAHN: In addition to the amendments that were distributed for the May 10 Committee meeting, there have been additional amendments made that have been distributed to the Committee members and to the members of the public today. Of the amendments distributed, there is one that is being excluded, which is Paragraph 17, of Subsection A, of Section 28.

The other changes to the amendments, from the May 10 meeting, include changes to Section 11, which provides for the contents of the Master Plan. The proposed amendments add language to require that the plan include in its financial component the cost of Watershed Moratorium Offset Aid, planning grants, and capital requirements for the TDR Bank. In the Smart Growth component of the Regional Master Plan, the council is required to identify undeveloped areas in the planning area near existing development and

infrastructure that could be developed, and to identify voluntary receiving zones in the planning area for the transfer of development rights.

There are changes to Section 13 in the proposed amendments, which include language to require the council, within 18 months of the date of enactment, to identify areas in the planning area that would be appropriate for receiving zones; to set a goal of identifying 4 percent of the land in the planning area that would constitute voluntary receiving zones, to the extent that this goal would not compromise the ecosystem; and to provide assistance to those municipalities that are in the planning area, and are designated for conservation, in which to create sending zones.

The bill provides for incentives for municipalities in the planning area to establish voluntary receiving zones consistent with the Regional Master Plan. These incentives are provided in Section 13 and include the authority to impose impact fees of no more than \$15,000 per unit at the minimum density of five units per acre, as established; increased planning grants; legal representation for challenges to land-use decisions--

UNIDENTIFIED SPEAKER FROM AUDIENCE: Can't hear.

MS. CALVO-HAHN: Sorry.

ASSEMBLYMAN McKEON: I'm going to ask everyone to please refrain from any extraneous comments. We're sorry if you couldn't hear, and we'll make certain that we'll be a little bit better than that.

MS. CALVO-HAHN: The incentives also include the priority status for State capital and infrastructure programs, and other assistance provided in the bill. The amendments would also make these incentives available to municipalities outside the planning area, that lie within any county

with a municipality in the Highlands region, that establish voluntary receiving zones.

The amendments add a new Subsection M to Section 13, governing the imposition of impact fees. The amendments add three new sections that involve the creation of the Highlands Protection Fund, and credit the fund from the Realty Transfer Fee with \$20 million for the first 10 years and \$5 million per year thereafter. If these required moneys are not appropriated each year as provided, then the Realty Transfer Fee may not be imposed.

There are changes, proposed amendments, to Sections 51 and 52 in the amendment that change the appraisal process for State open space and farmland acquisitions, that would provide a process that it would apply statewide. In these sections, there is also an amendment to add Monmouth County to the list of southern counties. The proposed amendments include revising Sections 39 and 40 to allow the extension of water and sewer service to grandfathered projects.

In Section 28, which is the exemption section, the reconstruction exemption would now authorize building on 125 percent of existing impervious surface, as long as the impervious surface increases by no more than a quarter of an acre.

The exemption concerning improvements of places of worship, schools, and hospitals would be amended to allow for new building. There is an exemption for any lands of a Federal military installation existing on the date of enactment that lie within the Highlands region. There are also proposed amendments contained in the document distributed for Sections 3, 5, 6, 7, 35,

and 65. And there are also proposed technical corrections to Section 7, which is the metes and bounds description of the preservation area.

ASSEMBLYMAN McKEON: Thank you.

I just have a couple general comments to make. Again, they're going to be starting by way of thank-yous -- both partisan staff, staff out of the Governor's Office, individuals in our own staffs, as to all members of this Committee; and most certainly, the Office of Legislative Services have been no more -- or no less than heroic in their efforts and the time and incredible amount of energy and intelligence that they've brought to and participated in, through this entire process. And I really do appreciate, to all of you public servants, that great effort.

I add those comments and sentiments to the very hardworking Committee members that are here today. The amount of time and effort in reviewing, literally, hundreds of pages of not only primary bill, of the Highlands Commission report, of the amendments, of the answering of the questions, the e-mails, the countless hours that you gave listening very patiently to the public -- all of you to be commended for the time you've given, as well as the participation and the great commitment that you made in this evaluative process.

Six months or, now at this point, nine months ago, the Highlands Commission was empaneled by Governor McGreevey. It was bipartisan in nature. It included all of the stakeholders. That commission, for six months, went through an evaluative process of their own; included three public hearings and, again, took testimony from experts, individuals, and the like -- people within the region, outside of the region, really anyone that had even a passing

interest in this vital area of our state. They ended up with a report that really was the template of this legislation, who as a primary sponsor -- myself, along with Senator Smith on the Senate side -- used that to build off of to come up with what we thought was reasonable regulation to, really, encompass the need of all of the people of this state.

From that point forward, from mid-March to where we stand today, this is now the seventh meeting of this Committee. At five of those meetings, there were public hearings -- three of which took place out in the region that we've now defined as the Highlands. We took the testimony of over 500 witnesses. Beyond that, there literally were thousands of individuals who submitted maybe something as short as a two-sentence e-mail and as much as a 50-page dissertation relative to their opinions on all components and aspects of this bill. All of them were looked to. We engaged the expertise of the Department of Environmental Protection, Agriculture, Department of Community Affairs, Transportation, Labor, and the Attorney General's Office -- let alone senior staff out of the Governor's Office as well as both Houses, and all of the expertise that they brought to the table.

As we stand here today, we know at the current pace there's about 5,000 acres a year -- if the pace is any given template of what's happened within the Highlands, within the 130,000-plus acres that are left that are unpreserved -- that each year are developed. Ladies and gentlemen, that's 15 acres per day, every day that we sit by and continue to delay.

As I referenced at our Committee meeting a week ago -- and just going a little bit across the river to the American patriot Peter Muhlenberg, when he took off his cloak of a preacher and donned a military uniform underneath,

after many years of pre-Revolutionary time of attempting to cajole, he said, “Well, there’s a time for words, and then there’s a time for action.” We’ve come now to the time for action.

So it’s with that that I’ll accept the motion to release A-2635, as amended.

ASSEMBLYMAN ROONEY: Mr. Chairman, I have some questions on the bill.

ASSEMBLYMAN McKEON: I’ve asked for a motion, and I’ve recognized Vice Chairman Panter.

ASSEMBLYMAN PANTER: I make the motion.

ASSEMBLYMAN MANZO: I’ll second.

ASSEMBLYMAN McKEON: Moved and seconded.

Assemblyman Rooney, in your comments, which I’m going to, frankly, call on you first -- please, any questions that you might raise that might in some way affect your vote, then please feel free to do so. But there’s not going to be any further public testimony, no further questions. So we’re ready to vote. And I know you’ll vote your conscience, as I always do. You are not only the senior member of the Legislature, but someone for whom I have great respect regarding your environmental advocacy through your career. And with that, Assemblyman Rooney, if you’d like to be heard on the motion.

ASSEMBLYMAN ROONEY: Thank you, Mr. Chairman.

I have problems voting for this bill today. I think this is going much too quickly without answering a lot of questions. One of the questions that recently came up is in Section 28, and that’s one of the ones that was recently amended. That particular section, as regards to mines and quarries,

would probably put one of our economically sensitive areas in danger, and that's Saddle Mountain. That's been in question for quite a time. I've had some people from the Ringwood area contact me explaining that. And what I would have asked for was a clarification of that in the bill to make sure that Saddle Mountain is not included in that development, or a letter of legislative intent so that this Committee could actually express its intent by saying that we do not want to see Saddle Mountain developed. There's an ambiguity in the definition and the exemption for mining and quarrying operation. That was one of the first issues that I had to bring up.

The other issue is on the funding source. This is another reason why I have a problem. The Highlands Protection Fund will receive, for the first 10 years after this bill is enacted, \$20 million annually from the State share of the revenues from the Realty Transfer Fee. Twenty millions dollars annually is no way near the amount of money in order to acquire the lands that we're talking. We're talking 800,000 acres in the Highlands. If we take the southern New Jersey representatives' questions about the Pinelands and add that, we've got another 1.1 million acres. That's almost 2 million acres that we should be looking for money to acquire.

As of today, I've introduced two bills -- one is A-2880, and the other one is ACR-170. A-2880 deals with the tax way that we can acquire the funds necessary, by adding a tax on water. The ACR, the reason for that, is to dedicate this, this tax, so that this administration and no future administration can use this money for other than the acquisition and maintenance of these properties. The dedication would be another -- the other reason for it is to go to the public to find out if the public wants to be taxed in order to preserve this

land. I believe they do. And I think if you include the Pinelands in this issue, as well as the Highlands in the issue, you bring together the entire State of New Jersey in one common voice that says, "Yes, we want to preserve this land. We want clean drinking water, and we're willing to pay for it."

So these are the things that I would have brought up prior to this introduction of this bill. As I've said many times before, I have three bills in. Unfortunately, one of them has already been eliminated. A-1147 is my buffer bill. I'd had it in for about 11 years, since Governor Florio had the moratorium that said there shall be a moratorium until the buffers are established around our water supplies. A-1150 is a steep slope bill. Again, this is dealing with this particular issue. A-1152 was the right of first refusal for municipal, State, and county governments to at least get an opportunity to preserve this land.

So these are the kind of things that I would have brought into the picture, had I been in a leadership position on this. I have a real problem with voting for this bill today. I wish we could have done something.

I take note of your 15 acres a day to preserve. That doesn't have to be. We don't have to lose 15 acres a day. All the Governor has to do is -- an executive order saying, "Let's stop development until this process can be done properly." (applause) Let's do that. If the Governor has the kahonies (phonetic spelling) to do it, let him do it and say, "Yes, I'm in favor of preserving."

ASSEMBLYMAN McKEON: Is that a Latin term, sir? (laughter)

ASSEMBLYMAN ROONEY: This is going to take some time. This is not the answer. Believe me, I would like to be a part of this bill. But, Mr.

Chairman, as much as I respect you, I cannot respect what we're doing in this Committee today. And I will abstain.

Thank you.

ASSEMBLYMAN McKEON: Thank you, Assemblyman.

(applause)

Assemblyman Chatzidakis.

ASSEMBLYMAN CHATZIDAKIS: Yes, thank you, Mr. Chairman.

We've come together again today to discuss the Highlands Water Protection and Planning Act. I think we all can agree that the first part of that act -- the Highlands water protection -- everyone's in, pretty well, mutual agreement that we want to preserve that environmentally sensitive area for its water source, as well as the environment. Most of the debate has surrounded the second part, the planning act. Clearly, we're in the midst of changing rules in the middle of a process. And it's very important when we do something like this that we protect all the rights that people have had in the past, and who by planning for the future are afraid they're going to lose a lot of their equity.

We've heard discussions on the Pinelands issue. The Highlands issues have been around for a long time. That it has, depending on who you talk to -- going back to 100 years. But the meat of the planning act, which is -- most of this legislation is, I guess, maybe, has about a two-month life cycle so far, and we have in the backdrop the Pine Barrens, the Pinelands Preservation Act. And I think we have that as a blueprint of failure. It's important that we don't follow down the same path that we have for the last 25 years.

There have been some provisions made in here of eliminating some of the pitfalls of the Pinelands in reference to receiving areas, payment in lieu of taxes, subsidizing the lost revenue. They are steps in the right direction. And the fact that this bill has doubled in size by amendments means the fact that the Committee's been responsive, which is a positive sign. As we know, I consider it still a work in progress. But the fact that we're still discussing Pinelands equities 25 years later, it's important that we have an opportunity to help those people who have lost equity over the years, and have some minor attempts to alleviate some of those and provide some justice. But that has fallen way too short.

Two months? A lot will come a long way. Many amendments have been proposed. Obviously, this bill has gotten a lot better through the activity and interaction with the public and the numerous people, hundreds of people who have spoken, and it's a credit to the Chairmen of both Committees. And that's what democracy is -- we're here to listen and make things better.

However, we do have some opportunities to make this bill avoid some of the pitfalls of the Pinelands Act which we've had in the past. We have made some improvements. And unfortunately, at this time, I would have to abstain until perhaps some more permanent ways of establishing funding would be resolved in receiving and sending areas. Because I'm concerned that maybe the net build out could be even greater with this legislation, rather than it was before. So I would like to see some more protection for balances, for peoples' farm equity, land -- property equity, and things like that.

Thank you.

ASSEMBLYMAN McKEON: Thank you very much, Assemblyman.

Assemblyman Manzo.

ASSEMBLYMAN MANZO: Thank you, Mr. Chair.

Before I begin my remarks, I just want to extend my praise for the way you've stewarded this Committee from way back in January and February on up through this process. And every concern that has been raised by whatever group, by the amount of amendments that have been made in this bill, have been listened to and have been dealt with, with much regard.

The effort here and the process so much reminded me of a book I once read -- James Michener's *Centennial*. And those of you who have come to many of these hearings might do well to pick it up. What Michener does is, he virtually tells the story of our land from the time of Native Americans up through the creation of our nation, and all the conflicts that went with that -- the problem the Native Americans had when the pioneers came and they abused the land; the story of range wars; and then on up into the 1980s, the story of conservationists and developers. And what Michener summed up and concluded was that the Earth isn't something that you can take from without ever giving back. The Earth is something you need to protect every day of the year. A river is something you defend every inch of its course. And Michener reminded us that we have to look back to the past and get back to some basic principles if there's ever going to be any future that is worth having.

As I've said at some previous sessions, conservation bills ultimately and unfortunately come at a cost and a sacrifice to someone. But failing to conserve would subject us to far more dire consequences than if we had not.

Conservation and environmental protection must be viewed as fundamental as our constitutional and our civil rights. It must be rooted in our love of the land and our respect for one another, even at times as difficult as these. Sustaining an environment that is suitable for our existence must be paramount to all other concerns.

As Michener alluded to, supreme to the rights of development is our Earth's inherent, God-given right to preservation. There should be no celebration today, just reflection. For ultimately, when the pages of history do record who made the most sacrifice for the good of New Jersey and for the good of the Highlands, it will ultimately be the farmers, the builders, and the landowners of the region. Because they made the greatest sacrifice.

I know that's little consolation to them now. But in time, future generations and they, themselves, will come to appreciate this. The bottom line for all of us here today is this: The recognition of one basic fact. Despite all of our knowledge, no matter whatever our wealth, none of us can create a mountain landscape, build a thriving forest, nor craft a seashore. All that we can ever hope to do is preserve those that we already have. Today, like the characters in Michener's *Centennial*, we give back to the Earth.

I vote yes, Mr. Chairman. (applause)

ASSEMBLYMAN McKEON: Thank you. Thank you.

Assemblyman Gusciora.

ASSEMBLYMAN GUSCIORA: Thank you, Mr. Chair.

As we all know, after all the countless hours of hearings and testimony and the studies that have been conducted over decades, the Highlands consists of 800,000 acres, and it stretches across the state in a sash 1,250 square

miles, and includes seven counties and 88 municipalities. This process has been nothing less than a monumental feat.

Mr. Chair, you should be greatly congratulated for your sponsorship and your leadership, but most of all your vision. And in the very least, someone should name a hiking trail after you. (laughter)

ASSEMBLYMAN McKEON: There's a couple of other ideas -- and it's not hiking trails, I think. (laughter)

ASSEMBLYMAN GUSCIORA: And I'm also going to suggest the bishops -- if there's an issue to withhold communion on, this should be one of them.

The Highlands are truly the crown jewel of New Jersey's natural resources. One of the most basic foundations of human life is from water. As John F. Kennedy once observed: That, since human life originated in water, we have a natural affinity to protect its use. For too many decades, we have abused this stewardship by looking the other way as our waterways have become more polluted with industrial runoff, overdevelopment, and harmful discharges. Sadly, most rivers and streams in this state are contaminated to some degree.

Today we have an obligation to make penance and to make good with our stewardship to preserve, truly, the last frontier of open space in our state. By enacting the Highlands Water Protection and Planning Act, we'll protect for future generations a natural drinking water supply for half our state. The highlights of this bill will be to preserve a core area, and monitor and control growth in the remaining lands through regional planning.

While some criticize this as an erosion of home rule, this is how planning should be done in this state on a regional basis. It's high time we start

(sic) thinking of our own narrow, little interest and think of what is good for the region, what is good for the state, and what is good for future generations. But this bill, in a methodical way, lays out a compensation and incentive plan, as well as insurances that agriculture will be protected, that builders will benefit, that recreational activities will be preserved. But most importantly, there will be protection of our drinking water supply.

And as, once, some person wiser than me observed -- that we don't own the land, but we merely borrow it from future generations -- indeed, this is an historic act, and that will achieve the goals of preserving this land for future generations. I think we should seize the day. This is our opportunity.

And with that, I vote yes. (applause)

Thank you, Mr. Chair.

ASSEMBLYMAN McKEON: Thank you.

Again, I appreciate everybody's passion. You could hold your applause for me at the end, but if we can-- (laughter) But if we can keep that to a minimum, I'd appreciate it from both sides, who -- everybody is conducting themselves in a terrific way. And I appreciate that.

Assemblyman Gordon.

ASSEMBLYMAN GORDON: Thank you, Mr. Chairman.

And let me add my thanks for your skill in bringing us to where we are today. I would also like to turn to the words of John Kennedy, who once said, "It is our task and our time and in our generation to hand down undiminished, to those who come after us, the natural wealth and beauty which is ours."

Mr. Chairman, I believe that today we will be doing just that. There is no question that the Highlands is an unique region worthy of protection, and I believe this bill balances the local, regional, and statewide interests in the Highlands. After months of deliberation, we have reached a critical point. As you say, Mr. Chairman, "The time to act is now." This Committee has heard the concerns. We have received thousands of e-mails, hundreds of phone calls and faxes. The end result, in my judgment, addresses the key issues and concerns while also ensuring that our water will remain pure for generations to come. I believe that we now have a bill that is fair and equitable.

The Legislature has addressed controversial environmental issues before -- preserving the Pinelands, protecting the Meadowlands, guarding the Jersey shore, and now the Highlands. All required striking a balance between our need to promote economic growth and protecting the environment. For those who say that there will only be economic damages and hardships, I disagree. I witnessed firsthand, as the mayor of Fair Lawn, the high cost of cleaning a polluted water system. New Jersey has, to a great extent, a water-driven economy, making preservation of the Highlands vital not only to residents relying on its drinking water, but to businesses using water in their operations. I will remind those who take issue with this bill that there will be no demand for new homes without pure drinking water.

Protecting our water resources will save taxpayers billions in the future in cleanup costs, and promote economic growth in the Highlands and throughout the state. To those who say, "We need more time," I say, "If not now, when?" We cannot delay any longer. We can't afford to play politics. To

my Senate colleagues, I say it's time to reject business as usual in Trenton. We need action now.

Mr. Chairman, today, as stewards and custodians of the natural wealth and beauty of the Garden State, we take actions that will leave our children and our children's children a safer, cleaner, and better New Jersey. This is truly an historic moment.

And I will vote in support of this bill.

Thank you. (applause)

ASSEMBLYMAN McKEON: Thank you. Thank you very much, Assemblyman Gordon.

Assemblyman or Vice Chairman Panter.

ASSEMBLYMAN PANTER: Thank you, Mr. Chairman.

I'd also like to reiterate a few things that my colleagues have said, and also to congratulate and thank the public for the public input and the guidance that we've gotten from you throughout this process. I know that my colleagues have expressed many of my own thoughts very effectively, so I'll be fairly brief in my comments. But I think that I'm very proud, as a first-term Legislator, not only to have the ability to have deliberated and now to vote on a piece of legislation that I think is so important to the State of New Jersey, but also because this was an extraordinary process led by Chairman McKeon. As you heard mentioned here today, five public meetings; 35 hours of testimony from nearly 500 witnesses throughout the State of New Jersey. And I think that sort of input was key to formulating so many of the amendments and changes that we've actively discussed and now incorporated into the bill for our vote in Committee here today.

What struck me when we first started down this road was that everyone seemed to share the same objective. Certainly protecting the drinking water of 4 million New Jerseyans is something that we can be proud of for generations to come. But as Assemblyman Manzo mentioned, difficult decisions with respect to preservation inevitably involve very difficult decisions.

One concern that I have -- and I think much of this has been addressed throughout our process -- is that those communities, those homeowners, those persons doing business in the Highlands region, which house the precious resources we're protecting, are not adversely affected by this bill in a way that creates an undue burden on them for the benefit of everyone. And I think that our amendments have largely protected their interests.

I also think that maintaining the status quo with respect to affordable housing and making sure the communities within the region still need to meet their affordable housing obligations; some of the exemptions and grandfathering provisions that have addressed just what I mentioned -- which is not having unintended consequences on those living in the region -- and some of the legal and financial protections that have been built into the bill to make sure that that impact is not despaired on those who live in the Highlands region, have made this a much better bill than when we started. So, when you cut through the political spin and the inevitable differences of opinion with such a complex bill, I really feel, as Assemblyman Gordon mentioned, that if not now, when? If not us, who will protect this drinking water for 4 million New Jerseyans?

I think this is a bill we can be proud of for generations to come. I think that the full Legislature should consider this. And for that reason, I'm

proud to vote with my colleagues, yes, to move this bill from Committee.
(applause)

ASSEMBLYMAN McKEON: Thank you very much.

The final comments will belong to mine, as Chairperson. And I'd first like to turn to Assemblyman Chatzidakis and Assemblyman Rooney, and thank you for the measured way that you delivered your comments, and with the abstention. And I'll hold out hope that as the bill continues to be studied, that when it comes to the floor of the Legislature, that you and your colleagues from the other side of the aisle will join us in this historic effort.

If I was going to be partisan, Assemblyman Rooney, I could tease you, and the headline could be, "Republicans call for building moratorium," because--

ASSEMBLYMAN ROONEY: I have no problem with that. I sponsored that bill originally, Mr. Chairman. (laughter)

ASSEMBLYMAN McKEON: But I think that somewhat accentuates a point I want to make -- is that this isn't a moratorium, per se. And as a matter of fact, through our process, we've gone out of our way to try to be fair to those who've reasonably invested a lot of time and effort bringing forward certain applications for development that will, indeed, be grandfathered and be able to go forward in an environmentally responsible way.

There was some other comments that I think, hopefully, with your abstentions, that you can consider as we go forward with this process -- regarding the funding source, for example. The \$20 million is really just a target number. What this bill does is, it guarantees that, for the next 10 years, that there will be full funding for the matters that we would say would be funded.

And that's really separate and distinct from land acquisition, which I'll speak about in a minute, but really has to do with funding for the municipalities. Number one, \$47 an acre in watershed aid -- that understandably had to have been removed from the past budgets because of the extraordinary economic times that we found ourselves in. And now at that dollar value, that's guaranteed for the foreseeable future.

Also relative to tax appeals -- something that we took a lesson from in the Pinelands, relative to any community that's concerned with the new bill, that there will be tax appeals. And through the courts, the rateables will come down. Well, all those municipalities are going to be held harmless for that for the next five years, and then over the five years beyond that.

Finally, relative to the dollars concerning those municipalities -- whether it be in the planning area or in the core, that will have to spend money for attorneys and professional fees for planners, engineers, and otherwise, to comply -- those dollars will be there and will be guaranteed. Now, I say that that money is guaranteed, because the bill in the provision that we're voting on today has a poison pill. Simply meaning that the Realty Transfer Tax that's already in place generates about \$180 million a year to be used for a variety of revenue sources. Well, if at any time that money isn't earmarked for these purposes, then the whole Realty Transfer Tax goes away. So, regardless of who's governor, obviously, it will never make sense to do anything other than fully fund this bill. And today we've guaranteed that.

Now, relative to the resources concerning land acquisition when that's appropriate, let's clear up a few things. We certainly-- Within the core area, you're talking about 130,000 acres, give or take, that hasn't been

developed up to this point in time. But the bottom line is that not each and every one of those acres are to be earmarked to be developed in the future. A lot of them are owned through private sources that would never, ever consider developing them. Others are owned by municipal and governmental entities, some of which -- by the nature as to how they're currently situated on a mountain or otherwise -- could never be developed anyway.

With that having been said, with that amount of acres we're talking about being much less than even that number, we're talking about money from the Garden State Preservation Trust Fund that's earmarked at \$200 million per year. Now, that's not just for the Highlands. That's for the whole state. And we know, through the voters, that that \$200 million a year is not only there for this year, but for the next several years through 2009. And in addition, because of the voters -- us, we the people -- another 150 million, through the November ballot that was passed overwhelmingly by the people, is also available. So 350 million in this given year. So, again, that money is to be equitably distributed throughout the state, but we're talking about large amounts of money for the foreseeable future for the next five years that will be there. If my calculations are right, close to a billion dollars in actual money. Add to that, that it goes through the three permutations of farmland preservation and all the techniques that entity uses to make that money worth even more; Green Acres and all the techniques used through Green Acres, whether it be local funding or other tax incentives to make that money worth even more; and the money that's out there from places like the Audubon Society or the Morris Land Conservatory, or many, many other foundations who are involved in private land acquisition -- that billion dollars is worth even that much more. So the perception out there

that's there \$20 million to buy all this acreage is absolutely incorrect. There's beyond a billion dollars over the next five years that will be there when some of those acres will be in a position to be purchased and preserved now and forever, and at a value where those who own the land will get the value of today as opposed to after when the bill is passed and moved.

We mentioned the Pinelands, and it being a "blueprint" for failure. Well, we learned a lot from the Pinelands, one of which was some of the funding that we now just talked about that we're going to guarantee for those municipalities. But what we have to be certain is that there'll never be another Egg Harbor. The flawed aspect of the Pinelands legislation wasn't what the end result was in land preservation. It's been an extraordinary success and something that we can all be quite proud of. But it has to do with the mandatory receiving areas and the lack of financial support for those areas. This particular legislation, as it now is crafted, and even in the planning areas, has absolutely zero mandatory growth. That will be up to the good judgment of the people in the planning areas, if they determine that they want to accept incentives to grow where appropriate. As a matter of fact, to be fair, the Highlands Commission, just as a target, will look to the planning areas and hopefully find up to 4 percent that they'll believe that would be responsibly developed, and then have the financial incentives in place to compensate those communities if that is what they think is in their best interests, as those particular home-rule communities will go forward.

To the extent that the legislative intention is interpreted by things that are said today, as will be scribed (*sic*) and kept and used in the future if necessary, I might respectfully disagree that there's ambiguity in Section 28. But

I say now, relative to Saddle Mountain, as one of the sponsors of this bill and one of the drafters, I don't ever want to see anything interpreted in this bill to promulgate development on that particular mountain and environmental gem.

I just want to mention a couple things that I feel a little badly about, regarding the rhetoric that's gone on, particularly with respect to the demonization, on some level, of the development community. It shouldn't be. I live in a house that I wouldn't have been able to build on my own, that I'm sure was woods at one point in time, and people certainly do need a place to ultimately live. And the development community understands this. And we understand your value to us, and we understand how important it's going to be to partnership with you as leaders in that industry as we do go forward with the Smart Growth plan.

I also have a lot of empathy to those who are located and are tradesmen that had been planning on doing building, whether it be plumbers or carpenters, or you name it, any aspect of the trades in that particular region. I understand that you're worried about your families and your need to make a living. A couple things strike me. One is that I think, through Smart Growth -- as will be initiated not only through this legislation, but will be bolstered and fueled by this around the state with redevelopment and otherwise -- you'll have those opportunities to work.

The other component is, there is one number here that nobody can ignore. And that number is 25 billion. Twenty-five billion with a B. I think, give or take, our State annual budget, our whole budget, is about that amount -- 25, 27 billion, whatever it might be. We're talking about \$25 billion that will need to be expended within the next 25 years, and increasing over those years,

so it continues, to clean our water if we don't preserve the Highlands in the way that we're determining to do that. Those who are worried about jobs, those who are worried about the economy and investments, think of what that would do to the State of New Jersey. It would literally bankrupt us. It would literally take the quality of life of all of us, regardless of what we do for a living, and put New Jersey at the bottom of the list relative to a desirous place to live and to work and to thrive. We have no choice when it comes down to it, or we have nothing other than the choice that we're going toward, if we're going to act in any responsible way.

In conclusion, a bit of a metaphor for all of this. I've said many, many times that this isn't an issue that should be partisan. It isn't an issue that should be regional. It isn't an issue that should even come from your point of reference. And I use the five prior, former governors, and our current one -- as the six of them, just about a month ago, got together in an extraordinary meeting, for all six of them to avow their support for this Highlands legislation. Three of them Democrats, three Republicans -- they represented Camden County, Essex, the heart; Middlesex, Union, the west; and Somerset. All six of them were either revered or reviled by the environmentalist or the building community, if you will, depending upon each of whom is. And the proof -- relative to who they were, and each of them elected over the last, really, generation to represent all the people of the state -- that when it came down to it, they all gathered together understanding how important this is. Understanding that an economy that is so dependent upon water, understanding that half of our state relies directly on the Highlands for drinking water -- 200 municipalities directly -- the whole enormity of this issue, that it was important

enough for the six of them to gather together to lead us to where we need to be, and that's reasonable Highlands regulation.

So with that, ladies and gentlemen of this state and members of this Committee -- and again my thanks to all of you for your incredible efforts -- I believe the people's House has come up with a fair and balanced approach to Highlands regulation. And that it is with that -- and I make one other note. I've been with Senator Martin, Senator Smith, Senator Sweeney, Senator Adler, and Senator Codey, and I have no doubt of the sincerity of their commitment to work, just over the next several days, to absolutely fine-tune this bill to the point that all of them feel comfortable to the point of advancing this legislation. I believe in the sincerity of what they've said and how they feel. And I will predict that on Thursday we will have the Senate's support for this legislation, and we will again move forward to the extent of -- together, as the Senate and the people's House -- coming forward with the most comprehensive and important and historic piece of environmental legislation of this generation.

So it's with that, and with thanks to many, that I proudly vote yes.

(applause)

Thank you.

I appreciate the public more than you know.

Hey, I've got a buddy. If I don't say this, I'm in big trouble. He's someone that -- we were kids together. It happens to be we went in a different path. He joined the Republican party. I became a Democrat. He moved up to Morris County, and I stayed in Essex. But he's the mayor of Chester. His name is Benny Spinelli, and one of my life-long friends. And I'm so happy, notwithstanding our different paths, and hopefully symbolic of what we will

accomplish-- We've heard the eloquence of John Kennedy, the prose of Michener. I was thinking about a lot of different things that Teddy Roosevelt said. But something old Benny Spinelli, the mayor of Chester, had to say was that, "Future generations will not forgive, nor shall they forgive us if we fail in our mission." And we won't.

So we'll adjourn this Committee and look forward to Thursday, and Senator Smith and his Committee.

Thank you. (applause)

(MEETING CONCLUDED)