

The following bullet points represent ideas to consider for incorporation into a Memorandum of Understanding between the Highlands Council and State Planning Commission concerning coordination of planning activities during cross-acceptance and final adoption of the State Development and Redevelopment Plan and Highlands Regional Plan. The actions taken by each agency should be designed in a way that results in comprehensive plans that compliment one another.

Whereas:

- New Jersey, the nation's most densely populated State, requires sound and integrated Statewide planning and the coordination of Statewide planning with local and regional planning in order to conserve its natural resources, promote development and redevelopment where adequate infrastructure can be provided, and provide needed housing and adequate public services at a reasonable costs.
- The State Planning Commission (SPC) is charged with adopting, reviewing and revising the State Development and Redevelopment Plan (State Plan) at least once every three years to provide the most up to date coordinated, integrated and comprehensive plan for the growth, development, renewal and conservation of the State and its regions.
- The Highlands Region consists of over 800,000 acres covering portions of 88 municipalities in seven counties.
- The Highlands Region is a significant source of the State's drinking water supply for half the State's population, and contains other exceptional resources including clean air, contiguous forest lands, wetlands, pristine watersheds, and habitat for fauna and flora.
- In August 2004, the Governor signed into law the Highlands Protection and Planning Act (Highlands Act) with the intention of setting forth a comprehensive planning approach for the protection of the water and other natural resources of the Highlands Region.
- The Highlands Act established a Preservation Area that would be subject to stringent water and natural resource protection standards and a Planning Area within the Highlands region.
- The Act formed the Highlands Protection and Planning Council (Highlands Council), which is charged with the adoption of a regional master plan designed to protect and enhance the significant resources in a manner consistent with smart growth principles.

- Upon adoption of the regional master plan, the Highlands Council will have exclusive planning authority over the Preservation Area.
- The Highlands Council and the State Planning Commission will share comprehensive planning authority in the Planning Area.
- The SPC is currently going through cross-acceptance and revising the State Plan to fulfill its statutory requirement to readopt the State Plan every three years.
- Cross-acceptance means a process of comparison of planning policies among governmental levels with the purpose of attaining compatibility between local, county, regional and State plans.
- In April 2004, the SPC commenced the cross-acceptance process with the release of the Preliminary State Development and Redevelopment Plan.
- The Preliminary Plan and Policy Map were released prior to enactment of the Highlands Water Protection and Planning Act and creation of the Highlands Water Protection and Planning Council, triggering the cross-acceptance process.
- The Highlands Council is required to adopt a regional master plan for the Highlands Region by June 16, 2006.
- The Highlands regional master plan is required to recommend receiving zones in the Planning Area and capacity pursuant to a transfer of development rights program established by the Highlands Council and consistent with the State Transfer of Development Rights Act.
- Pursuant to N.J.S.A. 13:20-8, within 60 days after adopting the regional master plan, the Highlands Council shall submit the regional master plan to the SPC for endorsement pursuant to the State Planning Act and State Planning Rules.
- The SPC's review of the Highlands regional plan shall be limited to the Planning Area only.
- The SPC and Highlands Council desire consistency of the goals, policies and strategies in the State Plan with the Highlands regional master plan, and compatibility of growth areas and nongrowth areas recognized in both plans once both plans are adopted.

It is therefore mutually agreed and understood that:

- The SPC shall provide copies of Final County Cross-acceptance Reports received from each of the seven Highlands Counties, Passaic, Bergen, Sussex, Warren, Morris, Hunterdon and Somerset (Highlands Counties).
- The SPC shall provide copies of any municipal cross-acceptance reports received from any of the 88 Highlands municipalities.
- The SPC shall consult with the Highlands Council on proposed revisions to the State Plan and State Plan Policy Map to ensure consistency with the goals, policies and strategies between the State Plan and the Highlands regional plan, once adopted.
- The SPC shall invite the Highlands Council to interagency staff to staff meetings to consider recommendations contained in Highlands Counties' Final Cross-Acceptance Reports.
- The SPC shall invite the Highlands Council to negotiation sessions between the County planning staff in any of the Highlands Counties and the Office of Smart Growth and other State agency staff.
- The State Plan and State Plan Policy Map will be amended to reflect the Highlands Council's exclusive planning authority over land use and development in the Highlands Preservation Area.
- Pursuant to N.J.S.A. 52:18A-202c, the SPC shall provide at least 30 days' public notice to the Highlands Council of any hearings held on the Final State Plan that are scheduled to take place in the Highlands counties.
- During preparation of the Highlands regional master plan, the council shall consult with, among others, the SPC pursuant to N.J.S.A. 13:20-9 to determine consistency with goals, policies and strategies of the State Plan and State Plan Policy Map.
- Prior to the adoption of the Highlands regional master plan by the Highlands Council and its endorsement by the State Planning Commission, the State Planning Commission will consult with the Highlands Council concerning any petition for plan endorsement that is received involving lands in the Highlands Planning Area.
- Prior to the adoption of the Highlands regional master plan by the Highlands Council and its endorsement by the State Planning Commission, if the State Planning Commission receives a petition for plan endorsement from a municipality that falls either completely within the Highlands Planning Area or partially within the Preservation Area, the State Planning Commission, in

consultation with the Highlands Council, will only consider action on the Highlands Planning Area portion of the municipality.

- Upon adoption by the Highlands Council, and endorsement by the SPC, of the Highlands regional master plan pursuant to N.J.S.A. 13:20-8, the State Plan Policy Map will be revised to be consistent with the designations contained in the endorsed plan for the Highlands Planning Area.
- Once the regional master plan is adopted and endorsed pursuant to N.J.S.A. 13:20-8, the Highlands Council and the SPC shall enter into another memorandum of understanding designed to ensure that the goals, policies and strategies contained in the State Plan and the Highlands regional master plan are supportive of one another and are implemented in a consistent fashion while recognizing the independent planning authority of each agency.