
Committee Meeting

of

SENATE ENVIRONMENT COMMITTEE ASSEMBLY ENVIRONMENT AND SOLID WASTE COMMITTEE

SENATE BILL No. 1

and

ASSEMBLY BILL No. 2635

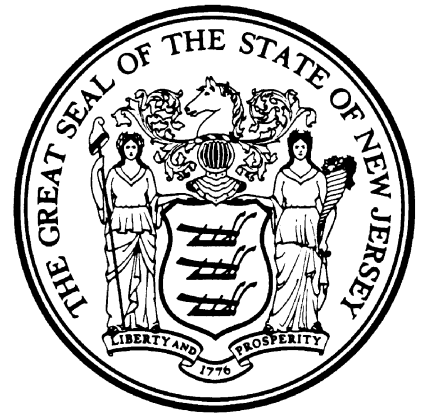
(The "Highlands Water Protection and Planning Act")

LOCATION: Committee Room 4
State House Annex
Trenton, New Jersey

DATE: April 22, 2004
10:00 a.m.

MEMBERS OF COMMITTEES PRESENT:

Senator Bob Smith, Co-Chair
Assemblyman John F. McKeon, Co-Chair
Senator Stephen M. Sweeney, Co-Vice Chair
Assemblyman Michael J. Panter, Co-Vice Chair
Senator John H. Adler
Senator Andrew R. Ciesla
Senator Henry P. McNamara
Assemblyman Robert M. Gordon
Assemblyman Reed Gusciora
Assemblyman Louis M. Manzo
Assemblyman Larry Chatzidakis
Assemblyman John E. Rooney
Assemblyman Alex DeCroce



ALSO PRESENT:

Judith L. Horowitz
Algis P. Matisoska
Carrie Anne Calvo-Hahn
Lucinda Tiajoloff
*Office of Legislative Services
Committee Aides*

Kevil Duhon
*Senate Majority
Committee Aide*
David Eber
*Assembly Majority
Committee Aide*

John Hutchison
*Senate Republican
Committee Aide*
Thea M. Sheridan
*Assembly Republican
Committee Aide*

Meeting Recorded and Transcribed by
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SENATOR BOB SMITH (Co-Chair): Good morning.

Welcome to the Joint Meeting of the Assembly Environment and Senate Environment Committees. This, I think, is our seventh or eighth hearing on the Highlands legislation. We sincerely appreciate all of the input that we have received from the public over the course of these hearings.

If you ask for a stenographic record of the testimony, we're now at somewhere between eight and 10 inches high of paper -- testimony from various witnesses and various groups. And we appreciate that, because it is going to help us to develop a better bill.

Today is the last day scheduled for testimony on the legislation. The bill is scheduled for release on May the 10th. Today's hearing is scheduled to run between -- it starts at 10:00-- And Chairman, we've agreed that it will end at 1:00? Is that correct?

ASSEMBLYMAN JOHN F. McKEON (Co-Chair): That's correct.

SENATOR SMITH: Witnesses will have a three-minute time limit, with some exceptions. We have the Secretary of Agriculture here, and he is certainly not limited to three minutes. With few exceptions, we would ask people who have testified at the prior hearings to give new people a chance to speak. So if you have spoken before, we would ask that you wait until later in the hearing to speak. In the event that we don't get to your testimony by 1:00, the record on this is going to continue to be open. We will appreciate any e-mails, letters, whatever you want to do. We're going to read everything that you send in and make sure that they're all considered.

Chairman McKeon, let me turn it over to you. I understand you'd like to do some preliminary work, as well.

ASSEMBLYMAN McKEON: Just very briefly, and thank you Mr. Chairman. I want to set forth to everyone the particular address where we'd like to get your further comments and written testimony from, as we continue our evaluative process. I think, as we go over the preliminary amendments, it will be clear that we've been paying much attention and listening to the input that's gone on over the last six-week period. That would be to the Senate Environment Committee or Assembly Environmental Committee and Solid Waste, State House Annex, P.O. Box 068, in Trenton, 08625. Again, to the Senate or Assembly Environmental Committee, State House Annex, P.O. Box 068. Please send us any testimony we won't get to today. We promise you to take it into due consideration as we move forward with this procedure.

I've also been asked to just read into the record, very briefly -- and I won't read the letter of support -- but to denote the following public officials have set forth their support for the bill as it's presently amended. That would include Freeholder of Passaic County, Lois Cuccinello. And that would include a great number of mayors, and briefly I'm going to read them into the record: Mayor Julia Allen, a Republican from Readington; Mayor Tom Byrne, a Democrat of Spring Lake; Mayor Gerald Calabrese, Cliffside Park, Bergen County; Mayor Jack Cimprich, a Republican of Upper Pittsgrove Township; Mayor Eskil "Skip" Danielson, of Byram Township; Mayor Dave Del Vecchio, of Lambertville; Mayor Steve Dilts, of Hampton; Mayor Robert Heffernan, of Tewksbury; Mayor Robert Hines, of Hackettstown; Mayor Mimi Letts, of Parsippany; Mayor Jeff Marshall, of Raritan; Mayor Tim McDonald (phonetic

spelling), of Hope; Mayor Ann McNamara, of Tinton Falls; Mayor John Murray, of Harding Township; Mayor Fred Pitofsky, of Closter; Mayor Ben Spinelli, of Chester; Mayor Eileen Swan, of Lebanon; Mayor Taule, of Ringwood; and Mayor Van Horn, of Knowlton, in Warren County.

There are also, and I'm not wanting to take up everybody's time, I just want to give the-- Well, there's a bunch of Deputy Mayors and about another 25 council representatives, all from within the Highlands core region, that have set forth their support for the legislation. There are also several pages of appointed officials within the region that have expressed their support, and they have asked us, collectively, to read those, as I have, into the record. This list will be available for the sake of the record on a going-forward basis.

Mr. Chairman.

SENATOR SMITH: Thank you, Chairman.

Some additional housekeeping work. The State Police have asked us to make the following announcements: Committee Rooms 3 and 6 are available with audio and video feed to provide extra seating, if there's anybody who didn't get a seat or is standing in the room. Please remain on this floor of the State House Annex today. This is because we have -- we don't want to disturb staff working in other parts of the building. Also, today is Take Our Daughters (*sic*) to Work day, and we have families and children on other floors of the building. So please show courtesy to others with business in the building. Therefore, there is food available for sale in Room 101, 103, just off the Main Lobby. Please only use the rest rooms on this floor, which are located on the main hall to the right of the lobby. And if everybody would please turn off their audible cell phones and pagers, that would be greatly appreciated.

ASSEMBLYMAN McKEON: One other thing, Chairman--

SENATOR SMITH: Yes, sir.

ASSEMBLYMAN McKEON: --relative to the -- certainly on the Assembly side, and I think you're holding to the same, concerning my colleagues that are members of this Committee and substitute members, including the Minority Leader. We're going to defer any questions, or our comments, until the conclusion of the hearing at 1:00. So I appreciate your continuing to do that. We're here to listen. We'll have ample opportunity, at the conclusion, to speak.

SENATOR SMITH: And lastly, before we begin taking testimony, after listening to the comments and concerns over these many, many hearings, we now have available 80 pages of amendments, based on the comments made by you, the public, about the bill. And we're going to have a brief description of the amendments read into the record. And also, because it was 80 pages, I'm sure it was very large for a lot of people. They were only released yesterday. I believe it would be very hard for people to digest what those amendments contain. So we're going to help that process.

Ms. Horowitz, if you would, would you let the public know what is contained in the amendments. The 80 pages, by the way, are available on the same Web Site, and they're available down here if you want to take a look at them.

Ms. Horowitz.

MS. HOROWITZ (Senate Committee Aide): The amendments include a boundary description, which is a Metes and Bounds description of the preservation area map revisions. Andover Borough, Andover Township, and

Lafayette Township would be excluded from the Highlands region. Bedminster would be added to the Highlands region. The preservation area does not include town and regional centers designated pursuant to the State plan.

Prioritizing acquisitions: The Highlands Water Protection and Planning Council would make recommendations to the DEP concerning prioritizing the acquisition of land in the preservation area, especially lands that have declined substantially in value due to the implementation of the legislation. The council would make similar recommendations concerning farmland to the State Agriculture Development Committee.

Open Space funding: There is an expressed statement in Section 29 that the provisions of the legislation would not change the formulas or procedures currently used to prioritize properties for preservation under the Green Acres and Farmland Preservation Programs. The amendments would also require that departmental guidelines with State Open Space acquisitions be designed to provide that moneys are equitably spent among the geographic areas of the state.

The membership of the council: No more than four of the eight elected officials appointed to the council would be from the same political party. The five municipal officials would be required to be Highlands region residents. Two of the eight county residents appointed by the Governor would be residents of the county with the largest population in the Highlands region. Two of the seven residents of the state appointed by the Governor to the council would be recommended by the Legislature -- one by the Senate President and one by the Speaker of the General Assembly. Four of the seven residents of the state appointed by the Governor would be residents of the Highlands or

stakeholders in some way. And members of the council, to the maximum extent practicable, would have expertise, knowledge, or experience in water quality protection, natural resources protection, environmental protection, agriculture, land use, or economic development.

Two goals would be added to the goals of the Highlands regional master plan: One to promote a sound, balanced transportation system in the planning area that is consistent with Smart Growth and preserves mobility in the Highlands region. And two, to preserve recreational hunting and fishing opportunities on publicly owned land in both the preservation area and the planning area.

Watershed moratorium aid would be increased to \$40 per acre from the \$35 per acre as provided in the bill as introduced.

Property tax stabilization aid: The process for municipalities in the preservation area to be compensated for lost tax revenues directly attributable to this legislation is clarified and expanded, and is based on a system used for property tax stabilization in the Highlands in the '80s.

The new system in the amendments would entitle municipalities to State aid payments to provide compensation for the decline in taxes on vacant land due to successful tax appeals reassessments or reevaluations. The tax stabilization payments would be made to the municipalities by the State Treasurer in two annual installments for 10 years. For the first five years, municipalities would be compensated for 100 percent of lost revenues; and in the second five years, compensation would be 90 percent; and in the sixth year, 70 percent; in the seventh year, 50 percent; in the eighth year, 30 percent, and the ninth year; and 10 percent in the 10th and final year.

The amendments change the definition of major development, which would be defined as any nonresidential development in the preservation area; and any residential development in the preservation area that requires an environmental land use for water permits or that results in the ultimate disturbance of one acre or more of land, or an increase in impervious surface by a quarter acre or more. Three, any activity in the preservation area that is not a development under the MLUL, but results in the ultimate disturbance of one-quarter acre or more of forested area, or that results in an increase in impervious surface by a quarter acre or more on a lot; or any capital or other project of a State entity or local government unit in the preservation area that requires an environmental land use or water permit, or that results in the ultimate disturbance of an acre or more of land or increase in impervious surface by a quarter acre or more.

The bill provides some express exemptions from council review and DEP permitting. For single family homes, construction of a single-family dwelling on a lot owned by a person on the date of enactment would be exempt. Also, the construction of a single-family dwelling on a lot in existence on the date of enactment would be exempt from the act, if the construction does not result in the ultimate disturbance of an acre or more of land or an increase in impervious surface by one-quarter acre or more. Any improvement to a single-family home existing on the date of enactment would be exempt from the act. Improvements would include additions, garages, sheds, driveways, porches, decks, patios, swimming pools, or septic systems.

Reconstruction -- the exemption for reconstruction -- the owner of any building or structure, whether residential, commercial, or industrial, would

be entitled to reconstruct the building, or structure, for any reason within the same footprint as the original structure and the other disturbed areas. Any improvement to a public or private school, place of worship, or hospital in existence on the date of enactment would also be exempt. Any activity conducted in accordance with an approved woodland management plan or the normal harvesting of forest products in accordance with an approved forest management plan would be exempt from the act.

Routine maintenance projects: State, county, and municipal transportation and infrastructure system projects involving routine maintenance or rehabilitation of existing infrastructure would be exempt from the act. Routine maintenance by public utilities would be exempt from DEP, Highlands approval, or permitting review. Construction of public infrastructure project or capital project approved by public referendum prior to January 1, 2005, would be exempt from the act.

Quarries: Mining and quarrying at a mine, mine site, or approved mine site construction materials facility existing on the date of enactment would be exempt from the act.

Transfer of development rights: The amendments would provide that participation in the transfer of development rights program for the Highlands region would be clarified as voluntary and consistent with the new State Transfer of Development Rights Act. The amendments provide more time and assistance for towns. Municipalities in the preservation area would have more time, between nine and 15 months, to submit the required revisions to their master plans and development ordinances to the Highlands Water

Protection and Planning Council. The cost of making these revisions would be reimbursable by the Council.

Municipal conformance with regional master plan: The amendments clarify that conformance is voluntary for any municipality or county located wholly within the planning area. If a municipality or county were located partially within the preservation area and partially within the planning area, only the portion of the municipality or county lying within the preservation area would be required to conform to the regional master plan.

The legislation as introduced had allowed for the negation of preliminary and final municipal land-use law approvals of major development that were inconsistent with the Highlands regional master plan. This provision has been removed from the legislation. These approvals would be subject to the provisions of the existing State municipal land-use law and the rights and recourse provided under law.

Right of first refusal: That provision has been deleted from the amendments. There will be no provision establishing the State's right of first refusal. Section 26 of the bill, as introduced, has been removed.

Artificial water bodies: Artificial bodies of surface water would not be included in the definition of Highlands open waters or waters of the Highlands, unless they are used for public water supply or public recreation and are publicly owned, or unless they are one acre or more in area.

Legal shield: The Highlands Water Protection and Planning Council, instead of the Attorney General, would be required to provide legal representation to a local government unit, pursuant to the provisions of this section. The subject of the cause of action would have to be an application for

development that provides for the ultimate disturbance of two acres or more of land, or an increase in impervious surface by one acre or more, in addition to the council approvals and determinations described in the section. The council would hire its own attorneys to represent the municipalities.

Thirty-day review: The Highlands Water Protection and Planning Council would be required to process any reviews of State, county, or municipal capital projects, and other projects that are not exempt from council review, within 30 days of their submission. The council would be required to submit a copy of the Highlands Regional Master Plan and any revisions, and its annual report to each of the counties and municipalities in the Highlands region. The council would develop a road signage program to note the natural historic resources of the Highlands.

SENATOR SMITH: Thank you. Thank you, Ms. Horowitz.

The full text of the amendments are available on the Web site *www.senatorbobsmith.org*. We've set that Web site up so that people can get rapid dissemination of information. And I'm happy to tell you that we've had over 100,000 contacts on that Web site from people seeking information about the Highlands. The new information will be on there as well -- and we hope that people will review it -- and any comments that you all make today that you get into us before May the 10th.

At this time, we'd like to call Secretary of Agriculture Kuperus to come forward. Is the Secretary here?

While the Secretary is coming up, there is available for distribution -- I don't know if it's been distributed -- a summary of the proposed agricultural

amendments. Who has them? I know we do. Do we have them available to the audience? Yes, okay.

Mr. Chairman.

ASSEMBLYMAN McKEON: Just as has been our procedure, Assemblywoman Myers is on deck.

CHARLES M. KUPERUS: Thank you, Mr. Chairmen -- Chairman Smith and Chairman McKeon. I really appreciate the time that you're giving me this morning to come to speak to the Committee.

As you know, if I can give you a small glimpse of agriculture in the Highlands -- the Highlands of approximately 800,000 acres -- there's 135,000 acres or 36,000 acres, dedicated to agriculture in the Highlands. And of that, 35,000 acres are in the preservation area. So agriculture is a significant land user of the Highlands region. And so it's important that agriculture's concerns are addressed.

I want to say that we've been watching the public hearing process that you've been conducting, and there's many farmers have come up, and landowners have come up, and spoken about specific issues that they have and want to see addressed in this bill. And I have to say that, Senator and your colleagues around the table, here, have listened. We're very pleased to say that we've come a long ways in addressing some of the agricultural issues that are out there, and we really look forward, as the Department of Agriculture, to working with you in the final iterations of this draft.

Agriculture in the Highlands is made up of a very, very diverse agriculture -- from the pick-your-own operations to the Melick's peaches, the Alstead pumpkin picking place, Ashley's Turkey Farm, and a number of

different types of agriculture in the Highlands. It's different than maybe the Pinelands region where you may have blueberries and cranberries -- be it a primary agriculture for a significant part of the region. But in the Highlands, we make -- is made up of very, very small farms, and large farms as well, going from horticulture all the way to fruit and vegetable production, as well as grain and dairy.

So I'm here to say how pleased I am with the progress that we've made so far with respect to defining agriculture and understanding its needs and its special needs of -- in the Highlands. And I think that, if I can say very clearly, that you've heard Governor McGreevey say in his State of the State Address that we want to preserve 20,000 acres of farmland a year. And we've done that last year, and we've proudly acknowledge that, and we're committed to doing that again this year. But understanding that is only a part of the equation -- is critical to us in the Department of Agriculture, as well as the agricultural community. It's preserving that landscape -- is important, but keeping the farmer on the land is really of utmost concern to us. Because it's the agricultural working landscape that complements the contiguous forests, the watershed lands, those communities in the Highlands, as well as making sure they contribute food and agricultural products to our communities. The flowers and things that we buy, much of that is produced in the Highlands region of the state now.

Having said that, Mr. Chairman, I'd be happy to answer any questions that you may have, or any of your Committee members may have. But we're very pleased about the progress that we've made so far and look forward to working with you with respect to that.

SENATOR SMITH: Mr. Secretary, if you would, could you give us a brief description of the Ag amendments that we're talking about?

SECRETARY KUPERUS: Okay.

Well, some were acknowledged a little moment ago. The right of first refusal was a very large issue for the agriculture community. And that being deleted from the bill is very, very important. Right to farm -- acknowledging right to farm in this legislation and its independence of this act is very important to us as well. Making sure that we define agricultural development, agricultural use, farm conservation plan, as well as farm management unit, impervious cover, resource management plan -- all those definitions are very important. And in fact, in your packets at your table, and we have some extras here, there is actually a booklet defining and describing what a conservation plan is. But defining it -- and we've used definitions, and you've accepted some of those definitions, that already exist in the Right To Farm Act and the Pinelands legislation, and other areas that we have agricultural definitions. We're using existing definitions, sometimes tailored a bit to meet the needs of this area.

The application for agricultural development is going to put the farm in a separate track. And a separate track is the conservation planning track. The conservation planning track is a more holistic approach to planning on farms. Farmers and landowners know what the conservation planning track is now. They've practiced it in many ways since the 1930s -- with the dust bowl era, they've been practicing conservation practices. But having a conservation plan includes looking at soil health, water quality, wildlife habitat, and having an individual plan on an individual farm. So it's very important that this is something that needs to be recognized, that's not a pass, but something that's

really going to help improve the landscape and actually help meet the goals of the whole act, with respect to making sure that we preserve those natural resources that we want to preserve in that region of the state.

The 300-foot buffer change is basically reflecting what the stormwater rules today, under DEP, already acknowledge; and agriculture, as a use, if it's close to a stream, will continue. It's only when it changes use that the 150-foot buffer comes in. And that's something that already is in place.

The other thing that needs to be noted, an equity protection, is a big issue for the farmers -- that we have, you have, and you're considering in this bill a date of January 1 of '04, or this year, as the start time for zoning and regulation. And that is the floor that we consider, and look at with a 10-year horizon -- recognizing that as planning goes forward, it's going to take some time to have all things fall in place. And it recognizes that things -- over the next 10 years, farmers that have some standing on their farm today, or landowners, can use that same standing in terms of the appraisal process for farmland preservation and for Green Acres purchases and others. And we think that in many ways, it recognizes what the GSPT had, or Garden State Preservation Trust, with the 1998 zoning, that is actually going to sunset this year. So this is setting a new time, including regulations and zoning, and going forward for a 10-year horizon. We believe that's a very fair approach to handling it.

Others in the farm community -- frankly, this is a very fluid document, and we'll see some comments from the agriculture community coming up. But you know one thing, we're going to work with the Committee. And as you have spoken many times, Mr. Chairmen, that you're willing to work

with agriculture. And I'm here to acknowledge that you've done that, and we're very grateful.

SENATOR SMITH: The only one I'd add that, and we did hear it several times in the hearings -- the definition of Highlands open waters will be amended to exclude farm ponds, which was an issue with a number of the farmers that came forward. And that's also as a proposed amendment -- correct, Mr. Secretary?

SECRETARY KUPERUS: Yes.

SENATOR SMITH: Thank you.

I guess the Secretary is available for questions if anybody has questions?

Yes, sir.

SENATOR SWEENEY: Mr. Secretary, I appreciate your acknowledging all the hard work this Committee has done to address the current concerns of the farming community. What's left to do?

SECRETARY KUPERUS: Well, we want you--

SENATOR SWEENEY: What outstanding issues -- if this was the perfect world, which we're trying to create here -- what's left to do for the farming community?

SECRETARY KUPERUS: If there's three things -- they'd all be on the funding track, if I can say that -- making sure there's resources there for acquisition in the PDR program. We're going to work with the public question resources from our last ballot question. And those resources, of course, as we've said during that process, there is going to be targeted resources to go to the Highlands. We expect that to be around \$30 million. Making sure there's a

viable TDR program that is consistent with the legislation that the Legislature passed, as well as the Governor signed a couple of weeks ago -- making sure there is a viable TDR program. Again, PDR is one thing, or purchase of development rights is one thing. Making sure there's a viable TDR program so there's economically sustainable credits that can be transferred within the Highlands will be something else to consider; and resources for conservation planning.

I didn't talk about this, but using the conservation planning track, it's a partnership with natural resource conservation service that really develops those plans on farms. And we actually contribute to that to help with the technical assistance and those plans on farms. But making sure that we have the resources so farmers can actually put those practices on their farms, whether it be manure storage, whether it be buffers along streams, and a number of other things--

But, Senator, you need to know, representing the southern part of the state, that this does not take away from the farmland preservation efforts that are happening statewide. We're committed to making sure that we do our due diligence working with counties, whether they be in any region of the State of New Jersey, making sure we preserve our farmland. We want to make sure we hit the Governor's goal of 20,000 acres. But most certainly, we want to be working with all the counties across the State of New Jersey to continue our farmland preservation efforts that have gone very well so far.

SENATOR SWEENEY: And one last thing, and I'll finish up. I would be very interested in -- get something in writing from you, through the Chair, to share with the Committee, and any additional needs or adjustments

that have to be done to make this right for the farming community, that's appropriate.

SECRETARY KUPERUS: Senator, we acknowledge that -- we will certainly work with you. I think that this is a demonstration of: Look at where we've come from, where it was initially. You listened. And we're willing to work with you, and I've made that commitment earlier.

SENATOR SWEENEY: All right.

Thank you.

SENATOR SMITH: We do believe, Mr. Secretary, though, the amendments that are on the table are pretty consistent with what you understand to be the needs of the farming community. Is that true?

SECRETARY KUPERUS: Yes.

SENATOR SMITH: All right.

I'm sorry. Senator Martin.

SENATOR ROBERT J. MARTIN: Thank you.

Mr. Commissioner, looking at your amendments -- and as you know, we chatted briefly before the Committee meeting -- this number 7, which I think you had indicated was really important that the regulation and zoning existing, as of January 1, 2004, will be used for appraisal comparison purposes for a period of 10 years. Could you just walk us through that a little bit, about how that would play out? Because I think this goes to that issue about farmers who testify, concerned about their so-called social security or, sort of, the protection that the increase in land would afford them. Will this provide that kind of assurance, or how do you see this, and why have you asked for this specific amendment?

SECRETARY KUPERUS: Well, I would take exception to the *so-called*. It is the underpinnings of a viable agriculture operation in terms of the collateral built up in the land, so equity is a very important issue for farmers. And this amendment sets a time and place, as did the GSPT when it was passed in 1998, if I recall correctly, with that five-year window talking about making sure that zoning -- any zoning changes were taken into consideration. That worked very well, frankly. And this year it sunsets. We've had appraisals come through that actually recognize the 1998 zoning, and it works.

It actually is an incentive for some landowners, actually, to participate in the program as well. But remember, I said earlier in my comments that the 10-year horizon gives a significant amount of time. As this regional entity prepares a plan, farmers will be participating in that. They can be rest assured that the farmland preservation, or other land acquisition for that matter, will recognize the zoning as it existed and the regulations as they existed, of January 1 of this year.

SENATOR MARTIN: Thank you.

ASSEMBLYMAN McKEON: Thank you.

Any of my colleagues on the Assembly side?

Assemblyman Manzo.

ASSEMBLYMAN MANZO: Yes.

ASSEMBLYMAN McKEON: I just would like, before Assemblyman Manzo questions, this is going to be the exception because of the Commissioner being here. There won't be any other questioning of witnesses.
Assemblyman.

ASSEMBLYMAN MANZO: Commissioner, there's nothing else as far as restrictions on existing farmers in this bill that you see that could create a problem?

SECRETARY KUPERUS: No. This addresses the issues of the agriculture community as the Chairmen have said earlier, and it does. There are issues as we look forward that we need to continue the dialogue on, but this is a demonstration of what-- Accepting these amendments is definitely a demonstration of acknowledging the needs of agriculture and making sure that agriculture, first, is a land use in the Highlands, as well as something that we want to see continue in the preservation area as well as the planning area in the Highlands.

ASSEMBLYMAN MANZO: And as I've heard your testimony, you are comfortable that there aren't any more trip wires in the bill that would affect farmland equity?

SECRETARY KUPERUS: This is a very fluid process. We may see some amendments that may need to have an agricultural perspective addressed, but other than that, no.

ASSEMBLYMAN MANZO: Thank you.

ASSEMBLYMAN McKEON: Commissioner, thank you. And I'm sorry for downgrading you from Commissioner to Secretary. I meant to say Secretary. I apologize.

Any other members? (no response)

SECRETARY KUPERUS: Thank you, Mr. Chairmen. We really appreciate the time you have given us this morning. I know you put me on first, and I recognize there are many more people that want to offer testimony today.

But we're grateful for the time that you've given me. We really want to continue working with you. We are proud to acknowledge that we've come this far, and look forward to the continued dialogue.

ASSEMBLYMAN McKEON: Assemblywoman Myers.

SENATOR SMITH: And Mayor Swan will be on deck.

ASSEMBLYWOMAN CONNIE MYERS: Thank you, Mr. Chairmen and members of the Committees.

Sitting with me are Freeholder representatives from Hunterdon and Warren Counties: Nancy Palladino, from Hunterdon, on my left; John DiMaio, from Warren, on my right. Freeholder boards have been extremely concerned about this legislation. And they, along with the majority of the 32 towns that I represent that are located in the Highlands in this proposal, have been adopting resolutions this week showing concern or outright opposing this bill.

I did read your amendments late last night and the Ag amendments this morning, and I'm certainly glad that you're working on the bill. I think we do need to continue to work on the bill. I especially appreciate the priority in the Garden State Preservation Trust for the Highlands. I think it's critical. But there's another provision in there that says we'll also give geographic equity, and I'm not sure what that means. And I don't know how much time you're going to allow me. I have a lot of questions, and I will be following up with the sponsors. But I would like to say following--

ASSEMBLYMAN McKEON: We're going to double the time. So, we're going to give you six minutes.

ASSEMBLYWOMAN MYERS: Oh, thank you. I can slow down a little bit. Thank you.

ASSEMBLYMAN McKEON: A little bit, yes.

ASSEMBLYWOMAN MYERS: I would like to say, following the Secretary of Agriculture, that 100,000 of the 132,000 acres of agricultural land in the Highlands lie in Hunterdon and Warren Counties, which is my district. So I read this bill as -- the biggest question is, will agriculture survive at all in northwestern New Jersey? And let me try to explain to you why I see that as the biggest question.

As a little bit of background, I ran for the Legislature because I was concerned about growth issues in Hunterdon and Warren Counties. I served six years on the Hunterdon County Planning Board before I was elected, and went through the State planning process with the municipal and county officials in my home county, and have been active in the State planning process for 15 years. So when I read this bill, many of my constituents were looking to it as an answer to the conflicts that we've had in the 23rd District, for the last 20 years, over growth. And they thought maybe it was the answer to their battle fatigue.

Many of the municipal officials have battle fatigue from trying to balance the rights of farmers and landowners with the rights of others who want to preserve the land. They have tried to work with the State and, at the same time, keep control of their zoning in their own municipality. They have -- almost all of them adopted open space taxes and have been actively preserving large swaths of land in their own municipalities with their own money. But then, as I looked further, and knowing what I do about TDR-- I was the first

Legislator to put in a TDR bill, when I came to the Legislature in 1996. And I ran thinking TDR might be the answer to the growth problems we have had. I found that it was not the answer. Because in my district, no one wants growth areas. It's pretty much across the board -- nobody wants growth areas. And so the State Planning Commission was constantly frustrated coming out to Hunterdon and Warren Counties, because whenever they tried to sell the Smart Growth concepts to my constituents, it fell flat, because no one wanted growth. So that's why in our district, voluntary TDR, which you're now talking about, is extremely important to us.

Looking at the map that was just released this week, in Warren County, 60,000 acres, for example, are in the Highlands -- 60,000 agricultural acres. Ten thousand of those acres are in the core or preservation areas. Fifty thousand acres, according to information I got from the Department of Agriculture, are in the planning areas. And as I understand TDR, the development credits from the preservation areas will be transferred into the planning areas. So, if that's the case, and the bill does say that development will be encouraged in the planning areas, we are looking at potentially losing 50,000 of the 60,000 acres of agriculture to development, because they're located in the planning areas and not the preservation areas.

I see you shaking your heads, and I really hope that I'm wrong about this.

SENATOR SMITH: You are. You're right. It's not mandated growth. That was the mistake of the Pinelands. There's no mandate that the planning area grow. So it's not being forced on any town. It would have to be a local decision by the local elected mayor or council.

ASSEMBLYWOMAN MYERS: Okay. As I read the bill, after the DEP puts in the environmental regulations, then the regional commission will draw up a master plan based on those regulations, and development will pretty much be prohibited in the preservation area. And if we're going to do TDR at all, if you're going to have a preservation area, you have to have growth area. And I see that the map balances the acreage -- it's about 350,000, give or take, for the planning area, and 350,000 for the preservation area. So it looks like it's all set up to trade these development credits. And I don't want to belabor the point, except to say: If that is not your intent, we need to work on the language in the bill, because it appears to me that that's what will happen.

And what I see happening is, if you don't do something about it, the builders will take this bill to court. And after it's signed, they'll take the issue to court, and the courts will determine that there have to be planning areas, and that that's where development will occur. So we are looking at losing most of our agricultural land to development, as I read this bill. And in the preservation area, I have been actively involved in the district trying to broker disputes between farmers and the DEP. The Green Acres program, through Fish and Wildlife, and the Parks Department have been purchasing large swaths of land, particularly in Warren County, and then leasing it to farmers. They can't get along. It's like the old days with the farmers and the ranchers out West. They cannot get along. The land is being abandoned. The Parks and the Wildlife Departments cannot keep it up--

ASSEMBLYMAN McKEON: Assemblywoman, I'd have to ask you to wrap it up. Thank you.

ASSEMBLYWOMAN MYERS: Okay.

--cannot keep it up; and the farmers can't meet the terms of the environmentalists, so that land is not being maintained or farmed. That's what happening in Warren County. It's only going to get worse in the preservation area with this bill.

I look forward to continuing to work with you to make it so that we don't lose all of the agriculture that currently exists in my district.

ASSEMBLYMAN McKEON: Thank you very much, Assemblywoman.

Mayor Swan.

Just one other note about the towns that are not in the core, in the preservation zone. There's motivation to ask them to opt in. So that would lead to preservation of the opposite effect.

Mayor Swan.

And on deck is my colleague, Assemblyman Pennacchio.

MAYOR EILEEN SWAN: Good morning, Legislators. Thank you very much for the opportunity to testify on the amendments to this bill.

I spent some time reading them and studying them. They are long and lengthy. But I do realize, having sat through many of the public hearings, that you are answering many of the concerns that have been raised. I commend you for the time and for the attention you have paid to the democratic process, which has allowed people to come to you with their concerns and the manner in which you have addressed many of them.

The outreach that has been conducted on this bill has been exemplary, particularly for municipalities -- the outreach to mayors of the various municipalities within the Highlands, and the sharing of the map in all

the stages so that municipalities could comment and have their input into this bill and into the amendments.

The amendments have certainly now made clear some of the items of concern. I'm glad to see things such as the notion that you couldn't put a porch on your house, which was never an intention, and I'm glad that it is now being clarified, that nobody could question that any more. The single-family dwelling, that you've now handled that as well, again in a clear manner, that I think will put away an awful lot of these fears that were not meant to be part of the recommendations and not really part of the bill. I commend all those.

I commend things such as the forest management plans, which will be allowed in this plan, that you recognize forest stewardship, because we all know what the woods do for the water quality and quantity in our Highlands areas. I'm glad that you're offering more time for the towns to come into compliance with the master plan, the property tax stabilization, the routine maintenance projects, and the conformity to the master plan having been clarified.

I was glad to hear Secretary Kuperus's comments this morning. I do believe that many of the questions, as regards the agriculture, have been answered. And as the county agricultural development board liaison for my town in the Highlands, I, too, work very hard for farm preservation and think that you've really answered their concerns.

And mandated growth -- I heard it brought up again this morning -- never part of the recommendations, never part of the bill, and I do believe that the opt-in provision answers that clearly. The work that's been done, that will go on being done -- I'm very grateful that you're doing it. I want to say to you,

once again, eye on the goal -- water protection. Everybody seems to have agreed on that one element, that we have to do this. We've got the studies -- action now. I'm grateful.

Thank you.

ASSEMBLYMAN McKEON: Thank you.

Assemblyman.

SENATOR SMITH: After -- the three-minute rule is in effect -- and after the Assemblyman, we have William Foelsch, New Jersey Recreation and Park Association, on deck.

ASSEMBLYMAN JOSEPH PENNACCHIO: Thank you, Mr. Chairmen, and fellow colleagues. I appreciate all the number of meetings that you have had. I've attended quite a number of them.

During a few of those meetings, there were torrential storms, and we saw hundreds and hundreds of people with very worried looks on their faces concerned about their life, concerned about their properties, and hopefully, I'm here to express just a few of those concerns. And I know that you are listening.

The bill, frankly, presupposes that the communities in the Highlands have not been good stewards of their land. And nothing could be farther from the truth. Morris County has a very aggressive open space policy, and many local Green Acres initiatives within the other communities supplement that, both in Morris and Passaic Counties, the counties in which my municipalities fall under.

It's been argued that, currently, we have a pristine area with very clean, healthy drinking water; and it's also been argued that we are the most congested state in the country. Well, that's true. Again, we still have clean,

healthy water, and we still have a pristine environment -- no doubt to the efforts within the communities of those people living in the Highlands.

The Secretary had mentioned that we should continue to dialogue. We should, but we shouldn't place second urgency on this bill that the dialogue is prematurely cut off, for the sake of getting the bill out in an expedient fashion. I would agree with the Secretary that we should continue to dialogue, but we must slow this process down to make sure that we get it right, not get it fast. A major concern, of course, is that there is no stable source of funding. There is no dedicated sources of funding. That funding, unless it's constitutionally dedicated, could be here today and gone tomorrow. We should identify the land, identify the course, and quite frankly, pay for it, instead of trying to grab land through regulatory annexation.

Quite frankly, the State has a poor record when it comes to watershed protection. West Milford, in my district, a few short years ago, was receiving \$2 million. This year they're receiving nothing in aid. The Lake Hopatcong Commission started out with \$3 million. The last I saw there was water in Lake Hopatcong. This year no money for Lake Hopatcong Commission. It was mentioned that the amendment will increase the watershed aid moratorium to \$40 from \$35. That's not quite true. The bill actually cuts watershed moratorium aid from \$68.50 to, now, \$40. So, again, the history of the State, when it comes to watershed aid and paying for it, is not very, very good.

My major concern, of course, is elimination of home rule. I believe that government closest to the people is the most responsive to the people. The further that government gets away from the people, whether it's to Trenton or

to Washington, D.C., the less responsive and the less accountable that government will be to the people. The Commission, although the amendments change it, will still be directed by a commission -- a head that will be appointed by the Governor. That chairman will dictate the flow and the ebb. It will dictate the agenda. And ultimately, the Governor will have veto power over anything that the commission does. So, quite frankly, that is a centralization of the power of this commission, which I think is wrong, because it's going away from the people.

The master plan--

ASSEMBLYMAN McKEON: Assemblyman, if you could wrap it for us, please.

ASSEMBLYMAN PENNACCHIO: If you could just indulge me for another minute or two.

ASSEMBLYMAN McKEON: We'll go with one minute. That's it.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Let him finish.

ASSEMBLYMAN McKEON: Excuse me, if there's any other outburst, we're going to ask that you be removed. It will not happen again.

Assemblyman, take your minute.

ASSEMBLYMAN PENNACCHIO: I will wrap it up very quickly. I learned to talk fast when I was growing up in Brooklyn, Mr. Chairman.

Okay. The master plan -- master plan -- we're asked to vote for a bill not knowing what the master plan will be. How about if there's things in that master plan that we don't like? Well, we're going to have to take it. Then, we're going to depend on the DEP to formulate the rules and the regs and the

fees -- and there will be fees -- and the fines -- and there will be fines -- to implement the master plan.

In closing, I believe that the conservation of land and the water it produces is still very, very important. Yet, the bill does not address water conservation. It's just as easy to save a gallon of water as it is to create a gallon of water. It doesn't provide for additional resources, i.e. reservoir capacity, nothing mentioned in the bill. Finally, we can and should encourage a regional development approach to our Highlands; but let the State help, not take over. Let the State put its money where its mouth is.

Thank you. (applause)

SENATOR SMITH: Mr. Foelsch, please.

And on deck is Lloyd Tubman, from NAIOP.

WILLIAM D. FOELSCH: Mr. Chairman, thank you very much for the opportunity to speak to you on this important legislation. I think the mayor said it the best -- let's keep our eye on the goal. We're almost there, and I think we can work through these amendments with great success to bring this to fruition.

We represent the New Jersey Recreation and Park Association public land managers, both the current and future managers of much of the preserved area in the Pinelands (*sic*), in the public sense. We support this, obviously, for its impact on preventive water quality degradation, halting fragmentation of critical habitats. And also, the fact that it will bring tax stabilization. And those amendments we support very heartedly. We also looked at this as an opportunity for additional tourism development, economic development in the Highlands. I believe the communities will be increasing

those 14 million visits to well over 20 million visits within the preservation areas.

We also would like to mention our support for the woodland management activities. The stewardship that goes on by our public agencies in the forests are very critical. We would like to be able to continue those.

We do have a couple of brief recommendations, and we will provide these to you today. We would like to consider, under Section 10, where you have amended to preserve hunting and fishing opportunities -- we would prefer that it would preserve public outdoor recreation activities including hunting and fishing on public lands.

We do have a couple of concerns: We look at the opportunity for the public to participate in outdoor recreation on these lands to be critical, a real significant return on their investment through the GSPT and their local taxes. We would like to suggest an exemption for public outdoor recreational facilities of less than 10 acres that are already delineated in municipal and county master plans, as they go forward. Generally, the legislation focused on small development. These are relatively small public recreational developments of less than 10 acres. We also would like to suggest an exemption of trails on publicly owned lands and on private lands where a recreation or conservation easement has been put in place. These would be trails that are constructed of impervious surfaces.

Also, under Section 30, that deals with the 300-foot buffer, we have similar concerns about public access to those resources that are protected by the 300-foot buffer. In numerous cases, the public recreational needs -- and also, we believe that environmental interpretive need comes forward here. So we

would like to continue to suggest an opportunity for the exemption of some limited disturbance on those lands in the proposed 300-foot buffer that would include trails, again nonpervious in construction, environmental interpretive facilities, so that we can teach our future generations the importance of preservation. And also, open water recreation-related activities -- fishing accesses and landings, launches, and the like.

Thank you very much. (applause)

ASSEMBLYMAN McKEON: Thank you, sir.

Mr. Tubman.

And next will be Amy Goldsmith.

Ms. Tubman. I apologize.

LLOYD H. TUBMAN, ESQ.: It happens frequently. I'm Lloyd Tubman, Counsel for the New Jersey Chapter of NAIOP, the National Association of Office and Industrial Park developers (*sic*). I have had an opportunity, albeit briefly, to look at the lengthy amendments to the Highlands bill, and would ask that the sponsors consider a balance. There is no address here for commercial development -- office, warehouse development, which in New Jersey is frequently located along major transportation routes where water and sewer infrastructure are available, or potentially available.

These amendments address the farming needs, the residential needs. But we need employment in New Jersey as well. One major omission, which has been addressed in the past in many of these bills, is protection for those projects, which under the municipal land-use law have preliminary site plan for subdivision approval. The problem is the permitting process in New Jersey. For office and warehouse development, the preliminary subdivision or site plan

approval may take one or two years. The infrastructure approvals, the DEP approvals -- particularly if you need a wastewater management plan amendment or a sewer plant upgrade or plant construction -- can take three and five and seven years.

This bill does not address the major infrastructure hurdles that your employment component of the economy requires. And I ask that the sponsors and the Committees spend -- give attention to the needs of the commercial sector of the economy. We're also concerned that, if this bill is adopted and becomes law, there is a bypass provision in the bill which allows DEP to set in place the entire set of rules without going through the New Jersey bulletin publication process -- an opportunity for public comment. This is unprecedented in New Jersey. The rules by which we should live should be available to the public. They should be addressed by the regulating community and be adopted only following that very public process.

NAIOP does support, on balance, preservation of our natural resources. We're willing to work with you. We have done so in the past in many instances, but ask that NAIOP and its members' concerns be addressed as they are not at all in the proposed amendments.

Thank you very much.

SENATOR SMITH: Thank you.

Amy Goldsmith is our next witness.

And Jarrod Grasso, from the New Jersey Association of Realtors, will be on deck.

Is Amy Goldsmith present?

AMY GOLDSMITH: You ready?

My name is Amy Goldsmith. I'm the State Director of the New Jersey Environmental Federation. I reside in Monmouth County and have worked with officials in Monmouth County to sign on in support of the Highlands, including many of my own council members and other mayors and environmental commissions. And that list will be provided for you in the near future.

There's two main points that I wanted to make at this time. We wanted to make sure that the -- as has been stated in the past, that there's no specific language about a moratorium on development. That has been clear in the bill, and we want to state again that we don't want a moratorium. But we also are very concerned about language that will grandfather, and various aspects that will, in essence, undermine the legislation and the good work that all of you have been doing so much. Things like the stormwater rules -- we want to make sure that while there are provisions under the stormwater rules that allow certain elements of grandfathering, obviously CAFRA doesn't apply in the Highlands. So there are certain things that would not even be applicable; and so you're limiting what does get included or not included in some grandfathering provisions. That's just one example, but we want to make sure that the integrity and the intent of the law is maintained and not compromised with grandfathering provisions that don't address the bill.

The other is that we believe that the land preservation initiatives and equity protections, we believe, are the strongest. And the exemptions -- as been taken care of in the amendments -- we're glad that they have been made so that it does clarify the concerns that people had in individual homes. There was never the intent, as Mayor Swan had indicated earlier. Again, our main

concern is about making sure, when we make grandfathering provisions, that we're careful and look at the whole picture as we keep making those kinds of choices as we go through.

Thank you very much.

SENATOR SMITH: Mr. Grasso.

And on deck is Nancy Carringer, Central Jersey Group, Sierra Club.

JARROD GRASSO: Mr. Chairmen, members of the Committee, my name is Jarrod Grasso. I'm Vice President of Government Affairs for the New Jersey Association of Realtors. Thank you for the opportunity to share the concerns of the 45,000 members of the Realtors Association on this historic piece of legislation.

We recognize and commend the sponsors of this legislation for their vision in protecting such a valuable natural resource for future generations of New Jerseyans. The Highlands is home to many natural resources: clean, mountain lakes; habitat for endangered species; pristine forest land; and most importantly, our drinking water. Clean, safe drinking water is essential for all New Jersey residents.

In its original form, this legislation raised major concerns about the impact on private property owners. We commend the bill's sponsors for listening to Realtors and the public by amending this legislation to allow private property owners to make decisions governing their own property.

Despite these amendments, the New Jersey Association of Realtors believes that there should be a greater balance between preservation and growth. Realtors don't advocate unfettered development, but we'd rather believe in

responsible growth where there's a balance between protecting the environment and planning for the people.

The New Jersey Association of Realtors has been very careful in crafting our comments on this legislation. However, NJAR is still concerned that this bill does not address the concern about affordable housing in New Jersey.

Making sure the residents of New Jersey can still achieve the American dream of home ownership is very important to us. Every day Realtors are on the road helping families find a home. I frequently get phone calls from the NJAR members asking, "What is the State doing to lower property taxes?" and "What are they doing to create more affordable housing?" This legislation does not address those questions.

The 2003 average price of a home in the counties impacted by this legislation is already overwhelming. In Morris County, the average price of a home is \$433,000; Hunterdon County, the average price of a home is \$386,000; Somerset County, the average price of a home is \$423,000. Yet, there has been no analysis of how this legislation will impact property values and home prices. We continually hear from your constituents that it is hard to find housing at an affordable cost. Will home owners in the preservation areas find themselves losing value on their property, while neighbors in the planning area see a dramatic increase in the value of the property?

New Jersey has been in the midst of an affordable housing crisis for some time. The landmark Mt. Laurel decision was supposed to ensure each community offers a range of the housing choices for people of all income levels. The Highlands Water Protection and Planning Act allows municipalities to shirk

their constitutional affordable housing responsibilities by providing a mechanism to adjust their affordable housing obligations. This practice will only further exacerbate the state's--

SENATOR SMITH: Can we ask you to sum up, sir. Sum up.

MR. GRASSO: Sure thing, Mr. Chairman.

--the state's affordable housing crisis.

I've submitted the rest of my testimony, obviously. I'd like to conclude with, as I've said before, Realtors sell the concept on a daily basis that New Jersey is a great state in which to live, work, and visit. We hope you can take the time to ensure that this law not only preserves our drinking water, but also provides for responsible growth and affordable housing opportunities.

Thank you. (applause)

ASSEMBLYMAN McKEON: Thank you very much, sir.

Nancy Carringer, please. Nancy Carringer.

There's a lot of people in the back room that are hearing this, so it may take a moment for her to get here.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Who was called?

ASSEMBLYMAN McKEON: Nancy Carringer of Central Jersey Group, Sierra Club. Here comes Ms. Carringer.

Robert Kirkpatrick is next. If he's in the rear room, maybe he could step up forward. Robert Kirkpatrick.

NANCY BEEKMAN - CARRINGER: It's hard to hear in the back.

ASSEMBLYMAN McKEON: Yes, I'm sure it is. And we apologize for that.

MS. BEEKMAN-CARRINGER: Good morning.

ASSEMBLYMAN McKEON: Good morning to you.

MS. BEEKMAN-CARRINGER: I appreciate the opportunity to speak in support of S-1, A-2635, and its proposed amendments. My name is Nancy Beekman-Carringer. I'm a retired school teacher who lives in South Brunswick Township, in southern Middlesex County, not far from where my father farmed 128 acres. He died as a farmer. His wife, my mother, was left with nowhere to go but to sell the farmland. That was before there was Green Acres, before there was farmland preservation. My mother had no alternative but to sell the land my family had farmed for generations, the land I grew up on. I share this background with you so that you will see I understand some of the concerns people have about the proposed legislation.

I know how farmers feel about their land. I understand the concerns of property owners who want what's best for their families. But I also see the larger picture. I see the need to have quality water available. My township's water supply in central New Jersey is served by the Highlands. I see the need for regional planning to preserve the quality of that water. I see the need to preserve the natural resources that ensure the quality of the water as well as the quantity.

We are in the 21st century. We are learning the population's demands often exceeds the amount of space available and the need to accommodate such growth. We are learning that our quality of life is threatened when we ignore the excesses that continued growth demands. We are learning

that we must pay attention to Mother Nature and her needs if our standard of living is to be maintained, let alone improved. We must be able to see not only what we have had in the past, but also what we need from the future. Many myths are being promoted -- I can't build a deck; I can't sell my property; there will be no place for my children to live in New Jersey.

Careful reading of this legislation and its amendments shows these myths are fiction, not fact. Some amendments are needed to clarify meanings and make and ensure necessary funding to complete full and fair implementation. The need to protect and preserve the Highlands has been recognized for many years. Three governors have commissioned studies. Now is the time to act.

S-1, A-2635 must be moved to action now. I believe this legislation will help all the residents of New Jersey preserve and protect the quality of life they value. The formation of preservation and planning council, which supersedes local pressures and which is able to see the forest as well as the trees, is vital to continued dynamics of life in New Jersey.

ASSEMBLYMAN McKEON: May I ask you to wrap up, please. Thank you.

MS. BEEKMAN-CARRINGER: Please pass this bill out of Committee and to the floor of the Senate and the Assembly for continued consideration. Please provide the financial support necessary. Please ensure that the rights of individuals are respected while the welfare of the majority is considered. Please act now.

Thank you for hearing my concerns.

ASSEMBLYMAN McKEON: Thank you very much.

Mr. Kirkpatrick, you're next.

And Kathy McGinnis. Kathy McGinnis, if you're in the back room -- Kathy McGinnis, you're on deck.

Mr. Kirkpatrick.

ROBERT KIRKPATRICK: Thank you, Mr. Chairman.

My name is Bob Kirkpatrick. I'm a licensed professional engineer, and I'm representing the New Jersey Society of Municipal Engineers and the American Council of Engineering Companies of New Jersey, ACEC.

The engineering profession's biggest concern is that when a project of any size is rushed, as this bill appears to be, and it is of the complexity that this bill consists of, that's when mistakes and errors are made, whether it's an engineering project or crafting careful legislation. We urge you to take your time, do what you're going to do, and get it right so that all of the nuances can be there for people to understand when the vote is taken.

I'm also Chairman of the Site Improvement Advisory Board and have had the opportunity to deal with the new DEP stormwater management rules. There are no grandfathering in the stormwater management rules. Those rules are in effect as of February of this year. RSIS is required to use them also. Those rules do what I think you're trying to do in the Highlands, and that is, to preserve the amount of water that gets back into the ground.

New Jersey streams and rivers have cleaned up significantly. The ocean is cleaner -- all of that even before the stormwater rules in February. So we must be doing something right.

The engineering community urges you to consider what's happening here, understand what 20 percent slopes is. That's an 11-degree rise from the

ground. Understand what 3 percent means in these regulations. I brought a prop to show you, but I wasn't allowed to bring it to the desk -- rules of the situation. The engineering community stands ready to provide you with their expertise for anyone who wishes to have comments about what's going on in your own districts, your own people, the companies that are in that area. Municipal engineers will be happy to provide you with technical assistance on any of the technical aspects of this bill. At least here, the pragmatic approach to the science that is being proposed, I believe that you're only getting it from the DEP.

I thank you for the time. I appreciate the opportunity to speak before you. I urge you to take your time and get this right.

Thank you. (applause)

ASSEMBLYMAN McKEON: Thank you, sir.

SENATOR SMITH: Kathy McGinnis is next.

And in the on-deck circle is Mr. Layton.

KATHY MCGINNIS: I'm not good at public speaking, so just bear with me. I have no agenda other than I'm the mother of two children. I'm a Ringwood resident. My husband is a teamster, but he stands with me 100 percent in support of this legislation.

I am grateful that we have State and local lawmakers that recognize the environmental significance of the Highlands region. Also, judging from past election results, it's obvious that the majority of New Jersey voters overwhelmingly support open space conservation.

I'm trembling -- I'm shaking.

Wealthy builders and developers, I think, have traditionally held the trump cards in our state. Small municipalities, like Ringwood, cannot afford lengthy zoning and COAH litigation. So we need the State to not only pass this legislation, but really back us up with this. We finally have the lawmakers, now we need the laws and the tools to enforce them.

Thank you. (applause)

ASSEMBLYMAN McKEON: Thank you very much.

Mr. Layton.

And on deck is Sandra Lawson. Sandra Lawson.

Mr. Layton, please.

UNIDENTIFIED SPEAKER FROM AUDIENCE: We can't hear back here.

ASSEMBLYMAN McKEON: I'm sorry, it's not the-- All right. We'll have somebody -- some techs try to help out, if we can get staff do that. I found a tech. Did that work better?

SENATOR SMITH: Try it again.

ASSEMBLYMAN McKEON: Any better?

UNIDENTIFIED SPEAKER FROM AUDIENCE: The wealthy builders can't hear. (laughter)

SENATOR SMITH: A little bit louder. Go ahead.

ASSEMBLYMAN McKEON: I'm sorry. The wealthy builders can't hear?

The speakers will do their best to be into the microphone, and we'll get someone from the technical staff to try to make it louder.

WILLIAM F. LAYTON: Hello, Mr. Chairman, members of the Committee. My name is Bill Layton, and I'm the Executive Director of the New Jersey Concrete and Aggregate Association. Currently, the association has 110 members, which represent over 15,000 employees in New Jersey. Our members, basically, provide the materials that are necessary to both build and rebuild roads, bridges, and the existing infrastructure of New Jersey.

Mr. Chairman and members of the Committee, we are here today to applaud your efforts and support them. To provide clean water and to ensure that future New Jerseyans have access to the natural resource of the Highlands is a worthwhile goal. In our opinion, the goal is heading in the right direction. And as the process moves forward, it is becoming clear that the bill is not intended to affect existing mineral resource and construction material facilities in the region, but to provide clean water.

Again, we would like to commend you on your efforts to work with the industry, thus providing businesses like ours the opportunity to ensure that no unintended consequences occur as a result of this legislation. Thank you for the time you have taken. We look forward to working with you as the process continues.

SENATOR SMITH: Thank you.

Sandra Lawson is next.

And after Sandra, Thomas Niederer, from the New Jersey Forestry Association.

Ms. Lawson.

SANDRA LAWSON: Good morning, members of the Committee and Chairman McKeon. Thank you to Senators Smith and Martin for sponsoring

Senate Bill S-1 and to you, Mr. Chairman, for sponsoring the Assembly version, A-2635, of the Highlands Water Protection and Planning Act. I live in the Borough of Wanaque, and I can tell you that this legislation has been a long-time coming. I heard a speaker earlier say that they're beleaguered from trying to make a balance. And I can tell you from the environmentalist perspective, we're beleaguered, also, trying to preserve water quality and quantity.

Currently, in Wanaque, there is an active-adult project that is included in your preservation area. And I'm sure that you're going to be pressured to remove it. The reason why I'm bringing this up is because it came into our town on the pretense of providing active-adult housing and some affordable housing. Out of the 755 units that are going to be built, only 10 are going to be affordable. And it is hard for me to listen to the developers talk about where will our families live when they are not providing affordable housing now. I would like to see that balance struck on their side.

Water quality and quantity to me is the number one objective of these bills. And I urge you to move on these, and to bring it to a vote, and pass this legislation. We need it.

Thank you. (applause)

ASSEMBLYMAN McKEON: Thank you very much.

Mr. Niederer.

And on deck is Tracy Carluccio. Tracy Carluccio.

Mr. Niederer, please.

THOMAS NIEDERER: Thank you, Mr. Chairman. I am the President of the New Jersey Forestry Association. Our members are private forest owners and professional foresters throughout the state. And the

Highlands 1,296 landowners -- representing over 66,000 acres of forests, being managed under approved stewardship plans -- are concerned here. These are privately owned water farms, where the value of the water provided every year can be over 100 times more valuable than the sustainable forest products. It is not by mistake that our forests produce clean water.

We thank the Committee for already addressing several of our most critical concerns. One, the exemption of State approved forestry activities in private forest land. And two, the elimination of the right of first refusal for real estate transactions. Of the remaining concerns, I would like to mention two. The zoning standard for appraisal purposes, under the Preservation Trust Fund Act, was November, 1998, and it sunsets this year. If we do not extend that zoning basis, there will be a dramatic disparity in appraisal values between those municipalities which have enacted large-lot down zoning and those that have not. A preceding speaker mentioned that freezing this zoning as of 1/1/04, for the next 10 years, would create a basis. I submit that that basis already would include this disparity I discussed. And we should look at extending the 1998, for fairness throughout the whole state, not just the Highlands region.

In addition, successful applications of TDR will all but be impossible in municipalities where the significant down zoning has taken place. The equities required by the TDR bill between the sending and receiving zones will not be achievable where there has been significant down zoning.

Our second request concerns the makeup of the Highlands Commission. Because the Highlands forests are so important in the water production, we urge that you stipulate that one of the members be a professional

forester who has had hands-on experience in the Highlands on private forest lands.

Thank you.

ASSEMBLYMAN McKEON: Thank you very much, sir.

That would be Ms. Carluccio.

And next would be Russell Walters, of the New Jersey Builders Association.

Welcome, Ms. Carluccio.

TRACY CARLUCCIO: Thank you.

I am Tracy Carluccio, Director of Special Projects for the Delaware Riverkeeper Network, and I reside in East Amwell Township in Hunterdon County. The Delaware Riverkeeper Network wholeheartedly supports the Highlands Act, and we consider the act an invaluable tool that can effectively be used by communities and the State to protect the irreplaceable environmental resources, water supply, and natural features of the Highlands.

As a citizens advocacy organization of over 6,500 members in the Delaware River watershed, we work with many communities to protect these resources from the pressures of development that threatens their future. And I can tell you that there is widespread support in these communities for this act. The streams that flow from the Highlands to the Delaware River are of specific interest to our organization. The tributaries that feed it define the Delaware River, and the streams of the Highlands are key tributaries, because of their high quality and intact ecosystems that help keep the streams clean and the resources functional.

The Delaware River, from the Highlands south, provides drinking water for 2.3 million people downstream on the Delaware River, and also feeds the Delaware and Raritan Canal supplying water to 500,000 central New Jersey residents. The quality of those drinking water supplies is dependent on high water quality upstream.

Portions of this part of the Delaware River were designated as a component of the Natural Wild and Scenic River System on November 1, 2000, by an act of the 106th Congress. As per 16USC1274a, the designated river segments are to be managed in accordance with the lower Delaware River management plan “which establishes goals and actions that will ensure long-term protection of the river’s outstanding values, and compatible management of land and water resources associated with the river.” Goal one of that plan is to maintain existing water quality in the Delaware River and its tributaries from measurably degrading, and improve it where practical. Among the policy set forth in that plan, the first is to achieve the highest practical State and Federal water quality designation for the river and its tributaries. The plan applies to the entire main stem, as defined in the plan, which includes all the waters from the Delaware Water Gap to the town of Washington Crossing, including tributaries. In order to fulfill the mandate of preserving and improving existing water quality of this stretch of the Delaware, the Highlands streams need special protection in a manner that cuts across conventional boundaries and is based on the physiographic characteristics of the contributing watershed. The Highlands Act provides a way to accomplish this.

In regards to the amendment to the Metes and Bounds section of the bill, we petition you to expand the preservation area to include the regions

that drain all tributaries that flow to the Delaware River, which include the Paulinskill, Delawana Creek, Pequest River, Lopatcong Creek, Pohatcong Creek, Musconetcong River, and Harihokake Creek; and their headwater streams and other smaller creeks that drain to the river.

SENATOR SMITH: Ma'am, can I ask you to sum up?

MS. CARLUCCIO: Wrapping up, these waterways and their associated water features, including springs, wetlands, and headwaters in their drainage areas, are endangered habitats that support at least 23 Federal and State listed threatened and endangered species.

We petition you in order to protect our fast-disappearing natural world -- and to protect the millions of people who rely on the water supplies of the Delaware River downstream and the DNR Canal -- to include in the preservation area all those tributaries that drain to the Delaware River, and to take fast action on this bill without watering it down.

SENATOR SMITH: Thanks, Ma'am. You can send in any additional comments.

MS. CARLUCCIO: Thank you.

SENATOR SMITH: Our next speaker is Russell Walters, New Jersey Builders Association.

And on deck, Mayor Julia Allen from Readington Township.

Mr. Walters.

RUSSELL L. WALTERS: Thank you, members of the Committee. I appreciate the opportunity to just take a minute and speak--

UNIDENTIFIED SPEAKER FROM AUDIENCE: Can't hear.

ASSEMBLYMAN McKEON: Just got to push the button to red.
(referring to PA microphone)

MR. WALTERS: I didn't ask to speak today, so I'm really not prepared. I'm a builder/member of the Builders Association, and I just want everybody to understand that we're all for clean water, and we'd just like the opportunity to be heard and to make it understood that we would just like the process to go a normal route instead of a fast-track route. And I would like to defer any more comments to some of the speakers of our organization who are better prepared to speak.

I do thank you for the opportunity.

Thank you.

ASSEMBLYMAN McKEON: Thank you. And we apologize, sir. We got a slip with your name saying that you wanted to speak. So we wouldn't have done that to you could like that. Someone might have just put it in for you.

MR. WALTERS: That's okay. That's fine. Thank you.

ASSEMBLYMAN McKEON: Mayor Allen.

And James Familant is next.

Mayor Julia Allen of Readington Township. Mayor Allen. I'm not seeing Mayor Allen walking in right now.

Mary Pavlini, P-A-L-V-I, looks like R-I, friends of Liberty Corner.

Thank you.

And James Familant is next.

If anybody sees Mayor Allen, just tell her to let us know she's here?

All right.

You're on double deck, Mayor. Just hang in with us.

MARY PAVLINI: Hello, Mr. Chairman and Committee members. I'm Mary Pavlini, and I'm a resident of Bernards Township. I want to thank Senator Smith and Senator (*sic*) McKeon for officiating the many, many public sessions to permit the residents of New Jersey intimate involvement in this paramount, environmental legislation process. This will permit New Jersey protection of their natural resources, specifically water. It is courageous and the correct direction in which to move.

I have reviewed S-1 and A-2635 and would like to comment on some issues for your consideration. First, I believe planning areas should be down zoned in the regional plan, hopefully permitting TDRs a reasonable chance of success. There is enough experience with TDRs to make a workable plan that can be implemented. Additionally, growth that is permitted in the planning areas should not be too intense. Clustering and lot-size averaging should be required in planning areas so that at least half of the planning area is preserved farmland and open space, and is set aside as a byproduct when the growth occurs.

Some forms of regional revenue sharing should be enacted to accommodate the fiscal needs of towns that will incur the cost of growth. This should be used to help pay for the planning areas' growth and ensure that it will not be a fiscal burden to the planning area municipalities. This may help encourage opting in to the regional plan, if towns do not have to compete for nonresidential growth against residential growth in the required planning areas. A fiscal impact study would probably be needed to determine the equitability distribution of revenue.

Dedicated Highlands, farmland, and open space preservation funds are needed as a sunset of the Garden State Trust Fund. This should be separate from the traditional farmlands and Green Acres funding, so the Highlands communities don't have to compete with non-Highlands municipalities for funding from existing farmland and open space preservation funds. Highlands communities should be permitted to continue to participate in the traditional State farmland and open space funding programs. The Highlands community should be given priority on environmental infrastructure trust funds.

An additional charge for excessive water consumption should be implemented. Water consumption (*sic*) could be encouraged on a year-round basis by requiring users of wastewater to pay more for the water they use or waste. Fees could be based on the number of occupants. An additional fee charge could be placed in the dedicated funds by the State and used to provide permanent tax relief for the communities in the Highlands region. The money could also be used to pay for bonds. It should be used for farmland and open space preservation in the Highlands region. Water conservation measures will help to ensure an adequate water supply, and will continue to be available for growth inside and outside the Highlands region.

I greatly appreciate your time and encourage you to move this legislation forward and deliberately.

Thank you.

ASSEMBLYMAN McKEON: Thank you.

Mr. Familant.

And Mayor, you're next.

JAMES FAMILANT: I'm sorry. I'm not really prepared to speak today, so I'd like to yield my time to somebody else.

ASSEMBLYMAN McKEON: Okay. That's all right. Everybody marks either in favor or opposed. And if you've noticed, we've been calling every other one.

So the next opposed we have is Richard Gardner.

UNIDENTIFIED SPEAKER FROM AUDIENCE: The gentleman just yielded his time to me.

ASSEMBLYMAN McKEON: Okay. Well, here's the deal. We'll allow you to-- Are you here opposed, sir?

UNIDENTIFIED SPEAKER FROM AUDIENCE: Yes, sir.

ASSEMBLYMAN McKEON: All right. We're going to let you testify. But they'll be no more yielding of time to others. We will call the names and that's who will testify.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Thank you very much.

ASSEMBLYMAN McKEON: You're welcome.

So please just identify your name and address for the record, and go forward.

JOHN AMENT: My name is John Ament.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Can't hear.

ASSEMBLYMAN McKEON: Have a seat and make sure the red button is activated. (referring to PA microphone) That way we could hear you.

MR. AMENT: Thank you.

Hi. My name is John Ament, and we are speaking about a lot of things today, but the one thing I haven't heard of is the economy. I know that these guys, back here, are worried about the economy, because they're going to lose their jobs. And how are they going to-- You talk about taxes. You talk about other things. These people do pay taxes, and they do have a horizontal movement through the economy that's going to be devastating to New Jersey.

I can also speak for these men and women back here that they're very proactive to the environment and everything else. But you take these people's money and our money out of the economy, 19 percent of this state is going to be annexed to the building industry, the working men, and working women of this state. It will bankrupt the state.

Thank you very much. (applause)

ASSEMBLYMAN McKEON: Mayor Allen.

And Richard Gardner is next. Richard Gardner.

MAYOR JULIA ALLEN: My name is Julia Allen. I'm Mayor of Readington Township in Hunterdon County. We're Hunterdon County's largest municipality, making up 10 percent of its land mass. Readington Township Committee has passed a resolution in full support of the Highlands Protection Act.

I want to say, from my experience of many years in politics, that the New Jersey voters want their representatives to work with them to protect the natural resources of the state. We need to keep New Jersey liveable for future generations. And the way to do that is to protect the natural resources. And that, in turn, will keep the economy of New Jersey strong.

Readington Township changed its zoning in 1998 from a three-acre gross density, over 50 percent, to a six-acre gross density. The result in five years time is, our land values have more than doubled. In support of one of your amendments, we've taken full advantage in our township of the equity protection measure in the Garden State Preservation Trust, that allowed the appraisals for preservation to reflect the zoning as of November '98. This has been very important to our success in land preservation. And it will be the equity protection measures in this Highlands bill -- will be very important, not just to the farmers and to the landowners, but also to those that are working with the landowners to preserve their land. It's a very important measure, and I support it.

I'm also a farmer with 120 acres, and I want to tell you that times are different for farmers, but the preservation program in the State of New Jersey has worked excellent. And over the years that it's been, it has provided the equity protection that the farmers need, and it will continue to in the Highlands.

To quote one of the earlier mayors, I want to urge you to keep your eye on the goal -- that's to protect the land, the water, and the resources. Please take action now, and I am also very grateful for your efforts.

Thank you. (applause)

SENATOR SMITH: Thank you, Mayor.

Our next speaker will be Richard Gardner, Warren County Freeholder Director.

After that will be Harold Rapp, from the Central Jersey Group, Sierra Club.

Mr. Freeholder Director, we're not going to let you testify unless you introduce your daughter.

RICHARD GARDNER: So I take it you must hear from my daughter first. I'm pleased to have my daughter. She represents the sixth generation of my family, hopefully, to continue in agriculture. It was Bring Your Child to Work (*sic*) day, and so she said, "I want to see the State House," and so I said, okay.

I'm very much in favor of environmental issues. Thirteen years ago, sitting on our township planning board, we deliberated for nearly a lengthy period of time of two years, and I was for changing our zoning from 1.5 to 5 acres. And consequently, I think it helped to stabilize our community. But it was with full deliberation, full public participation that we did that. I think the magnitude of this legislation package deserves the same accord.

I want to say that, in more than 60 years, my family has not subdivided one lot off our property. And we've done that at financial constraints, as well as many other constraints. I intend to live there for the rest of my life and farm until I cease to exist. And hopefully, I can aid my daughter, and she'll hire me at some point.

Yesterday, on 101.5, to paraphrase Jim Gerhardt, he stated, "The State wants the land, they should pay for it." And I think that is exactly true. But yet, I have to admit, I have not seen the amendments. And I think there should be a water user fee. And if it's constructed in the proper manner over a period of time, I think that can bring up enough money, perhaps, to aid in the purchase of the properties right now.

The problem in agriculture -- we have many farmers who are nearing 59, 60 years of age. So I don't need to tell you we're at a crunch time. We're going to lose farmers in the next few years. And we need to develop -- and I've stated it with the Secretary of Agriculture -- a farmer-to-farm connection. I will gladly help him -- hours of my time -- to develop a program so that we keep agriculture in place and we make sure it's a viable business that adds to the gross domestic product of the State of New Jersey. That's absolutely essential.

One of the issues that I do find troubling with the legislation -- it doesn't seem to address water conservation measures, from what I've read. And as Co-Chairman also, on my different venue, as Co-Chairman of the Garden State Grazing Coalition, myself and members have worked in the past four years on (indiscernible)-- We've hired a (indiscernible) state grazing specialist, and we're working diligently on conservation measures that will aid in addressing water recharge. So I think a collaborative effort between different agencies will really help in our most precious resource.

I sincerely hope that the Legislators have looked at success stories such as New York State Water Authorities, particularly in the Catskills, where they did not usurp municipal authorities. And I think it's very fundamental to our democratic process.

And I just want to say, in final here, that I hope that the Legislature does not act too quickly, and ultimately promulgate legislation too quickly, that does not cover the entirety of all aspects that are to the best benefit of everyone. And I believe that, ultimately, that TDRs can work, but we must have willing towns and willing receivers for that.

Thank you very much for allowing me the time to be heard.
(applause)

ASSEMBLYMAN McKEON: Thank you, sir.

Harold Rapp, please.

While we're waiting for Mr. Rapp, John Wilcock III is next.

If we call someone who got errantly signed up and doesn't want to speak, when I call you on deck, if you can somehow let us know that, we'll get someone else lined up.

Mr. Rapp, and then Mr. Wilcock.

H A R O L D R A P P: My name is Harold Rapp. I'm a resident of Ewing, New Jersey. I noticed these nice clean t-shirts in the audience that state "Where will the families live," as if to purport that they're doing something to provide housing for the homeless. Actually, the builders are being incredibly disingenuous, because they say that this regulation would undermine the construction of affordable housing. Of the more than 600,000 housing units built in the past decade, less than 5 percent have been affordable.

For example, the 1,200-unit Bald Eagle Manor in West Milford includes 1,186 market rate and just 14 affordable units. Now, they also say that this process is moving too fast. Well, this is just an excuse to prevent the bill from moving forward. Over the past 15 years, the Highlands have been studied by the U.S. Forest Service twice, the State Planning Commission, the Skylands Task Force, Highlands Working Group, and private entities. Three governors -- Kean, Florio, and McGreevey -- appointed panels on the issue. Governor McGreevey's Highlands Task Force deliberated for six months, held three public hearings, heard from hundreds of New Jersey citizens, local officials

and experts -- the bill has bipartisan legislative, county, and municipal support. The Senate and Assembly Environmental Committees are currently in the midst of six public hearings on the bill, as just the first of six hurdles the act must clear before reaching the Governor's desk.

I think there's enough of studying. It's time to act. And I thank you very much. (applause)

SENATOR SMITH: Our next witness is John Wilcock. Mr. Wilcock.

And after Mr. Wilcock is Renée Alessio.

JOHN WILCOCK III: Ladies and gentlemen, I thank you.

I'm a farmer from Sussex County. I've got 70 acres up there.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Can't hear.

ASSEMBLYMAN McKEON: Just move it closer to you, sir. (referring to PA microphone)

MR. WILCOCK: I'm a farmer from Sussex County. I have a 70-acre piece up there that I work -- I bought for my retirement. I have worked it since '84. And my question to you now is, what do we do now? Okay. I'm getting at the age of 58 years old and getting to the point where I'm going to stop farming pretty soon. You say the money is going to be saved for us to preserve our land, that kind of thing. Where do we get it? How do we do it? And where do we go from here? I mean, all these provisions, and who's funding this program? What do I do? Do I go to my town? Do I call the State? Who do we call to help us out in this situation as a farmer?

We've now had our lands, by passing this bill, which is needed -- I agree. By passing this bill, we're saying, "Your land is not worth anything any

longer, sir.” We can’t build it. We can’t sell it off to developers. Sell it to farm preservation, you get a fraction of what it’s worth. The house that we have on the land, if somebody wanted to buy my place, they’d want to put an addition on it, which means they can’t do that any longer. A 70-acre piece with a two-bedroom house isn’t going to sell very well. What’s my alternatives? That’s what my question is to this Committee. And who’s funding it? And who do we go to -- the farmers?

At this time, like I said -- the other gentleman said -- all us farmers are getting older. We’re at that point where, how much longer are we going to work? So I’m open to any help I can get or any suggestions from anyone.

Thank you for your time. (applause)

ASSEMBLYMAN McKEON: Thank you, sir.

SENATOR SMITH: Is Renée Alessio here? Renée Alessio.

And to be followed by John Sheridan. Mr. Sheridan, you’re in the on-deck circle.

RENÉE ALLESSIO: Thank you for allowing me to speak today.

I support this bill. I’m a home-grown New Jerseyan. I was born in Paterson, was married in a little chapel in Sheppards Lake, in Ringwood State Park, and have lived in West Milford for over 26 years, where we raised our two sons.

As a concerned citizen of West Milford, I, with six others, ran for town council last year, when our government went partisan. Although, unfortunately, none of us Democrats won, we were the ones last year who wanted to ensure an ecological and economic balance by avoiding the negative rateables of high-dense development and petitioning you, our Legislators, for a

water use surcharge to compensate the watershed towns, because water is our business. I have a copy here of our water use surcharge fact sheet from last year, on how we proposed to do this. Our petition continues.

Assemblyman Gordon, at the Ringwood hearing, said that there was a need to look at tax reform. Property tax is a regressive tax, and New Jersey has one of the highest rates. I think that is something to look into, but that's another bill.

We, the people of West Milford, are happy knowing that our State officials are finally supporting our efforts to protect the water and air of New Jersey by placing West Milford in the preservation core. As a health-care professional in New Jersey, I know that we must protect our forests. Trees clean the air and pull out ground pollution from the roots. Mother Nature is the best and cheapest filtration system.

I commend this bipartisan Committee for working hard on this bill. Keep it strong. Be fair with the small farmers -- they need to live; we need to eat. And I know builders need to live, too, but our cities still have a lot of redevelopment to be done. I know it is often easier to tear down trees and put up a new home than it is to renovate old buildings. But if the incentives are there and you rejuvenate the cities and plant some trees, too, the jobs and the infrastructure are already there. And we must make the conservation of water our highest priority.

I am proud to have you, Senator Martin, as West Milford's State Senator, sponsoring this bill. You know West Milford because you once worked for our town. Please fight for us. We will work with you.

Thank you. (applause)

ASSEMBLYMAN McKEON: Mr. Sheridan.

And next will be Michele Byers, Michele Byers.

Mr. Sheridan.

J O H N S H E R I D A N: Thank you, Mr. Chairman, members of the Committee. My name is John Sheridan. I'm not here today as a lobbyist, although I do that work -- most of you know that -- and I'm not here as a member of the Board of New Jersey Future, although I'm proud of my role with that organization. I'm here today as a private citizen expressing my personal views. I appreciate the opportunity to call your attention to two issues, which I would ask the Committee to consider addressing in its final version.

First, in Section 10.b.(7), I believe that the goal for the preservation area, as stated, goes way beyond the intended purpose of this legislation. I gather that from reading the rest of the bill. It reads "prohibit or limit, to the maximum extent possible, construction or development which is incompatible with preservation of this unique area." By definition, any construction or development is incompatible with preservation. And since anything is possible, to me this translates to a goal of essentially no development or construction in the preservation area, and I don't believe that's what's intended. If it was, then the legislation wouldn't call for a master plan for the preservation area. Furthermore, it is inconsistent with Section 6.0, which refers to special areas within the preservation area where development should not occur. The implication is that some development will occur in the rest of the preservation area, provided it is permitted by the master plan.

If this goal is not restated, it will be utilized to argue against any and all development and construction in the preservation area, and with a good

basis. My suggestion is to restate the goal to what I think is intended. It should read, “to limit development within the preservation area to the extent practicable, consistent with achieving Smart Growth and meeting requirements dictated by the health, safety, and welfare of the citizens of this State; and to prohibit development to the maximum extent feasible in special area within the preservation area, if necessary, to protect water resources and environmentally sensitive lands while adhering to principles of just compensation, as may be required by law.”

Second, as you know, transportation issues are pretty close to my primary interest in New Jersey government. I suggest to you that there are a couple of things that need to be done with the amendments that were circulated yesterday. Section 10.c.(8) reads “Promote a sound, balanced transportation system that is consistent with Smart Growth strategies and principles and which preserves mobility in the Highlands region.” I have two suggestions. That section appears in the goals for the planning area. That principle is equally applicable to the preservation area. A section of Route 80 traverses the preservation area, as do parts of 46, 206, 23, and 15, not to mention hundreds of county and municipal roads. Similarly, presently used and future transit and rail freight lines traverse the preservation area. This goal should be set forth in goals which are applicable to the Highlands as a whole, not just the planning area.

Second--

SENATOR SMITH: John, can I ask you to sum up?

MR. SHERIDAN: Yes.

Second, the words “and through” should be added after the words “preserves mobility in.” My basic point here on transportation is that growth is going to occur on the west side of the Highlands, on the east side of the Highlands. They’re going to occur in New England and west of New Jersey, and there have to be ways to get goods and people across and through the Highlands, and you need to make that issue clear in this bill.

Thank you.

ASSEMBLYMAN McKEON: Thank you.

SENATOR SMITH: Our next speaker will be Michele Byers, from the New Jersey Conservation Foundation, followed by Marjorie Susan Hoffman.

MICHELE S. BYERS: Good morning.

I’m Michele Byers, Executive Director of the New Jersey Conservation Foundation. I also serve as Vice Chair of the State Planning Commission. I’m also the Chair of the New Jersey State Committee of the Highlands Coalition, and I served on the Governor’s Task Force, which was a great privilege and a very, very satisfying position.

What I’d like to say, very briefly, is to thank you -- to all the sponsors of this bill for long-term vision, for taking action at a time where we really don’t have any time left. And for all of the concern about rushing, I think the time is now. We’ve spent 15 years getting to this point. If we don’t do it now, we might as well wrap it up. So I really commend you for moving and, also at the same time, commend you for due diligence on addressing, with very serious and very clear outreach, addressing the concerns that have been brought before. And I really commend you and thank you for the amendments that have been made to help clarify for people what this bill does and doesn’t do,

and also for staying true to the recommendations of the Task Force, which I served on. And I think that the Task Force spent a lot of time really looking at regional land-protection models that have been put in place around the country, including New Jersey. We've tried very hard to learn from the mistakes of the past and come up with a set of recommendations that would be fair to property owners, that would allow for continued appropriate growth in appropriate locations. And there are a lot of mechanisms in the legislation that do that. And I thank you for that. I think it's really important for all New Jerseyans to have that kind of a fair and balanced approach.

I would also urge you to not go too far in taking on some of the amendments, in particular the Ag amendments that were proposed today. I think I would ask you to take a good, hard look at -- especially with respect to impervious coverage limitations. The Task Force already went very far to address the concerns of the farmers by exempting out of the preservation area most of the very productive farmland. And that was very clearly to satisfy farmer concern. So they're already out of the preservation area for the most part.

And for the farms that are in the preservation area, I think there's no question that there should be the ability to have Ag-related impervious covers, but there has to be a cap on it. And the amendments that are proposed today have no cap. So I think that's an issue that I ask you to take very seriously, considering the real importance of the water protection purposes of this bill.

I'd also just like to say, as far as property tax stabilization, if you take a look at the studies that have been done around the country over the past

20 years, each and every one of them shows that open space pays, and that the best stabilizing rateable for any municipality is open space. As they say, “Cows don’t go to school.” And that’s a major, major, helpful provision that’s in this bill.

So I’d like to wrap it up and say thank you very much again. I wholeheartedly support the efforts of the Committee and of the sponsors of this bill.

Thank you. (applause)

ASSEMBLYMAN McKEON: Thank you very much.

Ms. Hoffman. Ms. Hoffman from Coldwell Banker?

And next is Lilli Donahue of Gladstone. Lilli Donahue next.

Ms. Hoffman.

MARJORIE SUSAN HOFFMAN: I want to apologize. I was not prepared to speak today. I just want to say that I’m opposed.

Thank you.

ASSEMBLYMAN McKEON: Well, that’s all right. Thank you. We won’t count that as a speaker. We’ll ask for Mary Paulini (*sic*).

MS. PAVLINI: (speaking from audience) I already spoke.

ASSEMBLYMAN McKEON: Oh, geez, I’m sorry. Sorry about that.

Lisa Degraw. (no response)

Chris Benson, Gallagher Development. Chris Benson. Chris, is that you in the back moving toward us? (no response) Chris Benson. Someone shout if you’re Chris Benson. (no response)

Patrick Stone, Baer Aggregates. Patrick Stone. Mr. Stone, do you care to testify? (no response)

Linda Hunnwell of Community Builders. (no response) We'll hold on to Linda to see -- she's just opposed. She's not going to testify. Okay.

Laurence Handler, Woodmont Homes. Laurence Handler. (no response)

Joe Young. Joe Young. (no response)

Okay. Michael Natale, N-A-T-A-L-E. Michael, would you like to testify? Mr. Natale will testify.

And then Lilli Donahue is next.

MICHAEL NATALE: Test, test, one, two, three, okay?

I really wasn't prepared to speak, but I should say, where do we go from here? It's like suddenly this Highlands law just pops up and -- what -- stops all the developers, people who need new homes, Realtors, material manufacturers, subcontractors. It's like, Mr. Government, do you have a job for us? So I just simply hope that you could see both sides of the point, because it's like-- I agree that water conservation and preservation is important, but it's like you're suddenly taking away the livelihood of thousands of people. Because one home equals 100 jobs, and it can just go right down the line, on and on and on. So I just simply hope that you take into fair consideration what you're about to do.

That's all. Thank you. (applause)

ASSEMBLYMAN McKEON: Thank you, sir.

SENATOR SMITH: Lilli Donahue.

And after Lilli Donahue is Mike Scheier.

LILLI DONAHUE: Which button do I press? (referring to PA microphone)

ASSEMBLYMAN McKEON: Push the one that says red.

MS. DONAHUE: Hi. My name is Lilli Donahue. I skipped school to be here. So I hope you can listen.

ASSEMBLYMAN McKEON: Don't worry, no one knows that.
(laughter)

MS. DONAHUE: I am a supporter for this bill. If you actually do pass it, it would be great. But if we do build houses, then there's going to be a lot of runoff into the water, and this is what your water will look like. (indicating dirty water in glass) This is what you want to drink. (indicating clean water in glass) As I went to a club -- and they say that you aren't inheriting the land from your ancestors, you're borrowing it from your children. And I'm a child, so you're borrowing it from me. And I'd really like to see you pass this bill, because it means a lot to the kids of the future. And I just hope that we don't get a lot of houses. And if you read this (indicating), they show you gorgeous pictures. If you'd like this-- What would you rather have? This, or a lot of these? (indicating pictures) I think the answer is simple, in my mind, and I hope that they all see it, too.

Thank you. (applause)

ASSEMBLYMAN McKEON: Thank you, young lady.

Michael Scheier. Okay, Mr. Scheier.

Sebastian Monte. Mr. Monte, will you speak, sir?

SEBASTIAN MONTE: Yes.

ASSEMBLYMAN McKEON: Thank you.

And then Rebecca Schmoyer. Rebecca Schmoyer is next.

Mr. Monte.

MR. MONTE: Good afternoon.

My name is Sebastian Monte. I oppose this bill. Once I had said it's going too fast. I see that we have new legislation -- I can't read that fast. I couldn't get it online yesterday, couldn't call anybody to see why we couldn't read it online. You hear all these conflicting stories. We all want clean water. We all want fresh air. We all want the right to live. We'd like to stay in New Jersey. I would like to stay in New Jersey. It seems to me that with this map, it seems impossible to build in a lot of places. You want us to head down below to redo the cities. Well, I really don't want to get up at 4:00 in the morning and come home at 7:00 at night, because the roads are going to be impossible. I don't think my daughter will be able to recognize who I am after a while, quite frankly, if you're not home and you're working two, three hours out of your way.

I do oppose this bill, and I think it's only right and fair that we look at both sides of the coin, and that we should be fair and there should be a balance on both sides. It can be done. We can do other things. If the question is really about water, we can build other reservoirs. We can do a bunch of stuff. There seems to be no money to support a lot of these things. I just think that it should be thought out very carefully and wisely, because a lot of people are going to get hurt. And I think that when you're fooling with people's livelihoods, or their futures, great thought should be put into it.

Thank you. (applause)

ASSEMBLYMAN McKEON: Thank you, sir.

SENATOR SMITH: Rebecca Schmoyer. Is Rebecca Schmoyer there?

And after Rebecca is Steve Shaw.

Ms. Schmoyer.

REBECCA SCHMOYER: As a resident of West Milford, I would just like to go on record in support of Senate Bill 1, Assembly Bill 2635. And I'd like to thank the legislators who've sponsored and support this bill.

I really think that as we've had a far-reaching opportunity, right now, in northern New Jersey, we have many established centers of commerce and industry situated in close proximity to the communities where we live. As a region, we have vitality that allow us to promote economic growth in developed areas, while protecting the New Jersey Highlands and its resources, which include the water supply for a substantial portion of the population of New Jersey.

I think that it's high time to use a metaphor that was just used by the girl who spoke before me -- that we exercise foresight and stop borrowing indiscriminantly from our future, our childrens' future. They deserve clean water, access to open space, and the opportunity to learn about the natural world firsthand.

I'd also, just in closing, like to say that let's please make certain we pass this proposed legislation -- it's the result of years of analysis and effort -- and to preserve the special region of New Jersey.

Thank you. (applause)

ASSEMBLYMAN McKEON: Mr. Shaw is to testify.

And Robert Reed will be next. Robert Reed.

Mr. Shaw.

STEPHEN SHAW: Thank you. Chairman Smith, Chairman McKeon, and members of the Senate and Assembly Environmental Committee. My name is Stephen Shaw. I'm a life-long resident of New Jersey and consider myself fortunate to have the opportunity to raise my family in New Jersey, and specifically Morris County. As a responsible citizen, a second generation home builder, a past president of the New Jersey Builders Association, and a local elected official, I've been following the many studies, reports, and conservation efforts focused on the area I have called home for over 35 years.

I am pleased to have the opportunity to appear before you today to share my views concerning S-1, A-2635 -- the Highlands Water Protection and Planning Act. And I'm not here representing any special interests, but rather my family -- my wife, my parents, my in-laws, my two children -- all of whom call the Highlands home and our place of business.

While I appreciate the efforts of this Committee and Senator Smith and Assemblyman McKeon to protect the region's water supply, I am opposed to the Highlands Water Protection and Planning Act for many reasons. First, I'm deeply troubled by the process that has brought us to this point. The act is a complex proposal by any definition and proposes to radically alter the way 17 percent of our state is governed. It was introduced just three weeks ago, and despite its length was not complete, lacking a map of the preservation area, until late last Friday. As of yesterday, 80-some pages of amendments were made available. As you said at the outset, today will be the public's last opportunity to comment, before this Committee, on the proposal. I can only hope -- in the spirit of full, open dialogue -- when the proposal is complete and amended to

reflect the results of your hearings, there will still be and there must be adequate time for concerned citizens, like myself, to assess the revised bill and map and have an opportunity to comment.

Secondly, the bill sponsors have indicated that the long-awaited map outlining the core preservation area has been delineated using sound scientific principles. The boundaries have already gone through several preliminary changes, and the state's largest water body -- Lake Hopatcong -- that's used as a backup source of drinking water, is not in the core area. And the area's configuration resembles a gerrymandered legislative district. All this leads me to believe the only science employed in creating the map is political science. I sincerely hope that this is not the case. I urge the Committee to release the data and the criteria used to draw the boundaries.

Additionally, the bill purports to create a comprehensive scheme to protect and enhance the quality and quantity of the region's water. However, the bill does nothing to address existing sources of pollution, reduce inefficient water consumption, especially nonessential uses such as golf courses, or addressing the increasing water needs of the state's growing population. The Highlands regional study -- the basis for the Task Force report and this act -- simply calls for, and I quote, "An increased vigilance in terms of adequate monitoring and assessment of water quantity and quality," not the heavy-handed approach of an over-reaching new government superzoning bureaucracy and the suspension of due process, specifically the Administrative Procedures Act. In fact, one of the key findings in here is that water quality has improved over the last 10 years.

SENATOR SMITH: Mr. Shaw, would you summarize, please?

MR. SHAW: Yes.

The bill's preamble recognizes that economic growth development and redevelopment in the Highlands is in the best interest of all citizens of this state, providing innumeral (*sic*) social, cultural, and economic benefits and opportunities. The proposal fails to provide balance.

Finally, the study asks, what do the people who live in and use the Highlands want it to look like for their children and grandchildren? Unless we balance the proposed Highlands preservation plan with a plan for people, the question will be academic. My children, the ones I'm representing here today -- and grandchildren -- will be forced to relocate to another area and look at the Highlands from afar.

Thank you for this opportunity to share my views. (applause)

ASSEMBLYMAN McKEON: Robert Reid, please. And John DiMaio, next.

Robert Reid. Thank you, Mr. Reid.

R O B E R T R E I D: Thank you, Mr. Chairmen, for the opportunity to speak.

I live in Alexandria Township, of Hunterdon County. I'm a member of the Philipsburg Riverview Organization, the Hunterdon Land Trust Alliance, and the Friends of Little York. I live in the village of Little York, which is in the core area of preservation -- at least half of it is. We're a group of about 35 residents in Little York, and I can tell you that although not all of us have read the legislation, we all strongly support it. We believe in the need to protect the water resources.

And as I've been sitting here today, waiting for my chance to speak, I've been admiring these murals on the walls behind you. And where I live looks like that. And I urge you to protect my watershed, and all the other watersheds that you're working on. We support the legislation and encourage you to move forward with it as rapidly as possible.

Thank you. (applause)

SENATOR SMITH: Thank you.

Next is John DiMaio, Warren County Freeholder. And after that is Kathleen Caren.

Mr. DiMaio.

FREEHOLDER JOHN DiMAIO: Can everybody tell it's Take Your Kid to Work (*sic*) day?

SENATOR SMITH: Why don't you introduce us to your daughter?

FREEHOLDER DiMAIO: This is Brittany DiMaio, fourth generation of Warren County resident in our family.

ASSEMBLYMAN McKEON: Hi, Brittany.

FREEHOLDER DiMAIO: In Warren County, we've already preserved over 10,000 acres of farmland on our own, with the help of many different State agencies and our own financing that we've done through Open Space Tax.

My grandfather moved to Warren County in 1929, the beginning of the Depression, to purchase a piece of property. It's 135 acres. That represents the beginning of our four generations in Warren County. My father and uncles are in the other room watching this proceeding, wondering if the

property that is their legacy from my grandfather to my daughter's generation will be worth anything in the future.

What concerns me the most about this bill is the fact that most of the burden, the financial burden, is on our area of the state, the Highlands. The beneficiaries of our water from the Highlands are mostly living outside of the Highlands.

And it has been said before, today, we need to find a way to create a stable source of revenue to do a couple of things to reimburse the people who own their land, if we really need it to preserve for water resources. I don't see it in our bill. Our five-county coalition asked the task force to have this in the bill, and it has not shown up yet. And also, create a water conservation rate schedule for all public water utilities, such as we've done on the Hackettstown Municipal Utilities Authority, whereby, if you waste water -- if you go above that 300 gallons a day per household, if you go above that 30,000 gallons in three months -- the rate schedule doesn't go down per thousand gallons, it goes up. So if you want to water your lawn, and you want to waste water doing things with -- washing cars and things you really don't need to be doing at home -- you pay more. And use these funds to pay these people for their land. I don't see it in the bill, it really concerns me.

We need a stable source of continuing funding to pay for the maintenance of these properties, once we do own them, and to make sure they're taken care of properly. I'd really like to see that in the bill.

Also, we need to not limit the payment in lieu of taxes to the municipalities to just 10 years. It all should go in perpetuity. Our property taxes are much too high as they stand now. So if we devalue the land, and

there's a loss of revenue to municipalities, they should be reimbursed. And it's very simple. The more people that pay the water rates -- those dollars will funnel back into that steady fund and dedicate it just for that use. And it will promote conservation, and it will also pay the people for their land, and pay for the loss of tax revenue for small municipalities that are overburdened already with tax problems.

Thank you, Chairmen. (applause)

ASSEMBLYMAN McKEON: Thank you, sir.

Ms. Caren, and next is Jean Rampone.

KATHLEEN M. CAREN: I want to thank you for holding these historic hearings. I support S-1, A-2635. I thank you for addressing the concerns that have been raised during these hearings through the amendments, and also for clarifying some misconceptions that have been bantered about, which I believe are intended to provoke alarm in order to stall these bills.

Recall some of the arguments you've heard. On the one hand, to me, some of these arguments are shortsighted and self-serving. We are talking about roughly 5 percent of New Jersey to protect the drinking water that serves about half of the state's residents. Do you realize what the future cost to taxpayers would be to treat this water if irresponsible development continues? Far, far more than it will cost to preserve these lands. And this way is certainly the way that nature intended water to be purified.

Some of us have been working on this issue for years. And while I have not been around that long, once I realized what was at stake, I have put in my time.

I live in West Milford, where most of us are on septic tanks and private wells, and our groundwater is diminished. We are overbuilt. We're also stewards of several watersheds that serve three million people in the State of New Jersey. There are many of us who spend our time and energy on this issue. Why? We're not in it for money. We do it because it's the proper thing to do. It's the proper thing to do for all of New Jersey, and for people who visit New Jersey, and also for the non-human inhabitants of this area, because once it's gone, it's gone forever. These bills are the balance for New Jersey.

Thank you very much for your time. (applause)

ASSEMBLYMAN McKEON: I had called upon Jean Rampone. I don't know if she's here. (witness chooses not to testify)

Okay, thank you very much.

I am now going to call on the Minority Leader, who substituted in as a Committee member. All of our Committee members had said they would wait until the conclusion of the testimony. But Assemblyman DeCroce does need to get on to another governmental commitment. So I know he'll do his best to adhere to the time limit we put on all the witnesses.

ASSEMBLYMAN DeCROCE: I'll try, Mr. Chairman.

Thank you very much, Chairman McKeon and Chairman Smith.

This bill will certainly have a long-term impact on the region, and it's an issue, frankly, too far important to be rushed through the legislative process. And I'm glad it's slowing down to some degree.

I know all of us want to protect the region and its water supply, and we understand there is a need to protect the region, which provides drinking water to almost everyone in the northern part of the state.

Property owners in local governments have to be protected with their rights, as well. I do not believe that, in its current form, the bill accomplishes that goal. But it's hard to tell without having a chance to really take a look at the 90 or 100 amendments that have been put forth most recently.

Let me just detail some of my concerns with regard to the bill. Under the bill, the actions of the Highlands Commission are subject to the Governor, or any governor's veto. This will give the Governor almost complete control over the process. It will certainly give him the ability to disregard any local input. By requiring a regional master plan, municipalities will almost certainly lose some authority over their ability to control how their towns are preserved and developed. The first voice we should hear are the ones we should pay the most attention to, and those are the people who call the Highlands home.

As land that can no longer be developed becomes devalued, farmers may have less equity to borrow against, and making it very difficult to pay off their debts and survive from season to season. And developers and individual builders may be forced out of business, many only to go bankrupt and face bankruptcy because of the requirements of this bill. It's bad enough that this particular government here, presently in office, are demonizing all of the developers and builders in the State of New Jersey.

There has not been an economic impact study done on the region. We've heard that before. People have come here only to say that they're concerned because there's going to be a loss of jobs. This state has been carried, frankly, by the development industry over these last couple of years, as well as

the construction industry. Once these jobs stop, we're going to have a loss of income all over the northern and probably central part of this state. We're going to force developers into other states, and that may make a lot of people happy, but there are going to be people that are coming into the State of New Jersey without having the ability to purchase homes.

The bill fails, I believe, to provide a permanent funding source, as has been stated. And despite the fact that we talk about a permanent funding source, they're going to find one, but everybody's going to pay for it. We're all going to end up paying for these provisions.

While there is a pilot or payment-in-lieu-of-tax provision, we haven't identified that provision. I believe there certainly needs to be a stable, constitutionally dedicated funding source, and it should be indexed for inflation. The bill will also increase development pressures on these so-called *planning areas* by stopping development cold in the preservation areas.

The unintentional result may be increasing growth and congestion in those communities that surround the Highlands. I don't see anything in the bill that will help these communities with an onslaught of growth and greater pressure on the local property taxes.

And, finally, the legislation fails to address the need to improve interconnections between water sources. Without such interconnections, our state remains susceptible to drought-related problems. Clearly, this legislation is well-intended, but we cannot ignore the glaring deficiencies in the bill. And I fear this legislation will drive up the property taxes, which seems to be the most important thing that we're thinking about these days.

Let's take time to review this proposal, and let's see if we can come up with some ideas that will not hurt the impact on the Highlands, and preserve the waters that we think are so valuable.

Thank you. (applause)

ASSEMBLYMAN McKEON: Thank you.

Tom Gilbert.

Thank you, Minority Leader.

Tom Gilbert, and Colleen Meloro will be next.

Mr. Gilbert.

THOMAS A. GILBERT: Thank you, Chairman Smith, Chairman McKeon, and members of the Committees, for this opportunity to speak to you today in support of the Highlands Water Protection and Planning Act.

On behalf of the more than 100 member groups of the Highlands Coalition, I want to thank you for the significant time and effort that you have committed to gathering feedback from the public, in order to ensure that all views and issues are considered as you craft this landmark legislation.

This public process builds upon the considerable discussions and public input that took place through the Highlands Task Force process, which I was privileged to serve as a member. The Task Force process brought together diverse interests, including local officials of both parties and representatives of the farming, business, and environmental communities. All of these interests had significant input and made real compromises to forge consensus on a comprehensive set of recommendations that, from my perspective, are largely reflected in this legislation.

While we are still reviewing the details of the proposed amendments, we would urge that all amendments be in keeping with the framework recommended by the Highlands Task Force so that the good faith negotiations of all parties are honored, and the fragile consensus that was forged remains in tact. In general, we feel that the amendments that are being considered today are in keeping with this framework.

In closing, we commend you on your efforts to clarify and improve the act, and urge you to maintain your commitment to advancing this historic legislation in a thoughtful manner, yet at a deliberate pace. If you do so, future generations will surely thank you. (applause)

SENATOR SMITH: Thank you, Mr. Gilbert.

We have Colleen Meloro. Is Colleen Meloro here? (affirmative response)

And Deen Meloro.

Colleen Meloro is representing Weichert, opposed. And Deen Meloro, representing the New Jersey State Federation of Women's Clubs, in favor.

My question is, are you related?

COLLEEN MELORO: Not to my knowledge.

SENATOR SMITH: Okay, Colleen.

MS. MELORO: I'm Italian by marriage.

I would like to-- I hadn't planned on speaking, but I do appreciate the opportunity. And I apologize for my lack of preparation.

I am a life-long resident of New Jersey. I live in the Highlands region in Hackettstown. I work with Weichert New Homes and Land, and have been a representative of the real estate community for about 16 years.

I just would urge you to consider balance, to consider the economic impacts of the legislation as it is currently in front of us, to appreciate the fact that we do need time to consider the effects of this legislation -- on me personally, but on our community at large. I don't think that it is fair for developers and builders to be labeled as the enemy in this situation. The housing industry has supported our economy, which has been a tough one, over the past several years.

I do understand preservation and am certainly in favor of that -- and as well preserve -- or water regulations and, certainly, water quality. But if this bill goes through, it could affect a number -- let's say at least 250 to 300 clients of my company, as we are right now, today. And if those clients of ours are out of business, how many of their employees, the related industries, the local restaurants, the Home Depots, the Lowes, the designers, the engineers, the landscapers, the decorators-- There are so many industries that rely on the building industry for their livelihood.

I would urge you to consider balance and responsible economic decision making as you work through this process.

Thank you. (applause)

SENATOR SMITH: All right, we have Deen Meloro, from the New Jersey State Federation of Women's Clubs. And on deck is Ted Berzak, from Annex Builders, L.L.C.

Ms. Meloro.

DEEN MELORO: Good morning.

I'm honored to represent our 14,000 members from all over the state, who have endorsed this legislation without reservation. For many years, New Jersey has had studies and surveys of the Highlands region. The time for action is now.

There has been testimony that this bill will cost jobs, because the legislation will prevent building in the protected areas. We can't lose jobs that aren't there to begin with. What we can lose is clean drinking water and the last large tract of undeveloped land in the state.

I respectfully ask our elected officials to see the big picture and to act as our leaders. We are counting on you to do the right thing. (applause)

ASSEMBLYMAN McKEON: Ted Berzak. Is Ted Berzak here?
(no response)

Todd N-I-E-M-I, Niemi. (witness chooses not to testify) Thank you, sir.

Tom Schleppenbach, Flatwater Development. (no response)

Tom C-E-R-E-Z-O, Cerezo. (witness chooses not to testify) Thank you, sir.

Lauri Sirois. (witness chooses not to testify) Thank you very much.

Robert Handler, of Woodmont Homes. (no response)

Doug Black. (no response)

Greg Sipple. (no response)

Edward Bogan. Is that Mr. Bogan in the back?

SENATOR SMITH: Bogan. (indicating pronunciation)

ASSEMBLYMAN McKEON: On deck is Cheryl Filler.

I know these people are marked in the back room. I don't know if they've come in.

Cheryl Filler, Joan Fischer, and John Klotz, you're all noted as being in favor. Why don't you work your way into this room? And we may or may not get to all three of you.

EDWARD BOGAN: Good afternoon.

ASSEMBLYMAN McKEON: Good afternoon.

MR. BOGAN: I wasn't prepared to speak today, but I've been at all the hearings. And I just had a few things to say.

I was raised on a farm, so I've been a farmer. I've been a municipal engineer, so I've regulated development for a number of years. I also work with developers in developing land. Many of the people behind me are some of my clients.

I have found that anytime I have to make a tough decision or resolve a conflict, I try to walk in the other person's shoes. I find that my mind is clear and usually the decisions are easier made. I think what you have today is a conflict that you're going to have to wrestle with it. And I'm sure that you're going to make the right decision when you evaluate all the goals and objectives of the legislation, and all the parties impacted and affected by your decision.

Good luck. (applause)

SENATOR SMITH: Thank you.

ASSEMBLYMAN McKEON: Thank you, sir.

Is it Cheryl Filler? (affirmative response) All right, Ms. Filler.

And then, next, will be David Kelson. (witness chooses not to testify) Okay, thanks, Mr. Kelson.

We'll hold off on the-- We'll let Ms. Filler speak, and then we'll call more witnesses in a moment.

C H E R Y L F I L L E R: I'm Cheryl Filler, Chair of the Readington Township Environmental Commission in Hunterdon County.

First, we'd like to thank those of you who wrote and introduced this bill, those of you who support it, and providing the public hearings for our comments. I'd like you to know that the Readington Township Environmental Commission passed a resolution on April 13 in support of this bill, following a resolution by the township committee on April 6.

The Readington Township Environmental Commission participates in quarterly stream monitoring and yearly benthic and macroinvertebrate sampling, in conjunction with the Upper Raritan Watershed Association, the South Branch Watershed Association, and Merck Pharmaceuticals, which is headquartered in Readington.

The effects of development on our streams and waterways are obvious in the results. We appreciate and applaud your efforts to preserve this critical region. Please move this strong and important legislation forward.

Thank you.

ASSEMBLYMAN McKEON: Thank you very much.

Jay Cronic, C-R-O-N-C-E. (witness chooses not to testify) Thank you, sir.

Ronald Petersen. I thought I heard yes. Is Mr. Petersen here? (no response)

Not seeing him, Denise Kevil. (witness chooses not to testify)

Thank you, Ms. Kevil.

Anthony Mortezaei. (witness chooses not to testify) Opposing.

Thank you, sir.

Philip Deacon. Thank you, sir.

On deck will be Joan Fischer.

PHILIP DEACON: Thank you for the opportunity to speak with you today.

I came here earlier, prepared to give you comments on your proposed legislation. As I walked through the door, I was handed 80 pages of amendments to that bill and, quite frankly, haven't had the opportunity to read them.

Due to the fact that I haven't had the opportunity to read them, I'd like another opportunity to address this group, and I'm hoping that you will take testimony again at your next meeting. I think it would be only fair to do so, seeing as how this legislation is moving very fast. We do need an opportunity to review that bill, to digest it. It's complicated, especially to those of us who are not legislators, who don't do this every day. It is certainly very complicated to us. And we'd like to have that opportunity to be able to address you folks again at another time. I understand that the next meeting is May 10, and I hope that we can open that to the public again. I don't know if that's possible. I don't understand the legislative process entirely. But I would sincerely appreciate the opportunity to comment at another date, when I've been able to read the amendments to the bill.

Thank you for your time. (applause)

SENATOR SMITH: Ms. Joan Fischer. And after that, Mr. Woodruff is in the on-deck circle.

Ms. Fischer.

COUNCILWOMAN JOAN G. FISCHER: Thank you.

I'm a Councilman in Chester Township. I serve as a member of the planning board. And prior to those positions, I was on the town water board.

Years ago, when I first became active in municipal government, the ideas of a Highlands area and commission was floated before me. And I must tell you that my response was not favorable. Chester Township had already embarked on a very aggressive zoning scheme for land and resource preservation, and I did not see why a government approach, or a regional approach would do anything but frustrate us.

In the years since then -- I am now in my third term on the council -- I have done a full, about-face. I have so many times been frustrated in my attempts to rule my home town by virtue of what is done in other towns in the Highlands area. I believe it is my responsibility, as an elected official, to preserve our natural resources, most importantly water. And no matter how many good planning ordinances we enact, if somebody else is not as responsible in their preservation efforts, we are thwarted in our attempt.

I now know that a regional plan is the only way to preserve our aquifer. And this legislation, I feel, represents a fair and balanced approach to a regional plan. It is the result of lots of hard work, and compromise, and countless hours of public input. And these amendments today, I believe, are the result of responding to much of that input. It has gone a long way whether -- to clarify some of the fears and concerns that were exhibited in the different

meetings that I went to. And I hope that any future amendments will continue to answer different concerns and remain balanced, but always keep in focus the idea of water and aquifer preservation.

I'm delighted that it seems that partisanship has faded, and that the preservation of our water resources have emerged as a paramount consideration. Everyone in every political and professional stripe must have clean water. The sullyng and depletion of our aquifers all have far greater impact economically, socially, and politically than any of the dire consequences I've heard referred to, today, which might result from this bill.

I thank you all for your hard work, and your courage, and integrity in acting now to preserve the water resources of the Highlands area, and ask that as this bill goes through the legislative process, that, as a primary goal, is never forgotten. I thank you also for providing me, as an elected official, with a tool and foundation so that I can continue to govern my town with an eye towards preserving for the future.

Thank you. (applause)

SENATOR SMITH: Is Mr. Petersen here, Ron Petersen?
(affirmative response) And after Mr. Petersen is John Klotz.

R O N A L D P E T E R S E N: Hello, I'm Ron Petersen. I'm a Committeeman from Liberty Township, in Warren County. We're entirely in the core area, Liberty Township.

I'm going on record, as a representative of Liberty Township, that we're opposing this legislation as it's written. And unfortunately I haven't gotten to review all the amendments in their entirety, so I'm going on record that

we're opposing this. It's great to see the democratic process in work, because this is the first time for me being in Trenton.

My hat's off to the folks that got these amendments in. The one that I read, which was exceptionally painful, was Section 26. It's deleted, thank goodness.

My hat's off to Secretary of Ag, Mr. Kuperus, for acknowledging the right to farm, and working with the ag community in addressing a lot of their concerns. Also the fact that fish, game, and recreation uses are going to be recognized in these amendments.

I have read the 101 pages of legislation, and I basically implore our representatives not to remove our home rule. This legislation is being touted as a clean water bill, which we already enjoy and protect.

To our legislators in the southern counties: If this can be imposed on us today by your votes, rest assured, with a flick of the wrist and another vote, you too will be answering to your voters in the near future on why they're going to be paying taxes on this same water.

My children are the seventh generation on our farm, and I challenge anyone who would say that my ancestors or myself have not been good stewards.

The Governor promised to contact all the mayors in the affected areas. He has not contacted Liberty Township. I'm disappointed in that. In the order of fair government, you must involve the local reps for their input on what is best for us in our area. Respectfully, this legislation is in no way ready to be voted on. Please, do not create another bureaucratic beast that cannot sustain itself.

Thank you. (applause)

ASSEMBLYMAN McKEON: Mr. Klotz.

And then next is Mr. Woodruff, because we had called you before. And we're sorry. We got messed up with our order.

Mr. Klotz, Mr. Woodruff-- That will take us until 1:00. We will then call a group of elected officials that are here from West Milford. And then we'll call the -- giving them three minutes -- and then we'll call some of the environmental leaders and give them a collective three minutes. And that's going to be it for today's testimony.

JOHN KLOTZ: My name is John Klotz. I live in Hunterdon County, near Flemington, just outside the Highlands designated area. But I have, at times, lived in places within the area, so I'm familiar with it and have been very interested in the issue.

I feel that this issue has been studied to death for 15 years on a national and State level, and on a grassroots level. I think it's time to act now. I want to commend the Senators and the Assemblymen and women here for the hard work that you've been doing and for listening to all the issues. We're making compromises, where appropriate, to make the amendments to try to deal with issues that may hurt people.

I think these public hearings are adequately addressing the need for public input, and we should move ahead now with the legislation. I think fragmentation of the critical habitat in the core Highlands area is progressing at a rapid rate. And the towns, individually -- with the home rule -- have not been able to stem it. And we need this legislation.

Calls to slow down the process, I feel, are just going to try to derail it. The affordable housing issue is a red herring. It's a serious problem in the state, but it needs to be addressed with other major legislation. Water conservation and the water distribution system -- it is a related issue, and it is critical and chronic. But it's also the subject of other legislation, and it's too big to throw into this.

So please act now, and please be careful when considering amendments and grandfathering provisions so as not to compromise the goals of the legislation.

Thank you for your hard work.

SENATOR SMITH: Thank you.

Mr. Woodruff.

And if the West Milford officials would get on deck, we'd appreciate it.

WILLIAM WOODRUFF: Ladies and gentlemen, good afternoon.

First, let me start off by saying that I'm not representing a builder or anybody -- myself, my family, and my community.

Basically, I believe that we should protect the state's water, drinking water and be mindful as to where and what we build. But I also think that this is a very drastic and dangerous measure.

I'd like to talk about the impact to the state's financial and economic well-being. Has anybody given any thought whatsoever to how it will affect the people, how people will be impacted by this bill? I don't think anybody has. New Jersey's unemployment rate will skyrocket due to the vast majority of tradesmen, framers, HVAC technicians, plumbers, electricians,

painters, landscapers -- just to name a few -- losing their jobs. No communities to build, equals no -- and unemployment. It goes beyond that. What about people -- it goes beyond that. What about the people that deliver the products -- delivers the paint, manufactures the materials that we need to build homes, to paint our homes, to even deliver to the Home Depots for homeowners to do their job? It even goes further than that. What about the delis and convenient stores that will lose business from the truck drivers, deliverymen, the FedEx guys that won't be delivering paperwork to builders, products to the people that are building homes?

In closing, I'd like to also call attention to two financial and economic possibilities that could impact this state if this bill is passed. The first scenario is, the purchase prices for homes in this state will rise so drastically that first-time home buyers, like myself; senior citizens on fixed incomes; or welfare recipients will no longer be able to live or support themselves here in the state. The second is, the State will be so poor and destitute, that we will have to change our name from the Garden State to the ghetto state.

Thank you. (applause)

SENATOR SMITH: The West Milford officials, please -- West Milford -- the three officials.

Divide up the three minutes any way you'd like, gentlemen.

COUNCILMAN DENNIS J. KIRWAN: Good morning, Mr. Chairmen and the Committee members. We appreciate this brief moment to share our views with you.

Just for the record, the people of West Milford elected seven Republicans last November and threw out the government that was there before

who wanted to sell hundreds of acres to the State. That is the real opinion of West Milford. I want you to be very clear on that. West Milford strongly opposes this bill. We feel that we adequately protect the watershed now. If you come to our town, we will show you that our growth rate is very minimal. We have 70 percent of our town protected already. We only have 6 to 8 percent of our town left over, which is mostly steep slopes and wetlands and will not be developed. So I don't see a reason why we have to go to this extreme to regulate the town -- the 90 municipalities to this extent. There are other ways to get this job done, and this legislation is not one of them.

I will pass it on to my colleague to my right, Councilman Paul Bailey.

COUNCILMAN PAUL S. BAILEY: Okay.

Just to rush through this thing really quick-- I had planned on saying more, but--

Forty dollars an acre -- assuming this does go through -- is an insult. The 65 was bad enough. I see, on the last page of the amendments on 80-B, as in boy-- According to that language, I read that as Newark Water is excluded from -- because their watershed owns 33 percent of our town -- that they are actually excluded from the moratorium aid, or the aid that's proposed here, because they do pay a modest amount of -- a very small amount of property tax. So I would call your attention to 80-B as a very bad thing for us, in particular, being the core of the core.

In addition to that, I see very little about a long-term sustainable economy in this case. West Milford, and the other Highlands communities, have only one option, that's a tourism option. There is -- it has been talked

about. We've read it through the thing -- about ecotourism, but there is no commitment from the State in any way to develop an ecotourism, and to support our efforts that are ongoing.

I chair the tourism committee in my town, and we're moving out a very big future for tourism in West Milford with no help from the State. We have a lake that needs to be -- have weed harvesting every single year. It's for the low, low price of \$80,000. I think we can find that somewhere, and I think we should see a check for--

I'm going to turn this over to an education issue from my colleague, Ken Freedman.

KEN FREEDMAN: Good afternoon.

I'm Ken Freedman. I sit on the West Milford Board of Education in West Milford, the 26th district, represented by Senator Martin.

I share everyone's concern in West Milford. We're a community of 27,000 residents. These residents have elected us to help govern. And with this bill, it will look like the removal of home rule for us. So therefore, while I support the intention of the bill, I strongly oppose the bill in its current form.

At this moment, being on the Board of Ed, we see, many times, that the State mandates programs to us, but the aid in lieu of that State tax is often falling short. Once again, the aid in lieu of taxes in this bill will do the same thing.

Now, the initial reading of this bill that I was able to do, along with the council, was that this bill allowed funding for five years, with the aid in lieu of taxes being extended now in the amendments to 10 years, on a gradual decline. The concern that every board of education -- not just West Milford,

but all 90 school districts have, is that we will find it more difficult to provide the State-mandated programs, and the value that we provide in our thorough and efficient education.

SENATOR SMITH: Can I ask you to sum up, sir?

MR. FREEDMAN: The bottom line to this is that you're reducing our tax base. You're eroding the ability of our school districts, in the 90 districts, to support themselves. And you will be creating 30 additional districts, such as your Abbott districts, that will be coming to you yearly for funding.

Thank you. (applause)

ASSEMBLYMAN McKEON: Thank you.

The last three witnesses: Jeff Tittel, Ella Filippone, and Dave Pringle. You have three minutes collectively.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Didn't they speak?

SENATOR SMITH: And so did the West Milford people before.

ASSEMBLYMAN McKEON: Many people spoke before. And please, no further outbursts if you'd like to stay here.

ELLA F. FILIPPONE, Ph.D.: Mr. Chairmen -- Senator Smith, Assemblyman McKeon, I'm here today as the New Jersey Chair of the Greenwood Lake Commission.

For over a hundred years, the State of New Jersey has neglected its prime ecotourism lake in northern New Jersey, which is the prime source of water supply for the Wanaque and Monksville reservoirs.

In spite of the fact that the Greenwood Lake Commission has not received any funding from the State of New Jersey to this date, we have been

meeting for the past year-and-a-half and have been making progress with the cooperation of the township of West Milford. We have discussed the issues with regard to S-1, and we view the council as becoming a partner to the Commission.

We need more help in restoring the Greenwood Lake, New Jersey section, to the valuable tourism area that it was at one time. We need to improve the water quality in Greenwood Lake. There has been a lot of discussion about the pristine water, but the development around this lake -- as you have in Lake Hopatcong -- is wall to wall. We have no access to the lake for New Jersey residents at Greenwood Lake at this point, because the development was done years ago when everything was disregarded and just houses were built.

So the Commission welcomes this legislation, urges its speedy enactment, and we will be first in line to meet with your council to cooperate with them so that we can begin to do the remediation and redevelopment that is necessary to bring Greenwood Lake back to its former glory.

JEFF TITTEL: Jeff Tittel, Director, New Jersey Sierra Club. And I'm here today speaking on behalf of our 23,000 members, but also our 750,000 members across the nation.

The Highlands are a treasure not only for us in New Jersey, but nationally. People come from all over to hike, to climb mountains, to swim, and fish in the beautiful Highlands of New Jersey and in New York.

More importantly though, for us -- they are more important than the western national parks, because it's where we get our drinking water. It is as beautiful to us as places like Yellowstone and Yosemite. But more

importantly, not only the four million people who get their drinking water from the Highlands and the half-a-million people who live in the Highlands get water, but another two million people in New Jersey -- Highlands water impacts their water supply intakes. And it's all the way from Gloucester County, north along the Delaware.

We think that this bill is long overdue in the State of New Jersey. Years ago, we passed legislation on the Meadowlands and Pinelands. And we feel that the Highlands are critical. And if we don't move now, there won't be any Highlands left.

We wouldn't be here today if home rule worked. We've had a lot of problems with home rule. We've had good towns, we've had bad towns, we've had citizens that have spent countless hours trying to protect that vital resource for all of us, the water supply. And so we strongly believe that this legislation, as it goes forward, will do the job that the State of New Jersey should have been doing all along.

We've looked at the amendments. We have some comments on them, and we'll put them in more writing and more detail. But we think that what the amendments have done so far is, it actually has addressed a lot of the misinformation -- in some cases, fabrications -- about the bill, saying that there's not enough time--

ASSEMBLYMAN McKEON: I need you to conclude.

And Mr. Pringle will have about 30 seconds.

MR. TITTEL: Okay.

I just wanted to add one final point, which is on the issue of grandfathering. I know there may be some changes, but be very careful, because

the purpose of this bill is to protect the core region within the Highlands, those areas that are important for water supply. There are many developments that have been sitting around for years that are bad developments, that haven't been either economically viable or haven't been able to get certain permits because they're bad developments.

When you go look at the grandfathering issue, don't throw the baby out with the bath water. There's enough grandfathered developments in the Highlands that could last another eight to 10 years.

And I just want to end with one statistic. When we did a report on Hunterdon County a couple years ago, we looked at the growth trend. Between 1996 and 2001, there were 1,500 approved subdivisions with preliminary approval just in one county. So be very careful when you're looking at the grandfathering issue.

Thank you.

ASSEMBLYMAN McKEON: Could you just -- to be fair -- just very, very, very, very brief.

DAVID PRINGLE: David Pringle, Campaign Director for the New Jersey Environmental Federation.

I'd like to congratulate the Committee on the unprecedented effort to listen to the public and to address the concerns that were raised with the draft amendments before us.

Some folks during this process have tried to scare homeowners by saying they couldn't build a deck. And although that was never true, you've made that crystal clear, and many of the other fictions that are out there. Some tried to scare municipalities by saying they couldn't maintain their roads, or that

there was never true -- although that was never true, you've also made that crystal clear.

Now that the myths have been debunked, we need to move forward. Your intentions can't be misinterpreted. We need to protect the drinking water for over five million New Jerseyans, and the thousands of jobs more that are relying on it.

We understand there will be additional amendments. I share Jeff's concerns around the grandfathering. The environmental community has compromised to date, significantly already, on this legislation: the Hopatcong grasslands, the Musconetcong and Wallkill River valleys, hampered mountain -- all not in the core, all incredibly environmentally sensitive; landowner equity; permit freeze, which was recommended by the Task Force's report and is not in here. We've compromised significantly. We know you need--

ASSEMBLYMAN McKEON: Thank you, Dave.

MR. PRINGLE: --to move forward deliberately and quickly. But be very careful with the grandfathering so that we do not undermine the premise of this bill.

ASSEMBLYMAN McKEON: Thank you very much.

SENATOR SMITH: Thank you for your comments.

ASSEMBLYMAN McKEON: That's it.

SENATOR SMITH: That's it.

ASSEMBLYMAN McKEON: Thank you very much.

Senator, would you like to call upon the Senate panel?

SENATOR SMITH: Thank you, Chairman.

First of all, for any public members who want to put in any additional testimony, let me remind everyone that we're more than happy to receive any additional comments on the bill, on the amendments, on anything. The address that you should use for that is: Senate Environment Committee/Assembly Environment and Solid Waste Committee, State House Annex, P.O. Box 068, Trenton, New Jersey, 08625-0068. We would love to have more input, ideas, comments. We will be considering them right up until May 10, when we have a session to release this bill. There is no public testimony proposed at that hearing.

Getting to our Senators-- Senator McNamara, would you like to say anything?

SENATOR McNAMARA: Yes, very briefly.

Number one, I want to thank both Chairmen for having the courtesy of holding this bill today in light of 80 pages of amendments that not only those that are not used to reading them -- those of us that are used to reading them -- couldn't possibly get through them.

But in the *Times* this morning, it was very interesting-- New York state just purchased a quarter-million acres at fair market value that they wanted to preserve. My concern from the very start of this is that those people that have investment -- all of a sudden, we're changing the basic ground rules and not addressing the impact that we have on them. Property taxes are very high in the towns that I represent that are in the Highlands. And unless we put in a sustained amount of money that would go on ad infinitum -- not five years, not 10 years, but ad infinitum -- we're in real trouble, and they will be in worse trouble.

A number of the other concerns that I have -- any number of people did mention them today. And I would appreciate from here on -- and I do appreciate the fact that the Chairmen has asked any particular concerns that I might have. And I will voice them at the appropriate time.

But what we're about to do is most serious. The impact is lasting. And I don't think there's anyone in this room or on this board that isn't concerned about water quality. But we have to make sure what we do is the right thing, and that's going to take a bit of time.

I could debate the process, but I'll be kind and pass.

Thank you. (applause)

SENATOR SMITH: Everybody, please sit down. We'd appreciate if you'd hold your applause.

Senator Martin.

SENATOR MARTIN: I doubt if I'll get the kind of reaction as Senator McNamara.

But I think-- First of all, I would really like to thank the Chairs of this Committee, and the sponsors. I don't know-- I don't think hardly anyone has recognized the amount of work these two gentlemen have put into this to try to make this a better bill. There are some people who don't want the bill, period. So I'm sure they don't appreciate trying to take a bill and making it better. But I can -- at least in my mind-- I've seen a bill develop over time, and it will continue, I suspect, to be amended, perhaps to make it more clear, that the issues that Senator McNamara has raised -- to see that those who do not wish to have -- remain in the Highlands -- there will be a mechanism for them

to be able to sell their property if they choose to and get fair market value -- is protected so that there isn't a taking, which I think is a legitimate concern.

Other issues like property taxes, of course, are significant. But I'm not sure they're directly connected with this bill. I have worked with the Chairs, and one of the things we tried to do was make sure there was watershed protection money or aid that was put into this bill. It was put in, and then it was raised. And we are working on a stable source of funding so that that would be assured in the future as -- so that what's happened in the past, such as previous promises by statute that are unfulfilled now, would not continue.

There's more work to be done, and I appreciate the folks who testified today, especially those from the 26th district, pro and con. I will continue to listen to them. As I think some of the people know in West Milford, I'm meeting with, I believe, the mayors and a couple of the councilmen tomorrow to more fully listen to the concerns of that town, which is one of the few that's completely in the preservation area. So they have special concerns.

But I thank, again, the Chairs for their work, and for those who testified today.

Thank you.

SENATOR SMITH: Senator Sweeney.

SENATOR SWEENEY: Thank you, Chairman Smith and Chairman McKeon.

I would like to thank you for holding off, today, a vote that I think is being rushed.

Unfortunately, there's been a lot of comments that we're just delaying this because we don't want it. That's not true. We're delaying this

because we want it to be right. Eighty pages of amendments so far-- The Senator has been kind enough to be willing to listen to several that I'm going to bring up.

There is an equity issue here. There's a fairness issue here. There's concerns for farmers. There's a fairness for builders. There's concerns for keeping water safe, our drinking water safe. This is probably one of the most important issues I will face as a legislator in my lifetime. And I live in the South, but I am concerned about what happens to the farmers and everyone else in the North.

So this isn't a matter of slowing it down because we don't want it. We want to get it right. The Pinelands happened roughly 30 years ago. A lot of mistakes were made. I want to congratulate the Highlands Commission for ensuring that they don't make those same mistakes again. That is to their credit. It's to the credit of the Highlands, it's credit to everyone that had any input at all. The problem is, the Pinelands still exist.

I've heard comments where we've said, "Well, that was 30 years ago." How can we move forward when people's lands have been devalued, rights have been taken, growth has been created, sprawl has been created -- all the problems that have been created in the South because of a poor-planned idea? Great idea in some ways, because they did the right thing, but they were not fair to the individuals that were affected by this.

That's why I want to thank the Chairs for listening, for their willingness to -- let's get it right. My pleasure is to work with you, and hopefully we can come to an agreement, because this is about the entire state. And South Jersey needs to be heard in this hearing and in this bill.

So, again, thank you, Chairmen. (applause)

SENATOR SMITH: Just so we finish on the Senate side, let me just throw a couple remarks on the table, as well.

First off, we have at least four outstanding issues that need initial input and thought, and they are the grandfathering provisions.

Today, we put on the table the narrative for the agricultural exemptions. I know that they're going to be circulated among the farming community in New Jersey. I know that the Farm Bureau is actually engaged in this process, as well as the Secretary of Agriculture. We want to make sure we do it right, especially on the farming issues. That is an industry in this state that we really have to protect. They have been great stewards of the land, and we want to make sure we do the right thing by our farmers. So, please, to any of the farmers that might be in the audience, or listening, or reading about this: That record is open. We want to hear what you have to say. We want to make sure we do it right. So please get your comments in.

Two other issues: impervious surface issues and the dedicated funding. I absolutely, totally -- and so does Senator Martin, Assemblyman McKeon -- agree that we have been making promises to the municipal and county officials in this area. And we are going to provide a dedicated, guaranteed source of funding for the impacts on their revenues, the tax stabilization, watershed aid, the reimbursement for their master plans, and zoning ordinance revisions. And we must be true to our word. We're going to make sure that that happens.

You hear all kinds of comments today about two short, two long -- the process. Whether you take to heart the comment that this is 15 years in the

making, or whether you believe we've done it in six hearings, I will tell you that we have had, literally, dozens of people trying for months to come up with the right legislation. And I believe we're getting very, very, very close. It's been a huge and extensive process.

We have enough comments, Senators-- When you see the final transcripts, literally, it's going to be twice as big as the State budget, which tells you how huge the comments are.

In this process, the most -- and I think we've been trying to meet all the stakeholders' concerns-- In the process, the most vocal opponents to the bill have been the building community in New Jersey. And I just want to say, for the record, I think you are very, very good people. Your industry deserves respect, you provide good jobs to the people of New Jersey, and you provide good housing to the people of New Jersey. You're never going to hear a negative word from me, or anything that casts aspersions on your trade or your industry. You are wonderful people, and you do provide good service and good homes.

But I will also remind you of the fact that two years ago, when we had our last drought -- and remember we've had five in the last 13 years -- as a legislator, I received phone call after phone call from representatives of the builders industry asking that we contact the Department of Environmental Protection to beat up the Commissioner to make him release water allocation permits, because we couldn't build homes. You couldn't get your water allocation permit, you couldn't build your project. And the point I'm trying to make to the builders everywhere -- who I greatly respect -- is that you have to look at the long-term, not the short-term. We will not have a housing industry in New Jersey if we don't have a clean and adequate water supply.

This bill has been done using a scalpel, not a meat ax. We've tried to focus on those 140,000 acres in the preservation area that have to be preserved to protect that water supply. We're not doing a 1.1 million acres, as in the Pinelands. We're talking about 140,000 acres that have to be preserved. And it really isn't-- Whether you believe it or not -- it is really in your best interest to see us protect that water supply.

And that being said, Chairman, I've spoken too much.

Let me pass it over to Chairman McKeon.

ASSEMBLYMAN McKEON: Never too much, Chairman. Thank you very much.

I'm going to call upon my colleagues in the Assembly.

Assemblyman Chatzidakis.

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

I'd like to thank all the members of the public who have taken time out of their busy schedules to come here and express their concerns. Clearly, we're in the midst of a fundamental change in a good aspect of our state, affecting many people. We are changing the rules. So it is incumbent upon us, as your representatives, to make sure that as the rules are being changed, people's personal lives, plans are protected.

Unfortunately, some people have tried to demonize other members of the community. I don't look at it that way. If people came here because their fears are their future plans may be thrown out the window, it's important that we don't cause irreparable harm.

I look at this issue as a State-mandate-State-pay issue. There's a basic mistrust apparently -- and rightfully so -- that the State walks away from its obligation many times. And it's extremely important that we have equity and fairness involved in all the process, no matter what aspect of the issue you're on.

I represent Burlington County. Much of my district is in the Pinelands. I've also represented towns in Atlantic County and Camden County, and have seen first hand what happened to the Pine Barrens -- the pressures and issues that have come out of that program over the last 20, 25 years. And it's important that we don't relive those mistakes again.

On a local level, the county level -- Burlington County -- we've been involved in farmland preservation, open space preservation, and we've been very successful in that. And it's important that we continue that process. And it's important that we preserve everyone's interest here -- clearly the ones who are stakeholders, and also the people who are concerned about our environment.

The bill has two parts. Obviously, we all want to preserve our land and our source of water, protect our pristine life (indiscernible) life, but also as a fairness issue. And hopefully everyone has seen and heard testimony from the last couple of meetings -- that the fact that we're not voting today on the bill -- your voices have been heard. And hopefully we can continue this dialogue until we can address and concern everyone's needs, and that everybody will feel that they will have gotten some equity out of this process.

I thank you for coming. (applause)

ASSEMBLYMAN McKEON: Thank you very much,
Assemblyman.

Assemblyman Rooney -- and I always feel compelled to note that he is the senior member of the people's house and has a wonderful environmental résumé to his past--

ASSEMBLYMAN ROONEY: Thank you, Mr. Chairman.

ASSEMBLYMAN McKEON: --and future.

ASSEMBLYMAN ROONEY: It's déjà vu all over again, in the immortal words of Yogi Berra. Because I remember in the mid to late '80s, we had a similar situation where Maureen Ogden sponsored the Freshwater Wetlands Act. I was a co-prime sponsor with Maureen on that, as I was the Vice Chairman of the Environmental Committee, which she chaired.

She had that bill in, and Bob Shinn came in. And, basically, there was the environmental bill and the builders' bill. And at some point in time, we merged the two bills together. Nobody got everything they wanted, which is the legislative process. Everybody walked away a little bit unhappy, but we did protect freshwater wetlands.

We had the grandfathering issue, we had all of these issues. And we should learn from our past experiences, that there are ways to get the bill better. We have to exercise some compromise. Both the builders and the environmentalists have to compromise at some point in time.

A lot of the grandfathering issues -- I laugh because this was one of the major issues at that time. In fact, building permits were extended into the '90s and then re-extended again. In fact, I think in the mid '90s we still had permits that were out there from the original Freshwater Wetlands Act.

Then in the late '80s, under the Florio administration, I sponsored the moratorium, the wetlands moratorium act. And I was fortunate enough to

have Governor Florio sign that into law. And at the same time, I put three bills -- two bills in at that time. One was the buffer bill, because the moratorium specifically stated there shall be buffers around our watersheds. That bill remains with us today. It is A-1147, which is part of this bill.

There's another part of this legislation, which is the steep slopes bill. That happens to be 1150. These have been around for more than 10 years. There's also another bill that I put in, approximately eight or nine -- no, probably even longer than that -- 1152, right of first refusal. Now, gee, that sounds familiar also. Unfortunately, it has been taken out.

What happened there was that the Alpine Boy Scout Camp had been sold to a developer -- 150 acres sold to a developer for \$3.4 million. We had an opportunity to take that as far as the municipality, as far as the county, as far as the State to preserve that land -- 150 acres. After about eight years of wrangling, we got the Palisades Interstate Park Commission, the county, and the State to chip in. We gave the developer 30 acres. We took back 120. But what did it cost us? It cost us over \$20 million to get that land. Twelve years ago, if we had done buffers, we wouldn't have the price tag that's on this bill today.

And Senator McNamara made a good point with the *New York Times*. I'm in the electrical industry, and as such, I call on the freshwater and the wastewater people. And I put electrical equipment in those type of plants. I was very involved with the Catskills acquisition, the Croton project, and the -- basically a processing plant. It was about \$600 million that they spent in the Catskills for that land. You know what's interesting? By spending \$600 million, they didn't have to spend \$6 billion for a treatment plant to take out the pollution that would have occurred because of the development right on the

watershed. These are the things we're facing today. We better wake up and preserve the land.

I have all the reasons in the world to support this bill. There's one big exception: Who's going to pay for it? How do we compensate the people that own that property today? I've done some rough calculations. There are approximately 300 billion gallons of water used in this state by residents, by industry, by commercial applications -- 300 billion gallons. If we put a penny-a-gallon tax, we would raise \$3 billion -- I'm sorry -- yes, one cent a gallon is \$3 billion. That would cost the average homeowner in the State of New Jersey -- average homeowner \$200 a year -- that's pretty expensive.

I heard *dedicating*. You can only really dedicate by referendum. Put it on the ballot. Let the people of New Jersey say they are in support of having themselves taxed on their water bill in order to pay for the acquisition of the land for the Highlands, and also for the municipalities that give up their rights of development, and let them survive. Because the cost of doing that on their own is going to be too high. So those are the concerns I have.

Like I said, I want to support this bill. But there are too many questions that are still opened. I appreciate the amendments, I appreciate the time frame. But let's talk some more. Let's look at this. And, again, somebody should put a bill in -- or a concurrent resolution -- to put on the ballot this year to ask the residents of this state if they're willing to pay some percent. We've got to have an economic environment impact statement -- economic impact statement on this before we can go forward. We need to know how much this is going to cost, how much we have to put -- to raise in taxes.

So those are my comments, and I appreciate the opportunity to speak here. (applause)

ASSEMBLYMAN McKEON: Thank you very much, Assemblyman Rooney.

Assemblyman Manzo.

ASSEMBLYMAN MANZO: Thank you, Mr. Chair.

I also want to thank both Chairs for addressing some of the issues that were raised, initially, by the agricultural community several meetings ago. And this is something that the public needs to understand. A reason that a lot of these amendments are here tonight are because of concerns that have arisen throughout these hearings. And I want to thank both the Chairs for that.

The other key issue which I think we have to grapple with having answers for, before we're ready to vote on this, is the acreage in the core that will be affected by grandfathering. We're setting out on a premise that we're preserving a core area which is important for our water supply.

It would be a faux pas not to know how many acres are just as affected by grandfathering provisions. We need to know the total on that, and we need to know the difference, and then we need to, I guess, review what the impact of that difference is. I also would want to have addressed something in the bill, or something to propose something in the bill, for additional reservoir capacity, not just in the Highlands region, but in the state in general.

There's been many references noted today, and at the previous meetings, about affordable housing and property tax relief. This is really not our main objective through this bill. I would just submit that bills like A-572, which shifts 5.6 billion off of property taxes over to our inadequate income

taxes, for example -- and in the Highlands townships such as West Milford -- would result in an average savings of \$2,031, 75 percent of the school tax there. And in towns like Wanaque: \$2,052 per homeowner, a school tax savings of 76 percent. We need to focus on those bills and get that out of the discussion here.

There should be-- As to where to build, there should be no vilification of the building industry. And that's something that's been unfortunate here. We need builders. We all live in homes in this state. And we have to address their concerns, if we hit on a conservation issue, of where to build. My suggestion is, massive urban renewal is needed in this state. I come from Jersey City, and I know cities like Camden, Passaic are in need of massive urban renewal. And we need to address that in other bills in this Legislature. Brownfield remediation is another area which can spur development in this state.

And, finally, what we all need to know is that the public has to have a better understanding of this. And those on the environmental side and those on the building side have to understand that with all conservation bills, in the past just like this one, there is ultimately and unfortunately a cost and a sacrifice to someone. But our failure, in this densely populated state, not to take those challenges would be far worse for all of us. Our goal is to mitigate that consequence and to have in place the ability where we can all stand up and support a conservation bill.

Thank you. (applause)

ASSEMBLYMAN McKEON: Thank you, Assemblyman.

Assemblyman Gusciora.

ASSEMBLYMAN GUSCIORA: Thank you, Mr. Chair.

I appreciate being part of this. This is historic legislation, wherever you stand on the bill. It is historic and will have lasting ramifications for future generations. And it is fitting that we are discussing this on Earth Day. And I'm appreciative of being part of the process.

I want to assure the people that are out in the audience, and who do oppose this, that we have heard many hours of testimony, and we have 80 pages of proof that we did hear a lot of the concerns. It's not a perfect bill, but we have addressed many of the concerns. I too don't think that this should be an us versus them, or something to be opposed to the home builders. I'm a beneficiary of a home builder. I'm living in a house right now. I have three godchildren, and each father is in the construction industry. So I do understand the perspective and ramification it has on the economy. And it does reverberate, whether you're a carpet installer or the pharmacy on the corner. There is the building blocks that all relate.

I do disagree with my colleague, here, that this has nothing to do with property taxes. It has a lot to do with property taxes. We had testimony from Egg Harbor Township officials, complaining that they had the highest increase in property taxes, being a growth area in the Pinelands. So it does affect property taxes, and we should be concerned about that, as well.

Whatever we do, I think that we should think about future generations to come, make sure that this is the best bill possible, that it is balanced so that you're taking care of the housing industry, the housing needs for our future, but also make sure that the state has a place to have water so that we can all benefit in the future, and that we all benefit, and that we all are

proud that, at the end of the day, this is the best thing for the State of New Jersey for many generations to come.

Thank you. (applause)

ASSEMBLYMAN McKEON: Thank you, Assemblyman.

Assemblyman Gordon.

ASSEMBLYMAN GORDON: Thank you, Mr. Chairman.

First, let me add my thanks to both Chairs for your leadership on this and for your hard work in dealing with very complex legislation.

As I've sat through these many hearings, and read the many reports, read the bills, I've thought a good deal about an essay I read -- it must have been about 30 years ago -- called "The Tragedy of the Commons," by Aldo Leopold, who wrote, as I recall, about herdsmen who allowed their cattle to graze on a meadow, and in doing so, made decisions that made a lot of sense for them individually. But collectively, their actions destroyed the meadow. And I think there's a strong analogy with the issues that we're dealing with here.

I have grave concerns about 88 communities and seven counties which may be acting individually in their best interest. Although, as a former mayor, I know that municipal governments respond to local political pressures, I am concerned though that, collectively, we may be at risk for damaging one of our most important common resources, our clean water.

It's a difficult issue. And like many difficult policy issues, there are trade-offs. And I want to thank the many members of the public who testified to help clarify the trade-offs. Clearly, we want to protect water, but we also need to be concerned about protecting property rights, maintaining the economic viability of the building industry, protecting communities from financial ruin if

they're unable to raise the revenues required for their government operations. And I believe we will address those issues and strike a balance.

I come from a part of the state where we have a success story in regional planning. We've heard a great deal about the problems in the Pinelands and southern part of the state. And mistakes were made there. It was an incredible experiment in 1976, when the Byrne administration embarked on that. And we had lessons to learn. And I believe we learned them in the Meadowlands. My district includes portions of the Meadowlands. And the Meadowlands Commission, I believe, is a great success story, having just preserved a large swath of property for recreation and water preservation, and maintaining one of the most vibrant economic areas in the state.

I'm hopeful that we will be able to learn from -- learn lessons from that experiment and protect our most important common resource, and yet also maintain New Jersey as a -- and the western part of our state -- as a vibrant place to live and work.

Thank you very much.

ASSEMBLYMAN McKEON: Thank you very much, Assemblyman.

Assemblyman Panter, the Vice Chair, who has been working hard on all of this, had to absent himself. And he apologizes, but obviously won't be here to speak, which leads me to (indiscernible) clean-up.

First and foremost, I'd like to thank everyone for the manner in which they comported themselves today. At one point, when somebody spoke out of turn -- the few times it happened -- and the State Trooper stepped up, I was afraid he was going to throw Assemblyman Pennacchio out the door.

Thankfully, that didn't occur. And, again, I congratulate everybody on conducting themselves the correct way.

I'd like to, again, thank the members of Legislative Services; and, quite frankly, our own individual staffs; and the staffs of our respective Majorities and Minorities. I've never seen a group of people work harder toward a single purpose. And, really, you're all wonderful public servants. And I know all of us who are elected representatives thank you for that work.

I guess I just want to take a second to put the big picture -- at least from my perspective -- on all of this. And, of course, compelling to all of us, as human beings, are those who testified that are hardworking people, who have concerns. And I'm not talking about those who have major dollars at stake, who might own large tracts of lands, but those who are banging the nails into the wood, those who are serving the coffee in the local store close to there, because I can tell you that there isn't a person up here that doesn't hold that, true to their heart, about the last thing we'd want to see happen -- to hurt anybody individually in that regard. And that's about our economy.

But when it comes to it, that's what this whole bill is about. Our whole economy is based upon the fresh water supply, whether it's tourism and the pristine waters that have to be there, whether it be our pharmaceutical industry, whether it be what's left of our manufacturing industry, using Budweiser and the plant in Newark as a great example of that. Our whole state -- and the great part of our -- vast part of our economy, and many working people just like you, a lot more, depend upon that fresh water supply. Half of us drink from Highlands water, 200 of the 500-and-some municipalities get a good percentage of their water directly from the Highlands.

You want to talk about the economy, as has come from the nonpartisan North Jersey water supply-- Should we continue to lose the land in the core of the Highlands at 5,000 a clip, it will cost \$25 billion -- with a *B* -- dollars to deal with trying to clean up water on a going-forward basis over the next 25 years. That's certainly something we truly can't afford.

The way that this legislation needs to come together, with that as the big picture, is that this isn't about being a Democrat or Republican, it's not about what part of the state you live in, it's not even about whether you're a developer or an environmentalist. It's about doing what's in all of our collective best interest and respecting each other's positions.

And trust me when I tell you that everybody that's been blessed with the responsibility of trying to do the right thing is trying to take all those interests in consideration and balance it.

I took as a challenge -- and I know all of us did as we went through the public hearings -- and people were emotional, and understandably so -- that, "Hey, we're talking, but you're not listening." Well, I think that 80 pages of amendments have reflected that we've been listening very carefully. There was some excellent testimony today, as well as input from all members of this body, that will continue in the deliberative and evaluative process that will go into what I know, as Assemblyman Gusciora said, will be historic legislation; which will be something that will create an environment for this state to thrive, well beyond some of the children that are here on Bring Your Family To Work day -- for them and for their children or grandchildren.

I'm too compelled about the issues of affordable housing, something that is to the heart and the core of what I believe in. Well, if you do

the calculations, and look within that 140,000 acres and what of that is really truly developable, and under our current rules for the courts what would end up as “affordable,” it’s going to be a smattering, a handful. And if we don’t move in this regard, the resources, as I’ve just referenced -- that \$25 billion -- that will be eaten up, will give us not the precious resources we need to truly deal with affordable housing in the state.

I hope that, as Assemblyman Manzo mentioned, that, ultimately-- And I’m going to give you kind of a -- I don’t know if it’s a silly example, but it’s one true -- it’s one, as a New York Giants football fan, used to make me crazy. When the old George Young, the old manager used to say -- when he wouldn’t sign the players, and I’d get real nervous they wouldn’t be ready for the season -- “Football players will tend to play football,” and he’d wait them out, and they would. And those who are the driving force behind development-- You know, I say the same. I’m the Mayor of the township of West Orange, and I have a redevelopment area where I’m praying and begging for someone to come in and rebuild 250 homes. Pulte, Toll Brothers, they’re not interested now -- and not because there isn’t profit there, but because there’s more profit elsewhere.

So, ultimately, for the developers-- I, too, live in a home that I couldn’t build on my own-- But ultimately for them, who put their capital up front, who employ lots of people-- Football players ultimately will ultimately play football. Developers will ultimately build, but build in places that need to be redeveloped when you get there.

As someone mentioned before-- I have two other points to make. One is as to home rule. And, again, as a Mayor, and someone who believes in

that, I understand, and that's a compelling argument. I can look to Mayor Sceusi of Rockaway; I can look to Mayor Spinelli of Chester and reference -- and those are just a few -- two Republicans, as a matter of fact, who have done incredibly great jobs as stewards of the land.

I thought a bit, as the panel came here a while ago from West Milford, and in their mentioning said, "Hey, there's only" -- I think it was -- "6 to 8 percent of our land left, and it's all on steep slopes." Well, it's a good thing the voters threw those people out, because you have nothing else left to build on.

And that's the point. With the 140,000 acres, we can't count on the fact there will be Mayor Spinellis and Mayor Sceusis that will do the right thing as stewards of the land, because it affects every one of us in the state. And we as a state have to move forward in a positive direction.

Again, thank you all for your time. You mentioned, how does the process continue to work? We've taken exhaustive amounts of testimony. How the process continues to work, for example, is, I, as one, have a meeting scheduled a couple days from now with the New Jersey Developers Association, who certainly will review these amendments and will provide, through your organization, some additional information for us to continue our evaluative process. It doesn't end here. We want to hear what all of you have to say as individuals. But rest assured, all of the trade organizations representing your interest -- when you get through this material and information -- will be there to listen.

Again, from the bottom of my heart, I thank each and every one of you, and look forward to going together towards this direction. And we will see you on May 10. (applause)

(MEETING CONCLUDED)