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Preliminary report shows no negative impact of Highlands Act

By PHIL GARBER Managing Editor Feb 11, 2016

A consultant's preliminary findings shows that the state [Highlands Act](#) has not negatively affected development in the region, much to the dismay of officials who have long opposed the act, including Gov. Chris Christie.

The chairman of the [N.J. Highlands Council](#), however, said it is too early to draw conclusions based on the preliminary report on the fiscal impact of the Highlands Act. It was prepared by [Placeworks Inc.](#) of California and was presented to the council in December.

Other reports will examine the demographic impact of the act. The final report is expected to total more than 700 pages.

David Peifer, an expert on the Highlands Act who represents numerous environmental groups, said that state officials have contracted for an outside review of the consultant's report in hopes of changing the conclusions to show the area has been negatively impacted.

Margaret Nordstrom, executive director of the N.J. Highlands Council, said it is routine to have a peer review of another professional's work to give further credence to the objectivity of the council.

The Highlands Council has contracted with the Edward J. Bloustein School of Planning and Public Policy at Rutgers University to peer review the consultant's findings at a cost of \$54,000.

Placeworks Inc. is being paid \$150,000 to study the financial and demographic impacts of the Highlands Act.

"No matter what is the outcome of the (Placeworks) report, someone will be real unhappy," Nordstrom said. "Independent peer review is standard. It will review the methodology and be one more thing to show it is nonbiased."

Council Chairman Jim Rilee of Roxbury Township said the review by the Bloustein School is sought to avoid the type of criticism aimed at the original regional master plan adopted in 2008

“There were a lot of complaints the first time the regional master plan was released,” Rilee said. “Because of that we felt it best to have some of the numbers verified.”

Peifer, the Highlands Project Director for the Association of N.J. Environmental Commissions, based in Mendham, said his concern is that the council wants the Bloustein review to counter the claims that the Highlands Act has not had a negative impact on the region.

“The analysis was not well-received by the Christie appointees on the N.J. Highlands Council,” said Peifer.

Opponents to the Highlands Act have said it has caused property values to plummet and put a chill on development because of the act’s environmental restrictions.

A Powerpoint of the preliminary report was presented to the Highlands Council on Dec. 3 by Steve Gunnells, chief economist of Placeworks. Gunnells said his overall conclusion was that the Highlands Act has had no substantial impact on the region.

“The employment and demographic data analysis revealed no statistically relevant basis to conclude that the act or the regional master plan had a positive or negative impact on economic growth in the Highlands region,” Gunnells said.

Peifer said that the report showed that the number of residential building permits issued in the Highlands region and across northern New Jersey has been declining since 1998 while the Highlands Act was not passed until 2004.

The report said that while residential building permits have been declining, there has been a growth in multi-family housing, mostly in the urban areas that are not part of the Highlands region.

Julia Somers of Harding Township, director of the N.J. Highlands Coalition, said the demand is down for single-family homes in the region and it is not because of the Highlands Act.

Peifer also said the report does not substantiate concerns that the Highlands Act is driving people away from the region. The study also shows that there was no “statistically significant” difference between the property values in the Highlands region and other areas of the state.

Peifer referred to a report on the Highlands Act made by Christie’s transition team and issued at the beginning of Christie’s first term.

“The Highlands Council may be well-intentioned but it is a disaster on multiple levels,” the transition team said in its report, “Rethink the Highlands Council.”

Peifer said that the fiscal impact analysis “seems to indicate that the financial, social and economic impacts attributed to the Highlands process by the Authorities Transition Team Report and widely held by opponents of the Highlands protection effort has not materialized.”

Somers also said the report is not good news for opponents of the Highlands Act. Somers also said the Placeworks study was based on sound data and did not need to be reviewed by the Bloustein School.

Rilee said no conclusions should be drawn until the full report is available sometime later in the year.

“There have been no conclusions of anything at this time,” Rilee said. “(Peifer) is taking one piece of information and trying to extrapolate that the entire act has had no impact. That is not correct. It is typical of those who want to portray the document in the way they want it portrayed.”

Nordstrom said Gunnells has been giving periodic reports on the study and that she would not comment until the final study is done.

“He (Gunnells) is setting up road signs so that people can wade through this gigantic document,” Nordstrom said. “I won’t speculate until I see the final document.”

The Placeworks study is being done for the council’s master plan review committee. The regional master plan must by law, be reviewed every six years. The chair of the review committee is Kurt Alstede, owner of Alstede Farms in Chester.