



American Planning Association
New Jersey Chapter

Making Great Communities Happen

Statement to the Senate Budget and Appropriations Committee re: S2908 Thursday, June 16, 2011

These comments on S2908 are being respectfully submitted on behalf of the American Planning Association - New Jersey Chapter (APA-NJ), a state-wide association that represents over 1,000 professional planners and other stakeholders directly and indirectly involved in New Jersey's land use planning issues.

There is no denying the positive transformation that has occurred in the Meadowlands since the Hackensack Meadowlands Reclamation and Development Act (N.J.S.A. 13:17-1 et seq), was signed into law over 40 years ago. The Act recognized both the economic value of the land as an opportunity for new jobs, homes and industry, as well as the public recreational value of its environmental resources, in such a dense metropolitan region. The regional planning system that it established, including the tax sharing plan, was ground breaking at the time and remains so today.

There is also no denying that today's budgetary realities have made it more challenging for the Meadowlands' municipalities to adopt budgets that satisfy local needs, let alone make any required payments into the tax sharing fund. But this is not the time to completely throw out a program with a proven record of success. These financial challenges are being experienced by all levels of government - including the municipalities that are on the receiving end of the tax sharing funds, and the state. Relying on the state to fill the gap with a direct subsidy to the receiving municipalities is not a reliable, long-term means of solving the problem. The state should be considering a range of solutions - including a state contribution to the tax sharing fund, exemptions from the 2% property tax cap for Meadowlands municipalities, and adjustments to the tax sharing arrangement - rather than an outright shift to a tax subsidy program.

In particular, the state must first identify and weigh carefully any negative economic and environmental impacts that the changes contemplated by S2908 would have on the Meadowlands and the greater region. For instance, dismantling the tax sharing structure in favor of a state subsidy that could be chipped away over time would result in the loss of funding to support the

receiving municipalities that contain more of the District's environmentally sensitive lands, creating pressures for imprudent development to occur. It would also likely lead to a loss of support of the municipalities who participate in the Meadowlands regional plan – both from the sending municipalities that no longer feel a responsibility to share the benefits of the economic development of the region and from receiving municipalities that feel hamstrung by their inability to develop to the same extent as their neighbors.

NJ has been a national leader in land use planning for decades. Unfortunately, so many of the landmark programs that NJ was the first to adopt have not received adequate attention or appropriate updates over time. We now find ourselves at risk of losing this status and our reputation for innovation. The intellectual resources to solve NJ's land use challenges are here in NJ, and we should take advantage of this opportunity to review the case of the Meadowlands and make it work for today's economic, land use and environmental needs.

Thank you for your consideration of these comments.