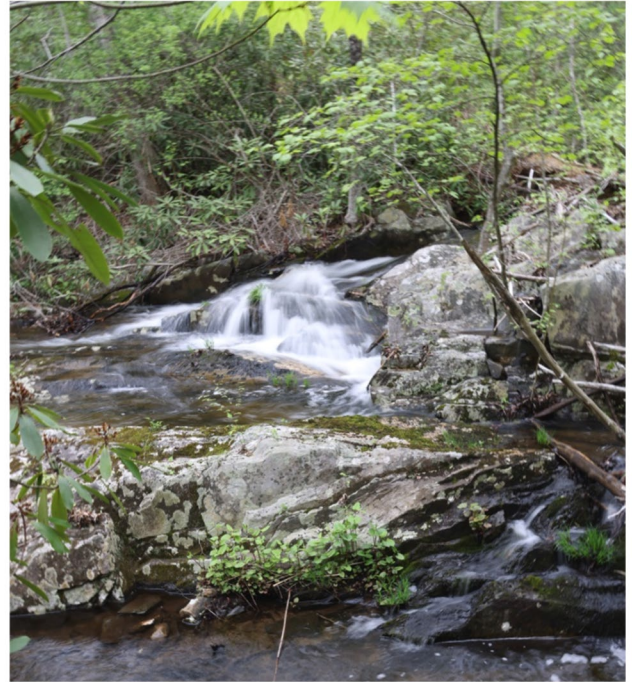


2022 Highlands Region Land Preservation Status Report

Release Date: December 2022



Photos: Highlands Council Open Space projects completed during 2020 and 2021 in Passaic and Hunterdon Counties. Top photos courtesy of funding partner US Fish and Wildlife Service. Bottom photos by Highlands Council staff.

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The Foundations of This Report

When the 2004 New Jersey Highlands Water Protection and Planning Act (Highlands Act) was adopted, the Legislature declared that “the protection of the New Jersey Highlands, because of its vital link to the future of the State’s drinking water supplies and other key natural resources, is an issue of State level importance...” and that the Act should be followed “by a strong and significant commitment by the State to fund the acquisition of exceptional natural resource value lands.” (N.J.S.A. 13:20-2.)

The Act also specified several goals to be addressed in the Highlands Regional Master Plan (RMP). Among them was the preservation of farmland and open space throughout the Region to help ensure the protection of natural, scenic, historic, and other resources, and provide opportunities for recreation on publicly owned lands. (N.J.S.A. 13:20-10) The RMP further directed the Highlands Council to maintain inventories of public and private preserved lands, and to serve as the primary source of such information for the Highlands Region. As the only state entity solely focused on the Highlands Region, the Highlands Council is in a unique position to maintain such information.

Accordingly, the 2008 RMP and the Highlands “Land Preservation and Stewardship” technical report identified 273,457 acres of preserved land, representing nearly one-third of the 859,358 acres in the Highlands Region. These preserved lands include public parks, wildlife management areas, reservoir watershed lands, and conservation and agricultural easement holdings, with ownership representing federal, state, county, municipal, nonprofit, and private entities.

In 2010, the Highlands Council released a “Land Preservation Report,” updating the RMP figure to a revised total of 290,214 acres, or 34% of the Highlands Region. As with those lands previously identified, this additional acreage was preserved through a variety of channels. Of the additional acres identified in the 2010 report, 5,694 acres had been identified in the RMP for priority acquisition as representing “exceptional natural resource value lands” targeted for preservation by the Highlands Act.

Building on these prior reports, in 2016 the Highlands Council began publishing this Highlands Region Land Preservation Status Report. The report is produced every two years and provides an accounting of preserved lands based on the best available data at the time of publication. This report reflects lands preserved through December 2021.

Readers should note that because data collection and analysis methodologies are continually improving, and quality assurance/quality control (QA/QC) efforts by Highlands Council GIS staff are ongoing, comparisons of data from one report to another may result in inconsistencies.

The Role of the Highlands Council in Land Preservation

In addition to serving as the regional clearinghouse for a Highlands-specific data base of preserved lands, the Highlands Council operates two land preservation programs: The Highlands Open Space Partnership Funding Program (OSPP) and Highlands Development Credit Purchase Program (HDCPP). Both programs are designed to increase protection of Highlands resources, while also advancing landowner equity priorities through acquisition or deed restriction of land throughout the region. They also fill a unique need among other preservation programs in the state since parcels of any size may qualify and the programs will consider applications for land that is forested, agricultural and/or mixed use. The programs are administered under the provisions of N.J.A.C. 7:70, Highlands Open Space Partnership Funding and Highlands Development Credit Purchase Program.

The OSPP is a matching grant program that is open to government and nonprofit entities. The Highlands Council provides up to a 50% match for acquisitions in fee simple or via deed restriction. The HDCPP is a deed restriction program open to individual property owners wishing to retain ownership of their property while placing a conservation easement on the land.

In this report, lands preserved through the OSPP are reflected in the open space class of the entity that owns or holds an easement on the property (county, municipal, nonprofit, etc.). Properties protected through the HDC Purchase Program are broken out separately.

The evaluation of land preservation conditions in the Highlands Region requires coordination with numerous government and nonprofit entities that track preservation at the state, county, and municipal level. For this reason, the analysis that follows draws from a number of different sources.

Analysis Approach

Land Status Categories

This report categorizes land status three ways. For the purposes of this report:

- **Preserved land** refers to land that is protected from development through deed restriction, easement, or other conservation or preservation means.
- **Neither preserved nor developed land (unpreserved/undeveloped)** refers to land that has not been preserved as described above and is not developed.
- **Developed land** refers to unpreserved land that is neither vacant nor considered qualified farmland.

In addition to providing a simple accounting of the acreage that falls into these three categories, this report includes an evaluation of the nature and extent of these lands related to parcel size, since preservation occurs by parcel.

Priority Areas

This report also examines preservation from the perspective of “Priority Areas” identified in the Highlands Regional Master Plan (RMP). Lands classified in the RMP as High or Moderate Agricultural Priority and High or Moderate Conservation Priority have been identified as in need of protection in order to preserve their agricultural or ecological and water supply value. The Special Environmental Zone (SEZ) is a subset of the Conservation Priority Area.

The Highlands “Land Preservation and Stewardship” technical report (2008) and the “Sustainable Agriculture” technical report (2008) provide comprehensive details regarding the identification and classification of these priority areas.

Planning and Preservation Areas

In some cases, data is also broken out by Planning Area and Preservation Area. The Highlands Act delineated the boundaries of the New Jersey Highlands Region, dividing it into these two areas, specifying that the Preservation Area is of exceptional natural resource value and requires stringent protections. Of the 88 municipalities in the Highlands Region, five are located wholly within the Preservation Area, 47 have lands within both the Preservation and Planning Area, and 36 are wholly within the Planning Area.

Summary of Findings

As in the past, an examination of preservation data across the Highlands Region shows slightly more than one-third of the region's acreage is preserved, but that preservation accounts for only a small percentage of parcels in the region. This is due to a historical bias for preserving large parcels. The majority of unpreserved/undeveloped land remains in smaller parcels (see Figure 4 page 8).

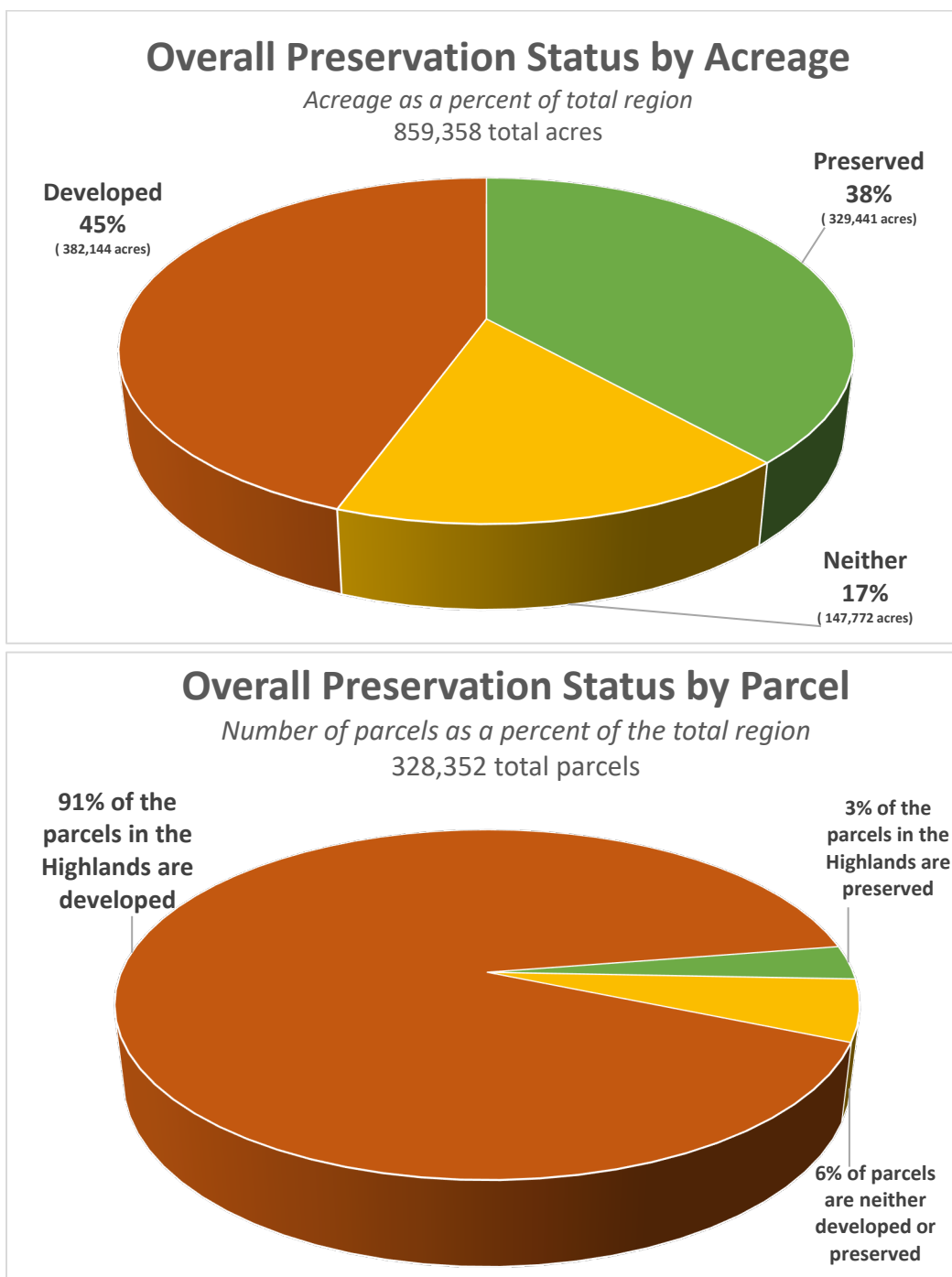


Figure 1

Preserved Land

This most recent analysis finds that 329,441 acres of the Highlands Region, or 38%, is currently preserved. This is an increase of more than 66,000 acres since the Highlands Council's first accounting of preserved lands in the "Land Preservation and Stewardship" technical report of 2008. Developed land accounts for 44% of the region, and 17% of the Highlands is neither developed nor preserved.

It should be noted that of the 414,994 acres of the Preservation Area, only 52% has been permanently preserved through deed restrictions, easements, or fee simple purchases; while 15% remains neither preserved nor developed.

Of the 329,441 acres of preserved land in the Highlands Region, there are 217,816 preserved acres in the Preservation Area and 111,625 acres in the Planning Area.

Parcel-Size Analysis

The 859,358 acres of the Highland region is divided among 328,352 parcels. A parcel-level analysis reveals that the vast majority of parcels in the region are already developed (91%). Only 3% of parcels have been preserved, and 6% remain neither preserved nor developed.

A parcel-size analysis reveals a bias for preserving larger parcels throughout the Highlands Region. The bulk of preserved land in the Highlands Region consists of parcels that are 75 acres or larger.

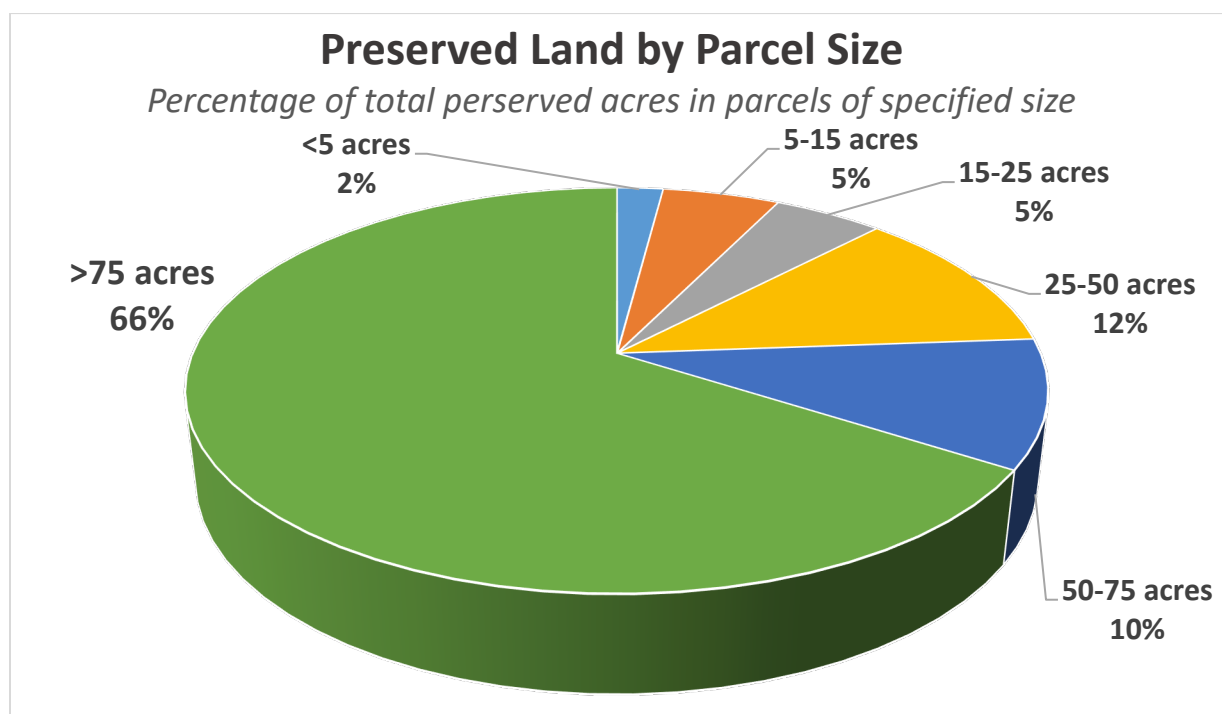


Figure 2

A breakout by Preservation Area and Planning Area shows consistent results. In the Preservation Area, 73% of preserved lands are contained in parcels that are 75 acres or larger and in the Planning Area, 53% of preserved lands are in parcels of 75 acres or larger.

Table 1: Preserved Land by Parcel Size (as % of total preserved acres within parcels of specified size)

	Parcels of 5 acres or smaller	Parcels of 5-15 acres	Parcels of 15-25 acres	Parcels of 25-50 acres	Parcels of 50-75 acres	Parcels of 75 acres or larger
Entire Highlands Region	2.1%	5.2%	4.9%	11.6%	10.2%	66.0%
Planning Area	3.6%	8.2%	6.7%	15.2%	13.1%	53.1%
Preservation Area	1.3%	3.7%	4.0%	9.8%	8.7%	72.6%

Open Space Class Analysis

The chart that follows provides details regarding preserved lands in the Highlands Region by the following Open Space Classes.

- **State** – Includes state-owned parks, camps, conservations areas, and other open spaces.
- **Water Supply/Watershed Lands** – Includes areas that are owned by water supply authorities or parties in the interest of protecting the water supply.
- **Farmland** – Includes deed-restricted farmland that has been preserved through the State Agricultural Development Committee (SADC) or County Agricultural Development Boards (CADBs).
- **Municipal** – Includes municipal parks, trails, and other open space.
- **County** – Includes County parks, camps, and other open spaces.
- **Nonprofit** – Includes lands preserved through and owned by nonprofit entities.
- **Federal** – Includes national parks, historic sites, recreation areas, etc.
- **Private** – Includes privately owned lands that have been preserved through deed restrictions. It is important to note that this category is not explicitly tracked and thus this is not a comprehensive accounting of all privately held lands in the Highlands.
- **Highlands Development Credits (HDC)** – Includes deed-restricted properties that were preserved through the HDC Purchase Program.

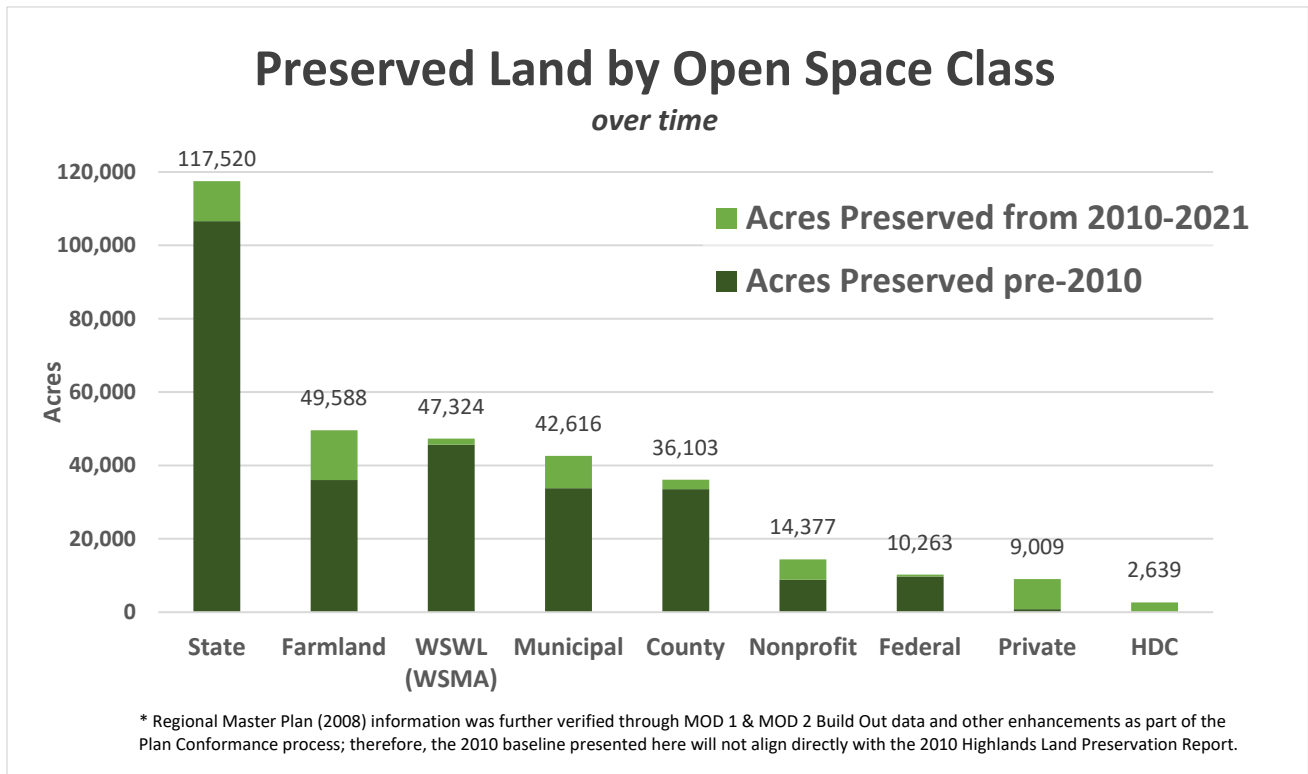


Figure 3

The single largest increase in land preservation by Open Space Class since 2010 has been in agricultural lands, with over 13,500 acres of farmland preserved either through the SADC or CADBs. State preservation programs are the next largest contributor, having preserved nearly 11,000 additional acres since 2010.

Neither Preserved nor Developed Land Analysis

Of the 147,772 acres of unpreserved/undeveloped land in the Highlands Region, 62,285 acres are in the Preservation Area and 85,487 acres are in the Planning Area.

Parcel-Size Analysis

There are 18,640 parcels in the Region that remain neither preserved nor developed, meaning in accordance with local land use they have been neither fully developed nor preserved. This total represents 7,185 parcels in the Preservation Area, and 11,455 parcels in the Planning Area.

In contrast with preserved lands, most unpreserved/undeveloped parcels are small in size. Across the Region, 70% of neither preserved nor developed parcels are smaller than five acres. Specifically, 66% of unpreserved/undeveloped parcels in the Preservation Area and 74% in the Planning Area are five acres or smaller. As noted earlier, the Highlands Council is uniquely positioned to address preservation needs among these properties, since parcels of any size may qualify for the OSPP and HDCPP.

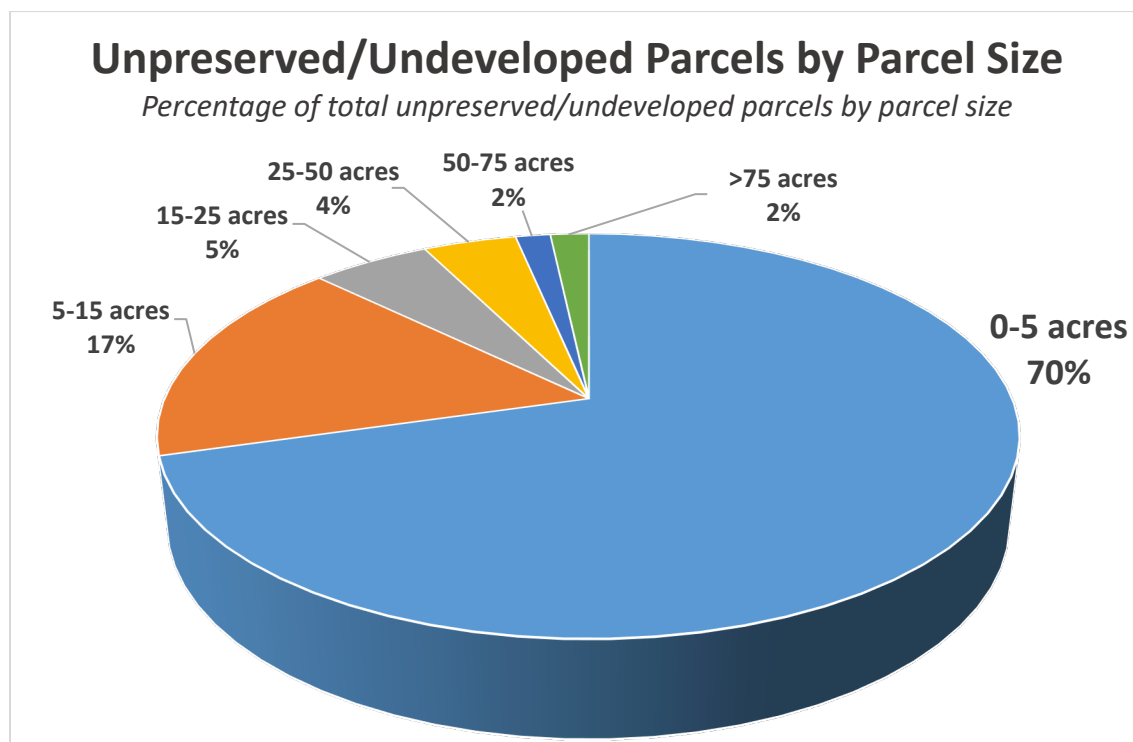


Figure 4

Table 2: Neither Preserved nor Developed Parcels by Parcel Size (as % of total unpreserved/undeveloped parcels)

	Parcels of 0-5 acres	Parcels of 5-15 acres	Parcels of 15-25 acres	Parcels of 25-50 acres	Parcels of 50-75 acres	Parcels of 75 acres or larger
Entire Highlands Region	70.5%	16.7%	5.3%	4.2%	1.6%	1.7%
Planning Area	73.7%	14.7%	4.7%	3.7%	1.5%	1.8%
Preservation Area	65.5%	20.0%	6.3%	5.0%	1.6%	1.6%

Highlands RMP Priority Area Analysis

The Highlands “Land Preservation and Stewardship” technical report, which accompanied the 2008 Highlands RMP, provided specific criteria for designating lands as either Conservation Priority Areas or Agricultural Priority Areas; lands that should be prioritized for preservation. The report identified approximately 151,000 acres, contained in 3,500 parcels that met these criteria. This represents 18% of the total Highlands acreage and 1% of all parcels in the region.

To date, 28% of the priority area acreage has been preserved and 25% has been developed. The remaining 48% remains neither preserved nor developed. When viewed as parcels, 20% of the Priority Area parcels have been preserved, 33% of the parcels have been developed while 46% of the parcels are neither preserved nor developed. These numbers are fairly consistent across the Planning and Preservation Areas.

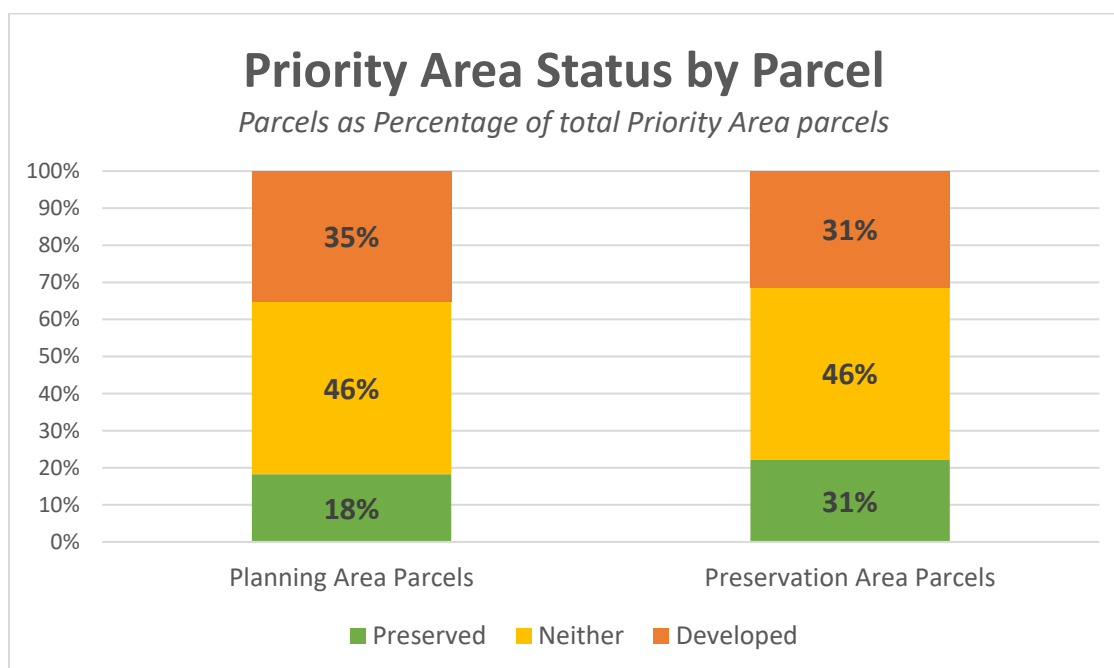


Figure 5

Table 3: Preserved Land (acres) in RMP Priority Areas Across by Acre

	Preserved Acres	Neither Preserved nor Developed Acres	Developed Acres	% of priority area that is preserved
Entire Highlands Region	442,246	71,785	37,051	28%
Planning Area	18,840	39,159	20,501	24%
Preservation Area	23,405	32,626	16,550	32%

Special Environmental Zone (SEZ) Analysis

The Special Environmental Zone (SEZ) is a subset of the Conservation Priority Area and was defined in the Highlands Act as an “area where development shall not occur in order to protect water resources and environmentally sensitive lands and which shall be permanently preserved through use of a variety of tools, including but not limited to land acquisition and the transfer of development rights.”

The Highlands “Land Preservation and Stewardship” technical report, which accompanied the 2008 Highlands RMP, provided specific criteria that would designate lands as SEZ and identified approximately 19,000 acres that met these criteria.

The most recent accounting shows the majority of the SEZ acres, 39%, remains neither preserved nor developed. Approximately 41% of the SEZ has been preserved, and the remaining 19% has been developed.

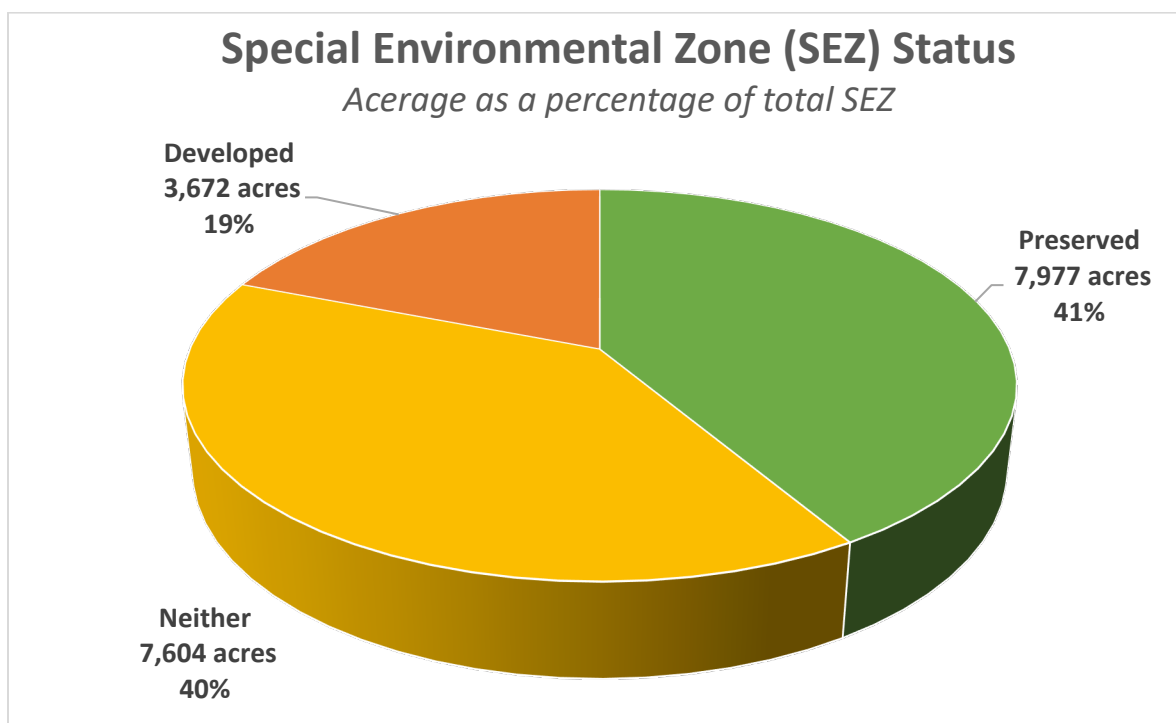


Figure 6

Land Preservation and Environmental Justice

In 2020, New Jersey passed an Environmental Justice Law and proposed rules for its implementation. As part of this work, Overburdened Communities (OBCs) were identified across the state and defined as any census block group in which one of the following is true:

1. at least 35% of the households qualify as low-income households;
2. at least 40% of the residents identify as a minority or as members of a State recognized tribal community; or
3. at least 40% of the households have limited English proficiency.

The rules articulated specific environmental and public health stressors on OBCs, one of which is limited access to high-quality recreational and open space resources. Within the Highlands region there are 29 municipalities that contain at least a portion of an OBC census block group.

A preliminary examination of preserved lands in the Highlands reveals that approximately 31% of the region is publicly accessible open space, meaning it falls into Open Space Classes that typically allow for public access (vs. farmland, watershed lands, privately preserved, and some deed-restricted lands).

The Highlands Council intends to continue to track and refine land preservation data to help ensure that the provisions of the Environmental Justice Law and any associated rules are reflected in regional planning for the New Jersey Highlands.

Future Funding

At present, there is no consistent, stable source of funding specifically for land preservation in the Highlands. As a result, both the HDCPP and OSPP are not operating to their full potential. The Highlands Council's ability to continue to participate in land preservation in the region is dependent upon adequate funding for preservation projects, both through fee simple acquisitions and deed restrictions that permanently protect resources.

One potential source of funds is a portion of the Corporate Business Tax (CBT) that is currently dedicated to the state's open space, farmland preservation and historic preservation programs. The dedicated portion of the CBT that is allocated towards the state's land conservation programs and overseen by the Garden State Preservation Trust (GSPT) was scheduled to be re-examined in 2022 by the terms of N.J.S.A. 13:8C-47.1 (b). That did not happen. An allocation of a modest portion of the CBT to the Highlands Council would enable the Council to reinvigorate its land preservation programs.

Of particular note is the ability of the Highlands Council to leverage CBT funding with federal funds available under the federal Highlands Conservation Act (HCA). Adequately funding Highlands land preservation programs would enable matching Federal funds to at least double the resources available to protect the region's resources and directly address many of the long-standing criticisms of the Highlands Act regarding landowner equity.

Currently, the Highlands Council has only \$393,000 available for spending on new HDCPP or OSPP applications, which is insufficient for launching new and effective application rounds. Existing known demand remains extremely high for the programs, with \$32M in current applications. A minimum of \$1.46M is needed annually to provide the minimum 50% match for the base HCA funding of \$1.46M. Funding of \$5M annually would provide the opportunity to apply for base HCA funding and additionally apply for HCA competitive funds (set at \$14.2M for FY2022). Funding of \$10M annually would permit the Council to maximize the application for competitive HCA funds while providing funding for direct HDCPP easement acquisitions outside of the federal HCA program. The lack of adequate funding means that New Jersey is annually leaving millions of dollars on the table to protect Highlands resources because we lack the matching funds. Every dollar allocated to the Highlands could bring in at least one dollar in Federal funds, potentially more.

Next Steps

The Highlands Council will continue to coordinate with state, county, municipal and nonprofit partners to monitor and track land preservation in the region and publish this Status Report for the benefit of stakeholders throughout the region and other interested parties. In addition, the Highlands Council offers an online tool that allows users to submit missing preserved parcels to be verified and added to its inventory (see www.nj.gov/njhighlands/gis, "Land Preservation Data Updates Survey").

As part of its ongoing efforts to increase land preservation in the region, the Highlands Council is in the early stages of developing a comprehensive Open Space Plan for the Highlands Region. The plan will seek to identify and prioritize preservation projects throughout the region and provide strategies for funding and implementation. The council anticipates completing this plan by the end of 2024.

The Council will also continue its preservation efforts through the Highlands OSPP and HDCPP, prioritizing protection of lands within the Preservation Area, specifically the Special Environmental Zone. These two programs have accounted for nearly 7% of total growth in preserved lands within the Highlands Region since 2010. As noted above, a stable source of ongoing funding for preservation activities in the Highlands Region continues to be a challenge in advancing these efforts.

Figure 7: Land Status within the Highlands Region

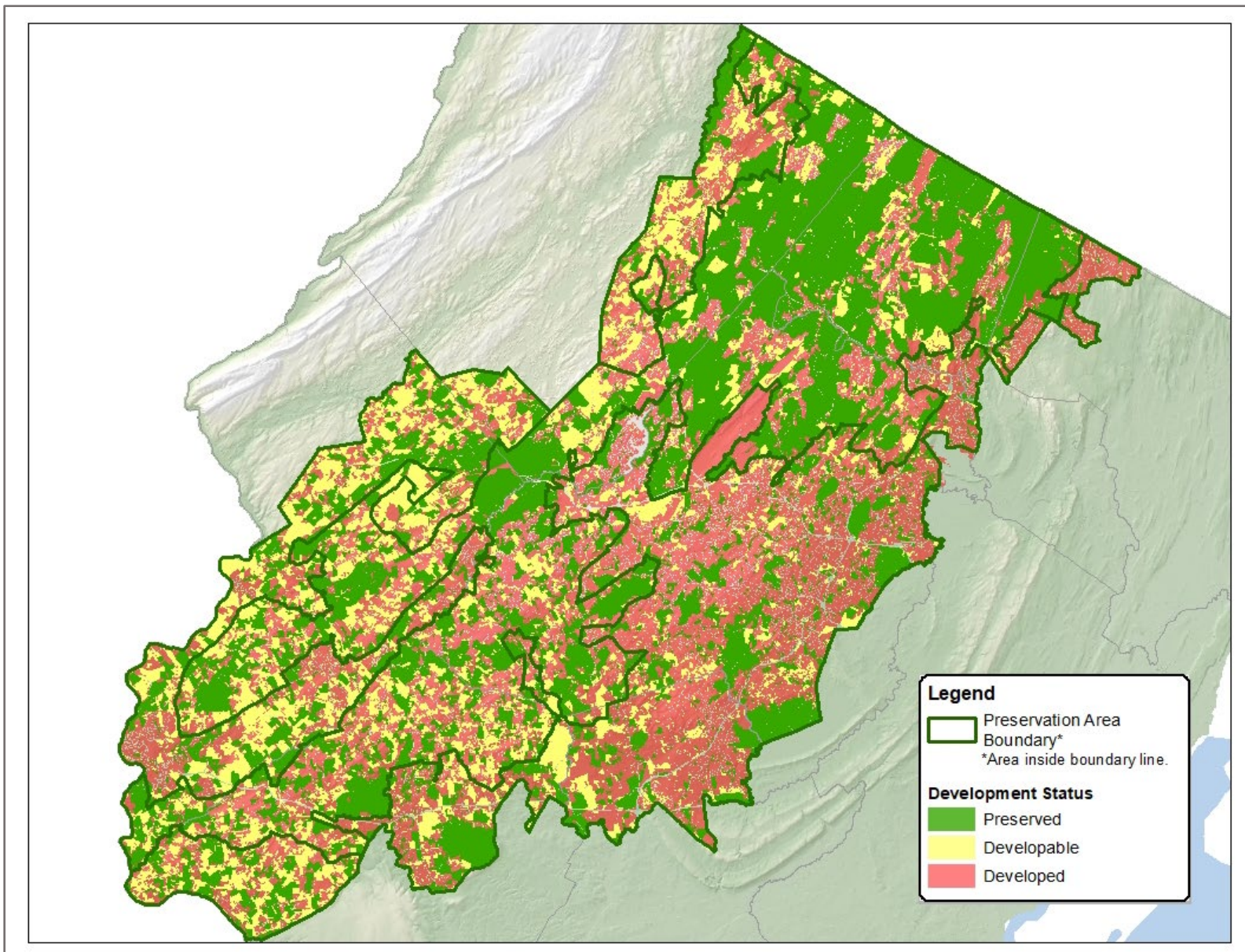
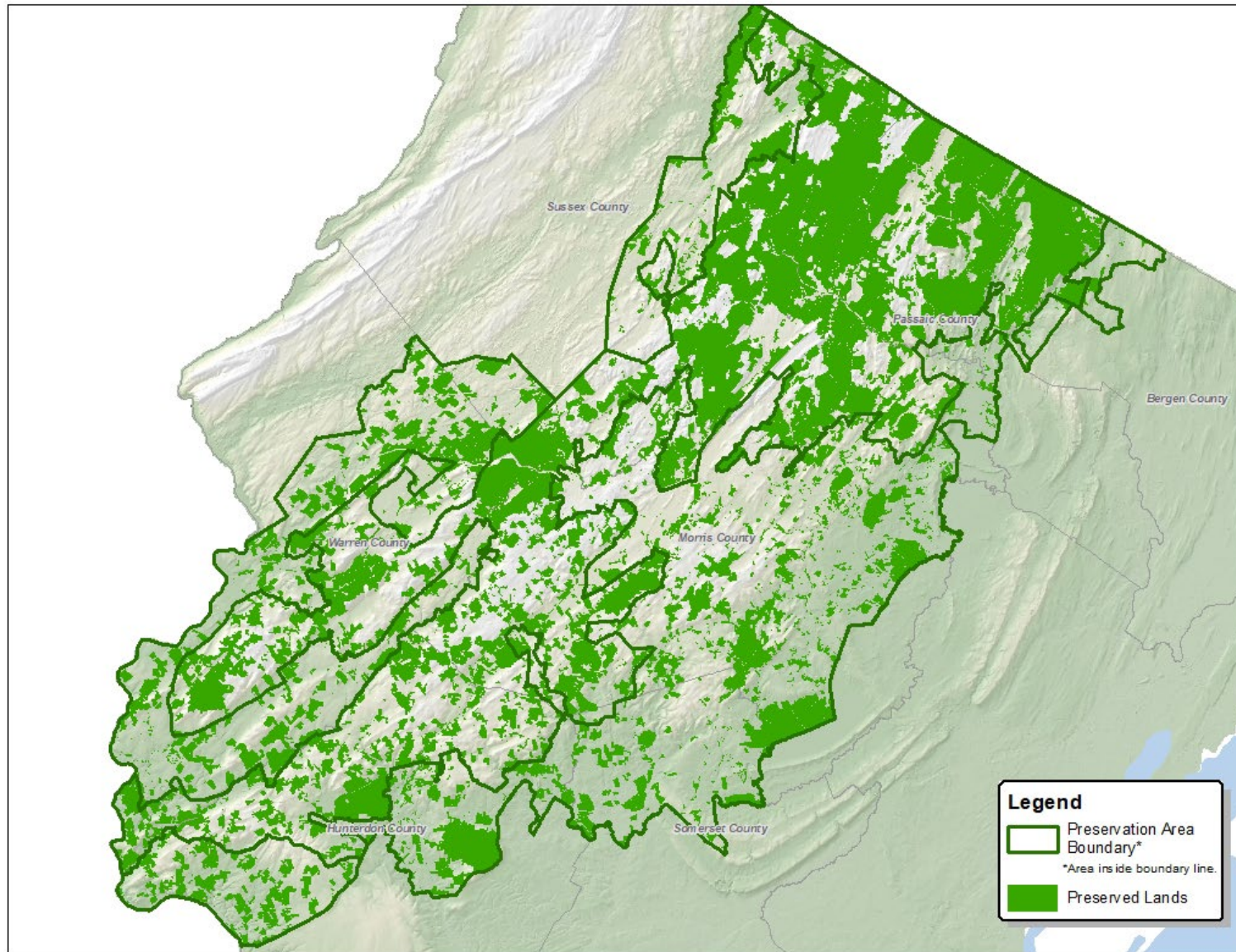


Figure 8: Total Preserved Lands within the Highlands Region





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