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Department of State
New Jersey Business Action Center
Office for Planning Advocacy
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Re: State Strategic Plan Comments

Dear Mr. Scharfenberger:

Thank you for providing the opportunity to comment on the draft State Strategic Plan. We commend the State for this tremendous leap forward in committing to a State Strategic Plan to guide New Jersey’s future growth and development. There are several components of the State Plan that deserve particular note.

Horizontal alignment of state agencies. We laud the State for acknowledging that it needs to “get its own house in order” with regard to aligning contradictory plans, policies, and regulations to support economic growth and guide development in appropriate areas. The Steering Committee is an essential vehicle for making sure that all State agencies are following the same marching orders and also for identifying and allocating substantial resources for priority growth investments. In addition to the direction of discretionary funds toward this effort, we recommend that the core programs, resources, and regulations of each agency be evaluated to ensure that they are being effectively prioritized to support priority growth investments. In the past, discretionary funds have been directed toward smart growth projects, but the strategy suffered from fatal flaws: the investments were not well coordinated, they were not financially significant, and the underlying programs of each agency were not adapted to support smart growth investments. This must change if the Steering Committee is to effectively carry out its mission of aligning State agency investments, regulations and capital programming to support smart growth. The state agency functional plans are the appropriate vehicle for this alignment to take place.

As a future step, we recommend that the Steering Committee be codified through legislation, and also that a public process be developed so that the public may participate in aligning state agency programs and investments. In particular, the public should have the opportunity to comment on the process for “pooling existing discretionary investments and ensuring they are being
spent strategically” and should also have the ability to comment on expenditures made through the proposed Garden State Fund.

**Vertical alignment of the State Plan with county and municipal plans.** If the State Plan is going to be effectively implemented on the regional and local level, it is essential that a mechanism be developed for vertical alignment of the State Plan with regional and local plans. This is essentially what “cross-acceptance” is intended to accomplish. We recommend that, upon adoption of the criteria, a process be developed whereby the State aligns its Strategic Plan with the plans adopted at the county and local level. The counties have historically taken on this role through the cross-acceptance process, and we recommend that they similarly take on this role here. Language about the role of the counties should be strengthened in Goal 4, Tactical Alignment of Government. Essentially, the counties can communicate with their municipalities and propose adjustments to the State Plan based on new and updated data and information as well as regional and local planning priorities. This process should be streamlined, expedited and limited in scope, so that plan implementation can swiftly proceed.

**Priority Investment Area Criteria.** We applaud the development of more specific criteria in the “Advance Notice of Rules: Priority Investment Area Criteria.” We strongly recommend that the definitions in the proposed rules be incorporated within the body of the State Strategic Plan itself. Clear and mappable criteria are critical to the success of the State Strategic Plan. All interested parties should be able to readily identify whether particular geographic areas fall within a Priority Growth Investment Area, Alternate Growth Investment Area, Limited Growth Investment Area or Priority Preservation Investment Area. The State should develop a mapping tool to make this possible.

We recommend that Priority Growth Investment Areas be the places where state financial and programmatic investments be targeted to support revitalization and economic growth. Alternate Growth Investment Areas would be places with sewer where growth is permitted, but not necessarily targeted for state financial and programmatic investments. Growth within Alternate Growth Investment Areas should be encouraged through center-based development. We further recommend that, rather than referring to PA1 within the definition of Priority Growth Investment Area, that the characteristics of PA1 be used to define a Priority Growth Investment Area, given that the term PA1 is being phased out. Similarly, we recommend that the definitions for Alternate Growth Investment Area and Limited Growth Investment Area be more specifically defined according to their unique characteristics, rather than be defined by what they are not (not Priority Growth Investment Areas, etc).

**DEP Water Quality Management Plans.** In general, the State Plan would benefit from stronger linkages between the State Strategic Plan and the Water Quality Management Plans, which guide sewer and septic area service in our state. The definitions should be amended to state that both Priority Growth Investment Areas and Alternate Growth Investment Areas will be served by sewer. Limited Growth Investment Areas and Priority Preservation Investment Areas will be served by septic systems. We further recommend that the DEP Water Quality Management Rules be amended to provide that Priority Growth Investment Areas be included as sewer service areas. This reciprocity would go a long way toward creating synergies and a more rational nexus between the State Planning process and the DEP Water Quality Management Rules. Similarly, DEP’s rules should provide increased flexibility to support the development of compact centers in Limited Growth Investment Areas, such as through approval of package treatment plants for center-based development.
Centers. We recommend that centers be given increased prominence and clearer definition in the State Strategic Plan. The definition proposed in the proposed rules is too vague to be meaningful. Defining centers is particularly important in Alternate Growth Investment Areas and Limited Growth Investment Areas. In these areas, which are at greatest risk for sprawl development, the public policy should be to direct growth toward compact centers through incentives and regulations. This cannot be effectively accomplished unless: 1) centers are defined more clearly and 2) State incentives are strong enough to encourage municipalities and regions to change their typical development patterns in favor of more compact, center-based development.

It is also important that the definition of Priority Growth Investment Area be broadened to include identified centers as well as areas that have historically received plan endorsement. Lastly, we recommend that a system of automatic or default center designation be established for those places that satisfy all the characteristics of a center. There is no need to establish a new bureaucratic process for places that are essentially already existing centers.

Regional Innovation Clusters. We strongly support the inclusion of Regional Innovation Clusters within the State Strategic Plan, and believe that these clusters will become the backbone of the State Strategic Plan’s economic growth strategy. As you know, PlanSmart NJ is engaged in a mapping and analysis project to identify the State’s infrastructure needs vis-à-vis these industry clusters. We have formed an Advisory Committee of leaders from the industry clusters the State has identified and expect that this Advisory Committee will help guide our project and provide support to the State’s effort to promote investment and synergies between growing industries, higher education, and government.

We recommend that these Regional Innovation Clusters be considered a type of “overlay” in the State Strategic Plan document. Depending on how broadly these clusters are geographically defined, it is possible that they will encompass multiple priority investment areas. Treating them as an overlay will help clarify the intended purpose of the RICs, which is to create economic growth zones that benefit from the physical proximity of firms to “suppliers, trade associations, and education institutions.” We further recommend that the language, “These areas will only be designated with the support of local government” be removed. While local government support is desirable, these RICs may well be regional in nature, crossing multiple municipal boundaries, and thus, should be approached from this regional perspective. Sign-off from every municipality may not be necessary to the RIC’s success. Alternatively, the language could be rephrased to create an incentive for municipalities to support the RICs, such as “Municipalities that endorse RICs will be eligible for priority investments.”

Infrastructure Investment. The State Plan Goal, Targeted Economic Growth, should also include added emphasis on the importance of investing in our physical infrastructure, including utility, transportation, and broadband infrastructure. These infrastructure investments will be critical to the success of the RICs and to New Jersey’s broader economic prosperity.

PlanSmart NJ suggests that the final State Plan more thoroughly address the anticipated utility service needs of a growing New Jersey. The State needs mechanisms to ensure that both private sector and public sector utilities are well positioned to serve the population centers and industry clusters envisioned by the plan. That can best be accomplished by inventorying service areas to ensure that service is available where needed, that adequate capacity sufficient
to accommodate future growth exists or is planned, that where age affects the integrity and reliability of the infrastructure, upgrades are planned, and that for both publicly owned and investor-owned utilities that the resources to support all of these will be made available.

**Housing as an Economic Driver.** One area where the State Strategic Plan falls short is with regard to housing. There is little mention of the role that housing plays in sustaining New Jersey’s economy. Demographic trends show a demand for smaller housing units and more rental housing located within walkable urban and suburban settings. The Urban Land Institute recently completed a study showing a decrease household size, growth in two-person households, a preference among older baby boomers for condominiums in “mixed-age and mixed-use communities”, and demand by Generation Y for rental apartments in walkable urban settings. New Jersey is not keeping up with this market demand. The State Strategic Plan is the ideal place to reference the importance of zoning for a variety of housing types to meet these market demands.

Regional Innovation Clusters (RICs) will not be successful in NJ unless both housing and transportation investment are included as part of the equation. As these RICs are developed, there will be a need to ensure a sufficient housing supply at various affordability levels near employment centers. The State Plan has a crucial role to play here. Zoning for mixed-use development and residential development proximate to these industry cores will facilitate the success of the RICs. If such uses are not planned, the result will be increasing traffic congestion and decreased quality of life, which will hamper the viability of the RICs. This has proven to be a challenge in the North Carolina Research Triangle, where planning for transportation investment and housing did not keep up with job growth, resulting in real problems with transportation and livability in that region. New Jersey has the opportunity to do better.

**Garden State Value #6 - Advance Equity.** We recommend that the description under Garden State Value #6, Advance Equity, be substantially expanded to recognize the historic and ongoing linkages between the 1985 Fair Housing Act and the 1985 State Planning Act, which themselves were responses to the Mount Laurel Supreme Court decisions. These two pieces of legislation were intended to complement one another and recognize the importance of planning for affordable and mixed-income housing within the broader state planning context. The legislature and Courts have long recognized that zoning for housing affordable to low- and moderate-income households should be provided in areas where growth is planned. The State Strategic Plan should include consideration of this important principle and recognize the value of including opportunities for low- and moderate-income households to live near places of employment and to be able to access employment opportunities through public transportation availability. We recommend that the State add incentives for developers to provide mixed-income developments near employment and transportation nodes.

**Underperforming Urban Centers.** Under Goal 2, Effective Planning for Vibrant Regions, we recommend adding an objective that supports fostering economic growth in New Jersey’s cities. This section should go beyond site assemblage and healthy communities to specifically encourage private sector economic investment and development in cities. This would also be an appropriate place for the State to recognize the unique role that it plays both within the City of Trenton with regard to state ownership of parking lots and other underutilized lands and more broadly, through NJ Transit’s ownership of surface parking lots around train stations throughout
New Jersey. The State should play a leadership role in planning, assembling and marketing the sites it owns to foster redevelopment and economic growth.

**Goal 3: Preservation and Enhancement of Critical State Resources.** We commend the State on its support in this section for a long-term funding source for open space, farmland, and historic preservation. As the State has aptly noted, the citizens of New Jersey have a long history of supporting open space, farmland, and historic preservation funding as critical to our quality of life. In addition to considering county open space plans and the Green Acres inventory, PlanSmart NJ recommends that the State consider a regional planning, rather than a piecemeal parcel-based approach, to land acquisition and preservation. Such an approach should take into consideration natural resource hubs and linear connectors, such as those that have been mapped through the Garden State Greenways Project (funded by DEP’s Green Acres Program).

Thank you for the opportunity to comment on the State Strategic Plan. We look forward to serving as a resource and working as a partner with you to foster prosperity in the Garden State.

Kind regards,

Lucy Vandenbergh, PP, AICP
Executive Director