



**association of new jersey
environmental commissions**

Fact Sheet

Land Preservation in the N.J. Highlands

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I. Introduction and Purpose

This paper was developed to inform local governments, Highlands landowners and interested citizens about the status of land preservation in the region. All figures presented are derived from established readily available sources and are as current as possible.

The N.J. Legislature recognized the critical nature of protecting the natural, agricultural, scenic, recreational and cultural resources of the Highlands region with the passage of the Highlands Water Protection and Planning Act in 2004. Land preservation, either through outright purchase, the purchase of development rights or the application of conservation restrictions (conservation easements) is an important tool in this effort.

As authorized in the Act and after considerable research, the Highlands Council prepared and adopted the Regional Master Plan (RMP) in August 2008. Both the Act and the RMP anticipate an active land preservation program to accomplish, in part, the goals of the Act. Read the Act and access the RMP and its Technical Reports at:

<http://www.highlands.state.nj.us/>

Building on New Jersey's existing and highly successful Green Acres and Farmland Preservation Programs, the RMP adds the regional planning perspective by identifying priority areas for agricultural preservation and conservation while also creating a "special environmental zone" where development is to be curtailed and land preservation is to receive the highest priority.

Importantly, owners wishing to preserve their lands statewide may take advantage of the "dual appraisal process" that allows the value of land to be appraised at both its current value **and** at its 2004 value, prior to the Highlands Act and DEP regulations and local regulations in place at that time. See:

http://www.highlands.state.nj.us/njhighlands/news/pres/dual_062910.pdf for more information.

Some county and municipal governments also have open space trust funds supplied by dedicated real estate taxes. Private, non-profit land trusts are also active participants in the region. County, local and non-profit resources are often combined with funding from the Green Acres and Farmland Preservation Programs to further leverage available funds. To learn more about land trusts and to find land trusts serving the Highlands region see: www.lta.org.

Private landowners have, from time to time, donated land outright or a portion of its value, taking advantage of important Federal tax benefits under Section 170 h of the Federal Tax Code. See:

<http://www.privatelandownernetwork.org/plnlo/taxbenefits.asp> and www.lta.org for information on Federal tax benefits. When claiming Federal tax benefits, the pre-2004" value **cannot** be used. The I.R.S. requires that appraisals be based only on "current value".

Additionally, the Highlands Act created a transfer of development rights (TDR) program to provide another method of land preservation in the Highlands region, funded initially with a \$10M allocation from the State TDR Bank. This program is administered by the Highlands TDR Bank. See:

http://www.highlands.state.nj.us/njhighlands/master/tdr/tdr_over.pdf for further information.

For more about land preservation in N.J. see: <http://www.anjec.org/PubsOpenSpace.htm>

Other Helpful Links:

NJ Highlands Council: Land Preservation Report, August 2010:

http://www.highlands.state.nj.us/njhighlands/news/publ/land_pres_report_081910.pdf

Garden State Preservation Trust: Highlands Land Preservation

http://www.state.nj.us/gsppt/pdf/GSPT_Land_Preservation_in_the_Highlands.pdf

II. Basic Facts from the Highlands Regional Master Plan (Adopted 2008)

- Highlands Land Area: 1334 sq. mi. (859,358 acres)
- % of Land Area of the State of N.J.: 17%
- Population: 821,000
- Highlands Overall Population Density: 615 people per square mile
- Overall New Jersey Population Density: 1189 people per sq. mi.
- Median Household Income: 34% higher than N.J. as a whole
- Percent land undeveloped: 75%
- Percent Undeveloped Land as Protected Open Space: 31.8%
- Percent Forested: 47%
- Land in agricultural use: Approximately 110,000 ac.
- Land in field crops (1998): 81,313 ac., (2003): 70,567 ac. (13% loss)
- Agricultural land losses (1986-2002): 27,500 acres (19%)
- Percent of region Preserved Agricultural Land: 3.5% (>30,000acres)

III. Land Preserved Upon RMP Adoption (7/2008)

- 273,457 acres preserved as open space and farmland (31.8% of region)

Federal:	9,281 ac.
State :	107,837
County:	32,619
Municipal:	34,076
Preserved Farmland:	33,763
Non-Profit:	10,005
Water Supply and Watershed Lands:	45,819

IV. Land Preserved Between July 2008 and August 2010 (25 months) (307.6 ac. /mo.)

- 290,214 acres total preserved as open space and farmland (+7,690 ac.)
- Percent of Region Preserved, 2010 (34%) (+2.2%)
- Percent of Preservation Area Preserved 2010: 47%

V. RMP Planning Results

44% of all Highlands land preservation accomplished in accordance with to RMP priorities.

The RMP identifies and maps priority preservation areas based on natural resources and agricultural quality as:

Conservation Priority Area
Agricultural Priority Area
Special Environmental Zone

Of the 7,690 acres preserved since the RMP was adopted, 700 acres were on the “confidential conservation priority list”, 2,347 were on the “confidential agricultural priority list”, and 370 acres were in the “Special Environmental Zone”.

VI. Funding

Land preservation in N.J has historically been funded by bond issues dating back to 1961. These have been supported by statewide vote pluralities ranging from a low of 53% (2009) to a high of 72% (1992). To date, no land preservation funding proposal has been defeated statewide although individual counties have voted some down.

Currently, land preservation purchases are made using the existing Garden State Preservation Trust (GSPT) funds plus a “special appropriation” of \$30M for the Farmland Preservation Program.

VII. Value of Preserved Lands in the Highlands

Based on the most recent updated cost figures, the total real estate value of preserved land in the Highlands is \$3,300,000,000

VIII. Average Prices Paid

1. **Farmland:** Primarily purchase of development rights. The owner retains ownership and all other rights. No public access benefit.

\$ 9,816 per ac. (Preservation Area)

\$14,288 per ac. (Planning Area)

2. **Green Acres:** Primarily fee simple purchase.

\$10,265 per acre (Preservation Area)

\$19,957 per acre (Planning Area)

3. **Purchase of Highland Development Credits under the TDR program.**

Available as “an equity safety valve for those landowners whose land does not qualify for participation either under the Farmland Preservation Program or other open space programs”. These are **development rights purchases only**. Available only in the Preservation Area. Property owner retains ownership and other remaining rights. No public access benefit

\$10,135 per ac. (Preservation Area only)

The most recent Open Space Bond Act, the “Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation Bond Act.” of 2009 authorized \$400,000,000 in funding.

IX. Support for Open Space Funding by Highlands County

1. Open Space Funding Voting History in Highlands Counties

Historically, funding for open space and farmland preservation has been provided by the passage of “public questions”. There have been a total of thirteen such measures between 1961 and 2009.

The voting history of the Highlands counties is as follows:

<i>County</i>	<i>yes</i>	<i>no</i>
Bergen	13	0
Hunterdon	9	4
Morris	11	2
Passaic	12	1
Somerset	13	0
Sussex	7	6

Warren 8 5

Statewide 241 32

No open space funding “public question” has been defeated statewide. However, several Highlands counties have some history of voter resistance to open space funding ballot questions. These are: Sussex County that rejected 46%, Warren, 38%, Hunterdon 31%, Morris 15% and Passaic, 8%. Note that within the Highlands Region, the counties of Sussex, Warren and Hunterdon have historically been the least supportive of open space funding.

In the most recent open space issue (2009), three Highlands counties rejected the open space ballot question: Morris with 46% in favor, Sussex with 43% and Warren with 45%. Additionally three counties were nearly equally split: Hunterdon with 52% in favor, Passaic, 52% and Somerset 50% (by 726 votes).

X. County Open Space Funding Amounts

All seven Highlands counties have open space funds derived from a dedicated percentage of the assessed property tax value. Several have recently reduced the tax rate. Total funds figures are not necessarily available for the Highlands portions of the counties

County	year	rate/\$100 of assessed valuation	\$ collected annually
Bergen	1998/2003	.025 cent	4,695,000
Hunterdon	1998/2008	1-3 cents	6,901,000
Morris	1992/1998/2001	1.5 cents	17,159,275
Passaic	1996	1 cent	5,629,051
Somerset	1989/1997	3 cents	17,769,745
Sussex	2000/2005	.3 cents	677,383
Warren	1993/1999/2002	6 cents	7,687,620

Annual total: all counties **\$60,519,620**

XI. Municipal Open Space Funding

As of 2009 58 of the 88 municipalities in the Highlands region had dedicated open space taxation programs. No data concerning tax rates or annual amounts collected is readily available. Most of the municipalities that do not have open space funds are small, densely developed or highly urbanized.

XII. Recent Land Costs (August /2007-May19, 2010)

Program	Average cost per acre	Preservation area	Planning Area
Farmland Preservation	\$12,108	\$11,147	\$13,439
Green Acres	Feb.1 2008-April 30,2010 Average cost per acre \$11,501		

XIII. Rate of Land Preservation

The rate of land preservation can be evaluated by two methods: measuring how much land has been preserved (acres preserved) in a given time period and by measuring how much money was spent in a given time period. *While the number of acres preserved per month has decreased since July of 2008, the actual amount of money expended has increased by a substantial amount.*

Acres preserved

- Jan 2000-July 2004 (pre-Highlands Act)
 - 235 ac. /month preserved (or 2820 ac./year)

- August 2008-May 2001 (post Act and RMP adoption)
 - 198.4 ac. /month preserved or 2,381 ac. Year

- **Money Expended**
- Jan 2000-July 2004 (pre-Highlands Act) \$1,769,324/mo

- August 2008-May 2010 (post Act and RMP adoption) \$2,345,085/mo (32.5% increase in dollars)