

MASTER PLAN REEXAMINATION REPORT

BOROUGH OF HIGHLANDS MONMOUTH COUNTY, NEW JERSEY

MAY, 2009

**Prepared for:
BOROUGH OF HIGHLANDS
PLANNING BOARD**

Prepared by:



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Adopted by the Highlands Borough Planning Board on June 11, 2009.

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INTRODUCTION

The New Jersey Municipal Land Use Law (MLUL) requires that each municipality in New Jersey undertake a periodic review and reexamination of its local Master Plan and municipal development regulations on a regular basis in order to determine the need for updates and revisions. This report constitutes the Master Plan Reexamination Report for the Borough of Highlands as required by the MLUL (N.J.S.A. 40:55D-89).

The most recent Borough of Highlands comprehensive Master Plan was prepared in September 2004 and adopted in early 2005. This report is the first reexamination of the master plan and development regulations since 2005.

As noted in the 2004 Master Plan, Highlands Borough is a small municipality, 0.71 square miles in area, located in the northeastern corner of Monmouth County. The Borough is a developed community with a diverse housing stock and some high density development. The community contains frontage on the Sandy Hook Bay and is situated near Gateway National Recreation Area. The Borough is served by Route 36. Ferry service is provided from two locations in the Borough to Manhattan. The downtown area of the Borough is located near the waterfront and the uplands area of the municipality is known for the views of the water area and city skyline.

Highlands Borough has an influx of boaters in the summertime as well as visitors to the restaurants in town and the waterfront. The community is mostly residential in character and very oriented to the marine commerce.

REQUIREMENTS OF THE PERIODIC REEXAMINATION REPORT

The MLUL requires that the Reexamination Report describe the following:

- The major problems and objectives relating to land development in the municipality at the time of the adoption of the last reexamination report.
- The extent to which such problems and objectives have been reduced or have increased subsequent to such date.
- The extent to which there have been significant changes in assumptions, policies and objectives forming the basis for the master plan or development regulations as last revised, with particular regard to the density and distribution of population and land uses, housing conditions, circulation, conservation of natural resources, energy conservation, collection, disposition, and recycling of designated recyclable materials, and changes in State, county and municipal policies and objectives.
- The specific changes recommended for the Master Plan or development regulations, if any, including underlying objectives, policies and standards, or whether a new plan or regulations should be prepared.
- The recommendations of the planning board concerning the incorporation of redevelopment plans adopted pursuant to the “Local Redevelopment and Housing Law,” P.L.1992, c. 79 (C.40A:12A-1 et seq.) into the Land Use Plan Element of the municipal Master Plan, and recommended changes, if any, in the local development regulations necessary to effectuate the redevelopment plans of the municipality.

The report that follows addresses each of these statutory requirements.

I. MAJOR PROBLEMS AND OBJECTIVES RELATING TO LAND DEVELOPMENT IN 2004

The following excerpt of the 2004 Master Plan identified the following vision and general goals that formed the primary objectives of the Master Plan:

THE BOROUGH VISION FOR 2020

As a result of current efforts, Highlands in 2020 will be a thriving village with a more diversified economy, significant employment, modern infrastructure and an expanding tax base. The Bay Avenue Business District (CBD) will be revitalized as the Borough's retail, service and entertainment hub with a low vacancy rate, an enhanced streetscape and lively street activity. The waterfront will continue to attract a variety of restaurants, a new municipal marina and a partnership with a New York City ferry operator to create new mixed use development.

The Borough's economic revitalization will result in a significant employment increase by 2020 fueled by the redevelopment of the waterfront and the Bay Avenue Corridor. The Borough continues to work with infrastructure providers to increase the Borough's attractiveness to service businesses that rely upon modern communications and data transmission infrastructure. As a result of the Borough's growth, the tax base will be expanded and the tax burden on residential property owners will be reduced. The result will be an improved local quality of life by enhancing residential stability for existing and new residents.

Elements of this Vision are a Borough that is/has:

1. Unique
2. Provides an alternative to suburban shopping
3. A neighborhood serving shopping district combined with a tourism commercial destination center
4. Clean and safe
5. Friendly/personable
6. A place where people linger because they like to spend time
7. Ample parking in a pedestrian friendly environment.
8. A place where the business community proactively works together for mutual benefit and is involved.

GOALS AND OBJECTIVES

General

1. Physically - to meet the needs of the Borough with the creation of mixed use development of exceptional design quality, a waterfront destination for activity and relaxation.
2. Socially - a redeveloped community offering homes, employment, services, civic spaces and leisure in a quality environment which will form part of the established communities of the Bayshore Region.
3. Naturally - to protect the existing resource base through sensitive design, energy efficiency, sustainable waste management and to minimize the impact on the local environment.

4. To create a balanced Borough - residential, business/employment, retail, community and leisure.
5. Strive to increase the percentage of owner-occupied housing in the Borough.

Residential

1. Preserve and protect the existing residential character of the Borough. Require that infill development be compatible with the neighborhood and conform to the setbacks of existing buildings on the block.
2. Limit new development and infill development that increases the intensity of neighborhood land and property use.
3. Ensure that public and quasi-public land use remains compatible with the needs and character of adjacent neighborhoods.
4. Prevent non-residential uses from locating on residential streets or in residential areas.
5. Limit developments that would generate a high volume of traffic on local and collector streets.
6. Encourage the maintenance and preservation of residential properties.
7. Identify sources of funds for rehabilitation of residential dwellings and provide assistance to property owners in procuring funds.
8. Promote preservation and restoration of housing that has historical significance when feasible.

Commercial

1. Strengthen commercial districts, especially the Bay Avenue Central Business District, by encouraging a mix of uses that provides employment, retail opportunities, services and entertainment.
2. Continue the improvement of commercial properties in the Borough.
3. Strive to enhance and retain existing businesses and promote new business development along Bay Avenue from Valley Street to the Bay Avenue/Shrewsbury Avenue intersection, and recommended redevelopment areas.
4. Provide for adequate parking to serve established residential and commercial areas. Incorporate adequate parking into new developments.
5. Require buffering around commercial properties to soften the visual and functional impact of their design and use.
6. Create a program to implement strict enforcement of sign regulations.
7. Update ordinances to streamline the development review process for improvements such as use changes, redevelopment, expansions, and developments.
8. Encourage redevelopment of commercial properties that need rehabilitation or improvement.
9. Encourage upgrading of commercial properties and their surroundings.
10. Encourage the development of small-scale commercial and office uses and encourages the design of buildings with a residential scale.
11. Create attractive gateways at the principal entrances to the Borough through upgraded land uses, streetscape improvements and signage.
12. Prohibit the construction of parking structures within 400 feet of the waterfront.

Circulation

1. Promote the creation of a fully intermodal transportation system that enhances local circulation, increases regional access and provides links to regional destinations. Coordinate land uses with transportation investments to promote intermodal connections and encourage alternatives to driving such as mass transit, ferry and bicycle/pedestrian facilities.
2. Increase bicycle/pedestrian safety and circulation by improving traffic signals at key intersections, utilizing traffic calming measures and providing bike lanes that connect activity centers throughout the Borough.
3. Evaluate and implement methods of providing adequate parking to serve existing development and proposed redevelopment. Consider facilitating lease parking options between private sector business operators to take advantage of low peak parking demand.
4. Ensure a well maintained and safe circulation system.
5. Coordinate maintenance and improvement actions with neighboring communities and Monmouth County.
6. Monitor areas with high traffic accident rates and develop improvement programs.
7. Discourage developments that do not meet minimum frontage requirements on public or private roads.
8. Encourage circulation patterns that are compatible with land use goals and public safety.
9. Monitor private roads to ensure that the maintenance and safety needs continue to be satisfied.
10. Improve the appearance of intermediate and major thoroughfares, such as Route 36 and Bay Avenue.
11. Encourage landscaping along intermediate and major thoroughfares to buffer residential and non-residential land uses from the noise and pollution of vehicular traffic.
12. Cooperate with NJ DOT and adjacent communities to improve the appearance of entranceways into the Borough from Route 36.
13. To improve public access to the waterfront.
14. To encourage pedestrian and bicycle access through redevelopment projects, parkland and civic spaces to the waterfront.
15. Provide clear signage to parking facilities.

Economic Development/Redevelopment

1. Encourage the development of a diversified economic base that generates employment growth, provides increased tax ratables, increases income levels and promotes the reuse of underutilized properties.
2. Focus economic activity in the Borough's economic centers including Bay Avenue and commercial waterfront areas. Recognize the unique character of each area and promote development that will strengthen and reinforce market niches.
3. Capitalize on the Borough's competitive advantages for economic development purposes including its location in the New Jersey/New York City region, extensive transportation and utility infrastructure, land available for redevelopment, stable labor force and quality of life.
4. Promote the revitalization and aesthetic appearance of the Bay Avenue CBD through the public-private partnership between the Borough and the Business Improvement District (BID) with a focus on niche retail, specialty services, restaurants and entertainment uses.

Consider the development of small scale anchor uses to make the CBD a destination and attract shoppers as well as visitors.

5. Encourage selected retail, marina and office mixed use development along the Sandy Hook Bay waterfront that take advantage of extensive waterfront frontage and regional access. Target the corridor for uses that complement Bay Avenue rather than compete with it.
6. Encourage redevelopment in areas that need rehabilitation or improvement.
7. Work with the Business Improvement District (BID) and the economic development committee to extend the existing peak summer season.
8. Capitalize on the economic resources represented by Sandy Hook, Route 36, the Twin Lights, the New York Ferry and the physical attractiveness of the area.
9. Investigate the creation of mixed-use marine development at targeted locations.

Housing

1. Protect and preserve established residential character through zoning and rehabilitation, where necessary.
2. Provide a balance of housing options to meet the needs of all residents including low and moderate-income housing, middle-income housing and market rate or luxury housing.
3. Consider re-establishing the Borough's residential rehabilitation program to improve substandard housing units and preserve neighborhood stability.
4. Continue to monitor and address the need for a broad range of senior citizen housing including independent living, assisted living and congregate care housing.
5. Acknowledge the Highlands Housing Authority as a provider of housing in the Borough.
6. Enforce the property maintenance code to improve the aesthetics and image of the Borough.

Landscaping/Hard Landscaping

1. To provide a marine landscape setting; to maximize public access to both informal and formal spaces; to capitalize on the Veterans Park formal play area and to develop areas of public art.
2. To encourage use of high quality landscaping design - to enhance dramatic views to the bay, to develop civic space and public art, to develop and to screen and integrate development.
3. To encourage the use of low maintenance, hard-wearing materials in parks and public places.
4. To minimize visual intrusion through the development of car parking under buildings or landscape courts.

Community Facilities and Utility Infrastructure

1. Provide adequate sewer and water services to meet the demands of proposed economic development and a growing population in a manner that will limit sprawl and promote concentrated development.
2. Improve storm water management along the bay front, roads and intersections through effective infrastructure, maintenance, and replacement.
3. To achieve the storm water quality standards established by the NJ Department of Environmental Protection.

4. Preserve and upgrade the existing utility infrastructure including water, stormwater management and wastewater treatment. Continue rehabilitation programs while pursuing selected replacement and expansion projects in order to accommodate growth and redevelopment.
5. Continue to investigate the consolidation and privatization of municipal services.
6. Encourage regularly scheduled infrastructure maintenance consistent with long range plans to avoid system failures.
7. Study and periodically review future service needs and implementation methods.
8. Continue trash reduction, reuse and recycling efforts in cooperation with appropriate County, Regional, and State agencies.
9. Maximize the use of existing and planned facilities consistent with the efficient use of public funds.
10. Maintain facilities that are in current use and renovate or reuse obsolete facilities for other uses.
11. Cooperate with surrounding communities, County, and State organizations to make the best use of available public facilities.

Open Space and Recreation

1. Provide adequate park, open space, and recreational facilities for all Borough residents.
2. Cooperate with public and quasi-public institutions to utilize and maintain their undeveloped land for open space or recreation.
3. Consider enhancing regulations to assure that quality open space is provided and maintained as redevelopment occurs.
4. Provide through block pedestrian paths to parking and recreation facilities.

Community Identity

1. Develop and effectively communicate a strong and appealing identity for the Borough.
2. Create attractive, memorable "gateways" into the Borough.
3. Develop and implement streetscape projects for major public thoroughfares.
4. Preserve and protect historic and major natural features in the Borough.
5. Enhance and maintain the appearance of community facilities and Borough owned properties.
6. Recognize excellent building and landscape design aesthetics with awards.
7. Encourage higher quality architectural and landscape design through the use of design standards.
8. Encourage neighborhoods to improve their aesthetic appeal and identity.
9. Publish information regarding Borough regulations, issues, and agendas on the Borough Web site.

Cultural

1. To encourage sensitive design in the conversion and re-use of the buildings and their environment and to mitigate the effect of adjoining developments.
2. Expand recreational and cultural facilities and services."

II. THE EXTENT TO WHICH SUCH PROBLEMS AND OBJECTIVES HAVE BEEN REDUCED OR HAVE INCREASED SUBSEQUENT TO SUCH DATE

The goals and objectives detailed in the 2004 Master Plan continue to remain valid. The following is the current status of several issues addressed in the Master Plan:

A. Bay Avenue Commercial Corridor.

Despite the many efforts of the municipality and the business community, the Bay Avenue commercial corridor has not risen to the level that community leaders envision. Additional zoning changes may be appropriate which will bring improvements and development to this key retail area.

B. Master Plan Implementation

The Highlands Borough Council adopted in 2007 a comprehensive amendment to Chapter 21 (Zoning and Development Regulations) to implement the majority of the recommendations of the Land Use Plan Element of the 2004 Master Plan. The only items which were not addressed by the 2007 amendments were the zoning of the Shadow Lawn Trailer Park and the zoning standards for the bungalow communities. The zoning amendment included creation of the Mixed Use Development (MXD) zone district, creation of the Highway Oriented business district on Route 36, changes in the uses in several zones bulk, creation of a highway business zone and a number of minor technical revisions.

C. Shadow Lawn Trailer Park

A zoning amendment was adopted in late 2007 to allow multifamily dwellings in the Mobile Home zone district. A site plan application for multifamily buildings at the Shadow Lawn site is currently pending before the Planning Board.

D. Ferry Services

Ferry services remain vital element of the regional circulation system. At this time there is one ferry operator, Sea Streak, which provides service from two locations in Highlands to New York City. The service provides a valuable alternate means of travel and commuting to Manhattan.

E. Route 36 Bridge

After many years of study, permit review and design the replacement of the Route 36 bridge from Highlands to Sea Bright over the Shrewsbury River has commenced. The construction began in mid-2008 and will continue for three years. The prior bridge was constructed in 1932 with moveable elements to allow for boat traffic. The new bridge reported by the New Jersey Department of Transportation to cost \$124.5 million will be a fixed span design. Therefore traffic will not have to be stopped to allow for the passage of boats to and from Sandy Hook Bay. The bridge will contain two 12-foot lanes in each direction with a median barrier. The bridge will also feature two 8-foot wide pedestrian sidewalks and two 8-foot wide bicycle lanes. The Route 36 Bridge is also important as an emergency evacuation route.

F. Code Enforcement

The Borough has increased code enforcement efforts especially focused on multifamily dwellings to encourage the maintenance of residential properties.

III. THE EXTENT TO WHICH THERE HAVE BEEN SIGNIFICANT CHANGES IN ASSUMPTIONS, POLICIES AND OBJECTIVES

Due to the established character of Highland Borough, there have not been any significant changes in the assumptions, policies and objectives forming the basis of the Highlands Borough Master Plan. Several goals and objectives from the 2004 Master Plan are related to the downtown commercial corridor and should be addressed.

A. Municipality

1. Population, Housing, and Employment

The Master Plan was prepared in September 2004 and included demographics, housing, economic, and land use data. The information provided a valuable inventory of the Borough to assess conditions and provide a foundation for a comprehensive plan. For purposes of updating some of the data in the Master Plan, data are presented on the following pages to provide a current picture of the Borough.

Population

As shown in Table 1, Highlands Borough added 98 additional persons from 2000 to 2008, a 2% increase.

| TABLE 1 | |
|--------------------------------------|-----------------------|
| POPULATION GROWTH 2000 - 2008 | |
| Year | No. of Persons |
| 2000 | 5,097 |
| 2001 | 5,101 |
| 2002 | 5,132 |
| 2003 | 5,168 |
| 2004 | 5,174 |
| 2005 | 5,166 |
| 2006 | 5,174 |
| 2007 | 5,179 |
| 2008 | 5,195 |

*Source: US Census and Monmouth County Planning
Board annual estimate, dated August 2008*

2000 – 2008 # Change: 98
2000 – 2008 % Change: 1.9%

Housing

New residential construction since the adoption of the Master Plan in 2005 has been limited. Most of the new units have been single-family dwellings, as shown in Table 2. Almost 12 units were added, on average, since 2000 in the Borough.

| TABLE 2 TOTAL RESIDENTIAL BUILDING PERMITS 2000 – 2007 HIGHLANDS BOROUGH | | | |
|---|-------------------------|----------------------|---------------------|
| Year | # Dwelling Units | Single-Family | Multi-Family |
| 2000 | 14 | 14 | 0 |
| 2001 | 25 | 23 | 2 |
| 2002 | 6 | 6 | 0 |
| 2003 | 13 | 9 | 4 |
| 2004 | 13 | 13 | 0 |
| 2005 | 11 | 11 | 0 |
| 2006 | 10 | 10 | 0 |
| 2007 | 1 | 1 | 0 |
| Average: 11.6 units/year (Total Units) | | | |

Source: Monmouth County Planning Board, August 2008

A measure of new residential growth can be determined based on the net number of Certificates of Occupancy (CO's) issued. The "net" figure is the number of new residential CO's minus the number of dwelling units removed from the housing stock by demolition. Table 3 shows that Highlands has added a net of six (6) additional housing units per year over the past 8 years.

| TABLE 3 NET CERTIFICATES OF OCCUPANCY (RESIDENTIAL) HIGHLANDS BOROUGH | |
|--|-------------------------|
| Year | Net CO's (Units) |
| 2000 | 2 |
| 2001 | 15 |
| 2002 | 18 |
| 2003 | 3 |
| 2004 | -4 |
| 2005 | 4 |
| 2006 | 2 |
| 2007 | 8 |
| Average: 2000 – 2008 = 6 | |

Source: Monmouth County Planning Board
August 2008

NOTE: Certificate of Occupancy housing unit figures include single-family and multi-family units. Net figures equal new Certificates of occupancy minus demolition of housing units. A negative figure indicates that demolitions exceed new units.

Employment

One of the indicators of the health of the municipality is the employment level of its labor force. The number of employed persons living in the Borough increased by 2% from 2000 to 2007 based on information complied by the Monmouth County Planning Board from the State of New Jersey. The information is shown in Table 5 below.

| TABLE 4 EMPLOYMENT 2000 - 2007 | |
|---|-----------------------|
| Year | No. of Persons |
| 2000 | 2863 |
| 2001 | 2864 |
| 2002 | 2867 |
| 2003 | 2858 |
| 2004 | 2880 |
| 2005 | 2876 |
| 2006 | 2912 |
| 2007 | 2922 |
| % Change , 2000-2007 | 2% |

Source: Monmouth County Planning
Board, August 2008

2. Land Use

Table 4 shows the very slight differences in the land uses in the Borough between 2004 when the Master Plan was prepared and 2008. The information is based on municipal tax assessment records. The data indicates a decrease of 10 vacant parcels, a slight increase (1%) in the number of residential parcels, and a 4% decrease in commercially-assessed parcels.

| TABLE 5 LAND USE PROPERTY CLASS OF TAX PARCELS HIGHLANDS BOROUGH 2004, 2008 | | | | |
|--|----------------------|-----------------|-----------------|-----------------|
| Land Use Class | Land Use Type | 2004 # % | 2008 # % | # Change |
| 1 | Vacant | 159 | 149 | -10 |
| 2 | Residential | 2,237 | 2,262 | +25 |
| 3A | Farm, House | 0 | 0 | 0 |
| 3B | Farm, Qualif. | 0 | 0 | 0 |
| 4A | Commercial | 103 | 99 | -4 |
| 4B | Industrial | 0 | 0 | 0 |
| 4C | Apartment | 10 | 9 | -1 |
| Subtotal | | 113 | 108 | -5 |
| Total | | 2,509 | 2,519 | +10 |

Source: Monmouth County Board of Taxation

B. Changes in Federal, State, County and Municipal Policies

1. Federal

In early 2008 the Federal Emergency Management Agency (FEMA) proposed new flood hazard zone maps for Monmouth County. The maps are based on new information and engineering studies by FEMA and propose considerable changes in flood areas in the County. The primary change in hazard mapping in Highlands is a revision of the area on the upland side of Shore Drive. Due to significant public response to the new mapping FEMA held a number of public meetings in coastal areas for public comment. The Monmouth County Freeholders have become involved and have filed for an injunction to stay the effective date of the new flood hazard maps. The effective date of the new flood hazard maps is unknown at this time.

1. State

Route 36 Bridge

At the state level the re-construction of the Route 36 Bridge, the NJDEP flood rules and the changes in affordable housing rules are important for consideration. The Route 36 bridge modifications were discussed in the previous section.

Flood Hazard

The New Jersey Department of Environmental Protection adopted new Flood Hazard Control Act rules as well as related amendments to the Coastal Permit Program rules and the Coastal Zone management rules. The standards are stricter for development in flood hazard areas. The importance of the NJDEP rules are that construction of non-residential floor area at the ground level must be flood proofed. If flood proofing is not feasible the ground level can be devoted to on-site parking. The regulations do not allow parking under buildings however in many cases in Highlands Borough, applicants may be able to meet the “not feasible” criteria of the rules based on not being able to construct a driveway at least one foot above the flood hazard design flood elevation.

Affordable Housing

Highlands Borough has not filed a Housing Element with and Fair Share for certification from the NJ Council on Affordable Housing (COAH). The 2004 Master Plan prepared an analysis which indicated that the Borough may have considerable credits to be applied toward its Round III obligation. Since the adoption of the Master Plan the original Third Round rules were overturned by the NJ Supreme Court. New Third round rules were adopted on May 6 2008 by COAH. New Housing Plans under the new rules are due to COAH by December 31, 2008 to participate in the COAH process.

3. Monmouth County

Bayshore Region Strategic Plan

On September 18, 2006 the Monmouth County Planning Board adopted the Bay Shore Regional Plan. The plan was prepared under the supervision of the County Planning board and with input of citizens of the Bay Shore area. The Bay Shore Plan contains recommendations on growth initiatives, preservation strategies, transportation

improvements, housing issues and design guidelines for the Bay Shore area of Monmouth County. Numerous workshops and hearings were during the 2005-2006 time period to gather public comments. The Strategic Plan was adopted as an element of the Monmouth County Growth Management Guide.

The report is presented in two parts the first part is an inventory of the current planning conditions and addresses land use, economic development waterfront, open space, transportation and housing. The second part provides planning recommendations to achieve economic success and increase the overall quality of life in the Bayshore.

The Bayshore Plan contains an “Implementation Agenda” for each municipality in the study area. The implementation agenda provides a vision for the town and a number of actions and policies, by subject area, that the municipality can undertake to achieve its vision. Some of the strategies listed for Highlands include collaborating in marketing the region as a tourist destination, working with the NJDOT to create gateways along Route 36 and improving linkages between the state highways and downtown activity areas.

4. Municipal

Recreation and Open Space Plan

On February 14, 2008 the Highlands Borough Planning board adopted a Recreation and Open Space Plan as an element of the Borough Master Plan. The Recreation and Open Space Plan is a basis for addressing future recreation and open space needs. The plan includes an inventory of the existing recreation and open space lands as well as a description of recreational programs. The Recreation and Open Space Plan indicates that there are 16.4 acres of dedicated public parks and recreation lands in the Borough. Half or 8.7 acres of the open space is Borough owned property. A “needs analysis” is provided in the Plan and is an important element of the Recreation and Open Space Plan. The conclusion of the analysis is that Highlands has a deficit of open space based on different methods of measuring such needs. The Plan also provides a list of 22 open space, recreation and conservation objectives to guide the future open space planning in Highlands. An Action Plan is also provided to list concrete steps that municipal officials may implement.

Since that time the Borough has filed applications for funding to purchase a beach parcel at the terminus of Miller Street.

Municipal Building

Based on the completion of the Fire House on Shore Drive, floor space will be freed up from the former Fire Department use for other uses at the Municipal Building. The Borough Council is currently reviewing its options for the re-use of this space. Consideration of use of the space for a Borough Library is being investigated.

Waterborne transportation

Water taxi service has commenced between various waterfront sites through the effort of the Highlands Business Improvement District.

IV. THE SPECIFIC CHANGES RECOMMENDED FOR THE MASTER PLAN OR DEVELOPMENT REGULATIONS

The Planning Board does not recommend the preparation of a comprehensive Master Plan at this time. Any specific changes can be accomplished by the adoption of an amendment to the Land Use Plan Element of the Master Plan. However, the Planning Board recommends that a Land Use Plan amendment to the Master Plan be adopted to address the following changes to the Master Plan, zoning for the Bay Avenue corridor, and other Borough-wide recommendations:

The sub-committee for the 2009 master plan re-examination does not recommended any major revision to the existing Master Plan or development regulations. We do suggest the modification of development regulations within our two Downtown Business Districts (B-1 & B-2) with the intent of encouraging appropriate business development within those districts as outlined in sections A and B below, as well as suggestions for other Borough-wide modifications to our circulation and land use elements as outlined as section C below.

A. B-1 District- Neighborhood Business District

This overlay district is comprised of the properties surrounding Huddy Park and extends eastward down Bay Avenue to Washington Avenue. Our recommendations for this area are within the following five general categories:

1. Flooding
 - a. Continue local flood mitigation efforts, which prevent tidal back up of the storm water drains.
2. Parking / Loading
 - a. Reduce or eliminate on-site parking requirements in favor of municipal parking for commercial uses. (see attached map prepared by the Master Plan Subcommittee.)
 - b. Prohibit drive-through or drive-up uses (maintain street wall).
 - c. Possibly require on-site loading berths only for some specific uses, which have intense deliveries.
 - d. Limit or control the number and frequency of curb cuts, through sharing or rear entry to maintain on-street parking.
3. Uses
 - a. Existing uses to remain in effect. This is to remain the “Neighborhood Business District.”
 - b. New uses, within the over-lay district only, should include the following new or conditional uses.
 - 1) Hotels (carefully defined by zoning) as a conditional use;
 - a) On site parking is provided meeting a minimum of 50% of the required parking.
 - b) Height shall be limited to 3 stories (36’) (or 4 stories 47’ if parking is provided beneath the structure)

- c) Typical hotel facilities are provided on-site: common rooms, lobby and the like (see hotel definition)
 - d) Commercial uses are provided on the first (grade level) floor, or the first floor above parking below the structure (retail, restaurants and the like)
 - f) Duration of stay to be maximum 2 weeks this may not be a “rooming house”
 - g) The hotel room intensity (per acre/per lot) should be regulated in accordance with the goals and objectives, policies and character of the applicable zone district, as well as the economic development goals of the Borough.
- 2) Inns and Bed-and-Breakfasts, as a conditional use.
- 3) Retail Sales and Service Establishments (except tattoo, guns, massage parlors and the like).
- 4) Galleries, Studios, Craft stores.
- 5) Medical offices
- 6) Other uses which the “Zoning Officer” may suggest.
- c. Permit residential development above the first floor as a conditional use if:
 - 1) No more than 1 floor is used for residential uses.
 - 2) Residential density standards are consistent with the surrounding district (8u/ac). Encourage loft-type apartments, live/work 1,200 gross sq ft.
 - 3) All residential parking requirements are met “on-site” so as not to compete for municipal parking with commercial uses.
 - 4) No residential uses should be permitted below commercial uses.
- 4. Bulk modifications
 - a. Height
 - 1) 3 stories / 42 ft (45’ for hotels with parking below)
 - 2) Maintain street wall for commercial uses, setbacks permitted for residential uses.
 - 3) Encourage variety or rooflines to preserve small-scale look
 - b. Building coverage
 - 1) 100%, unless business requires loading berth
 - c. Floor Area Ratio (FAR)

- 1) Increase FAR requirements for commercial uses, to be consistent with new building coverage.
 - 2) Create suitable maximum FAR requirements for both commercial and residential development.
 - 3) Create a formula for FAR in mixed-use buildings possibly encouraging commercial development on the upper floors (i.e., one could build more floor area for commercial than residential on upper floors).
 - 4) Surface parking below a structure should not count in the calculation of the Floor Area Ratio for a building.
5. Design guidelines
- a. Maintain street-line and small-scale look.
 - b. Re-authorize the existing “Design Guidelines Manual” and refer to these in any zoning text changes.
 - c. Provide first floor “exposure” for second floor business.

B. B-2 / Central Business District

This overlay district is comprised of the properties facing Bay Avenue from Shrewsbury Avenue to Valley Street. Our recommendations for this area are in the following five general categories:

1. Flooding
 - a. Continue local flood mitigation efforts to prevent tidal back up of stormwater drains at Miller and Valley Streets.
 - b. Have NJDEP make presentation to Board on flood-proofing, building elevation, and parking beneath structures.
2. Parking / Loading
 - a. Reduce or eliminate parking requirements for lots less than 10,000 sq ft (100' x 100') for commercial uses.
 - b. Prohibit drive-up and drive-thru uses (maintain street-wall).
 - c. Require loading berths only for some specific uses, which have high volume deliveries.
 - d. Develop standards for the screening of parking beneath structures
 - e. Provide diagonal parking and one-way circulation for the full length of South Second Street between South Street and North Street, with rear entries to businesses on Bay Avenue.
 - f. Limit or control the number of curb cuts, through sharing or rear entry, to maintain on-street parking.
3. Uses
 - a. All existing uses in the B-2 zone to remain.

b. New uses within the over-lay district should include:

- 1) Retail sales and service establishments (except guns, tattoos, massage, etc)
- 2) Health and fitness establishments (yoga etc.) limited in size and only above the first floor
- 3) Art galleries, craft stores, studios
- 4) Flowers shops and retail plant stores.
- 5) Medical offices

c. Establish Conditional Use regulations for hotel development (currently a permitted use). Clearly define hotel use.

d. Residential development above the first floor should be a conditional use:

- 1) No more than 1/3 of the total floor area may be residential.
- 2) A residential density of 10 units /Ac is not exceeded.
- 3) All residential parking requirements are met “on-site”
- 4) Residential units have a, common street entry.
- 5) Provide private or cooperative roof terraces / for tenants use.
- 6) Each dwelling unit shall contain a minimum floor area of 1,000 gross sq. ft. encourage loft- type, live / work units.
- 7) No residential uses should be permitted below commercial uses.

4. Bulk Requirements

a. Height

- 1) 3 stories (42') or 4 stories 45' if parking is provided below the structure.
- 2) Encourage multiple rooflines to reduce scale of buildings on larger lots.
- 3) Maintain “street wall” except 4th story. A front yard setback of 10' for a minimum 50% of the width of the lot (structure) should be provided.

b. Building coverage

- 1) Permit 100% lot coverage for commercial uses except on uses, which require loading berths.

c. FAR (floor area ratio)

- 1) Increase FAR to be consistent increased building coverage.
- 2) Create suitable max FAR requirements for both commercial and residential development on the site.
- 3) Provide weighted FAR for mixed use developments to encourage a large full floor development for business uses on the 1st and 2nd floors, and lesser FAR for residential uses on the second and third floors, (which reflects rear and front yard set-backs).
- 4) Surface parking below a structure should not count in the calculation of the Floor Area Ratio for a building.

5. Design Guidelines

- a. Maintain street line and small-scale look
- b. Provide first floor “exposure” for second floor business / offices.
- c. Re – authorize the existing “Design Guidelines Manual” and refer to these in any zoning text changes.

C. Other Borough-Wide Recommendations

1. Provide dedicated bike lane along the south side of Shore Drive from the County Park to Rt. 36 Bridge, possibly establish at test program this summer.
2. Provide development guidelines for hotel development “conditional use”
3. Clarify impact of NJ DEP regulations on our business districts, and add text to Zoning Ordinance as required.
4. In coordination with the Zoning Officer, establish prioritized “use group categories” from least-intense use, to most-intense use, with the purpose of letting developers know when a use is an “intensification”, requiring Planning Board Review.
5. Establish tax abatement program for the net improvements made to existing “non-conforming” multi-family structures within the Borough to encourage their re-development into conforming uses and densities.
6. Modify the “use regulations” within the WC-1 districts to include all of the uses permitted within the B-2 district with the exception of any conditional uses; the existing bulk regulation for the WC-1 district shall remain in effect. This will permit the expansion of business uses to the east of Shrewsbury Avenue to the bridge (especially Block 38.01). Alternatively, extend the B-2 zone to include Block 38.01 (currently within the WC-1 zone) but do not include it in the overlay zone.
7. Review annual reports from the “Board of Adjustment” and consider their recommendations for the change to the Zoning Ordinance.
8. Define ‘story” to clarify that regardless of use (commercial or parking) the first floor is that level closet to pre-existing grade, and add text to our Zoning schedule as recommended by the Zoning Officer.
9. Consider the introduction of light manufacturing uses which include upholstery, furniture re-finishing an the like in the B-2 zone.
10. Prepare up dates to the Zoning Ordinance which respond to the concerns of the Zoning Officer as enumerated in this letter of 16, April 2008 to Councilman Nolan.
11. Property maintenance and code enforcement are critical to improving the business district, for both occupied and vacant structures.

12. To provide funding for critical infrastructure projects, flood mitigation, and municipal parking establish a Development Fee of 3% of the total project cost for both residential and commercial developments above \$1 million. The fee is for projects town-wide.
13. Update “Design Guideline Manual” to include design criteria for the screening or parking below structures.
14. Adopt a “Green Building and Environmental Sustainability Plan Element” as a separate element of the Master Plan or during the next comprehensive update of the Borough Master Plan. The “green element” was recently added by the NJ Legislature to the Municipal Land Use Law as an optional element of municipal master plans and addresses efficient use of natural resources, installation and use of renewable energy systems, impact on the environment, water reuse and conservation and other sustainable planning techniques.

D. 2007 Recommendations from the Zoning Board (Excerpt from 2007 Report to Mayor and Council)

1. Move the “Steep Slope” ordinance to the “zoning section” not design standards of our land use ordinance. Variances from the ordinance will require a “C” variance not a “Design Waiver.”
2. Regulations for “rehabilitation facilities” and “sexually oriented businesses” should be within the “Zoning” ordinance since they affect land use.
 - a. A clear definition of terms used in the regulations for rehabilitation facilities and sexually oriented business should be established, with a minimum being those two specific uses.
 - b. A clear purpose for the regulations should be composed to give guidance to the Board as to the intent of the restrictions, which are established.
 - c. A review of the proximities of these uses to other facilities and zones need to be modeled to see if there are any permitted locations for these uses.
 - d. Parking requirements for rehabilitation facilities and sexually oriented businesses should be addressed.
3. With the intent of clarifying the difference between public (open enrollment) facilities vs. private and rehabilitation facilities, the definitions section of the zoning ordinance should include:
 - a. Athletic Club
 - b. Fitness Facility
4. There are new NJDEP regulations for review and permitting of “regulated activities” within a “flood hazard area”. These should be mentioned in the Flood Ordinance section of our zoning ordinance. For projects within the flood plain, evidence of applications to NJDEP should be included in the site plan “checklist” requirements for applications to the Zoning and Planning Boards to insure appropriate commercial development within the CBD. Further study of the impact of these investigations on commercial development

- including: uses below the Base Flood Elevation (BFE), height of structures which provide parking below the structure, access by persons with disabilities – flood proofing methods, and the like, should be made by the Planning Board
5. The Borough Flood Administrator should review all applications for development, within the flood plain, prior to the application being directed to the Zoning or Planning Boards. With the benefit of this review, the applicant will present plans, which address all flood proofing requirements, and relieve the boards of interpreting laws established by NJ DEP or FEMA.
 6. The following definitions should be reviewed:
 - a. Lot Width – currently there is no lot width requirement for corner lots. The Definition needs to be modified - “or in the case of corner lots, the mean distance between front and side yard”.
 - b. Lot Depth – currently there is no lot depth requirement for corner lots. The definition needs to be modified - “or in the case of corner lots the mean distance between front and side lot lines”.

There may also be a need to determine which dimension is lot width and which is lot depth.

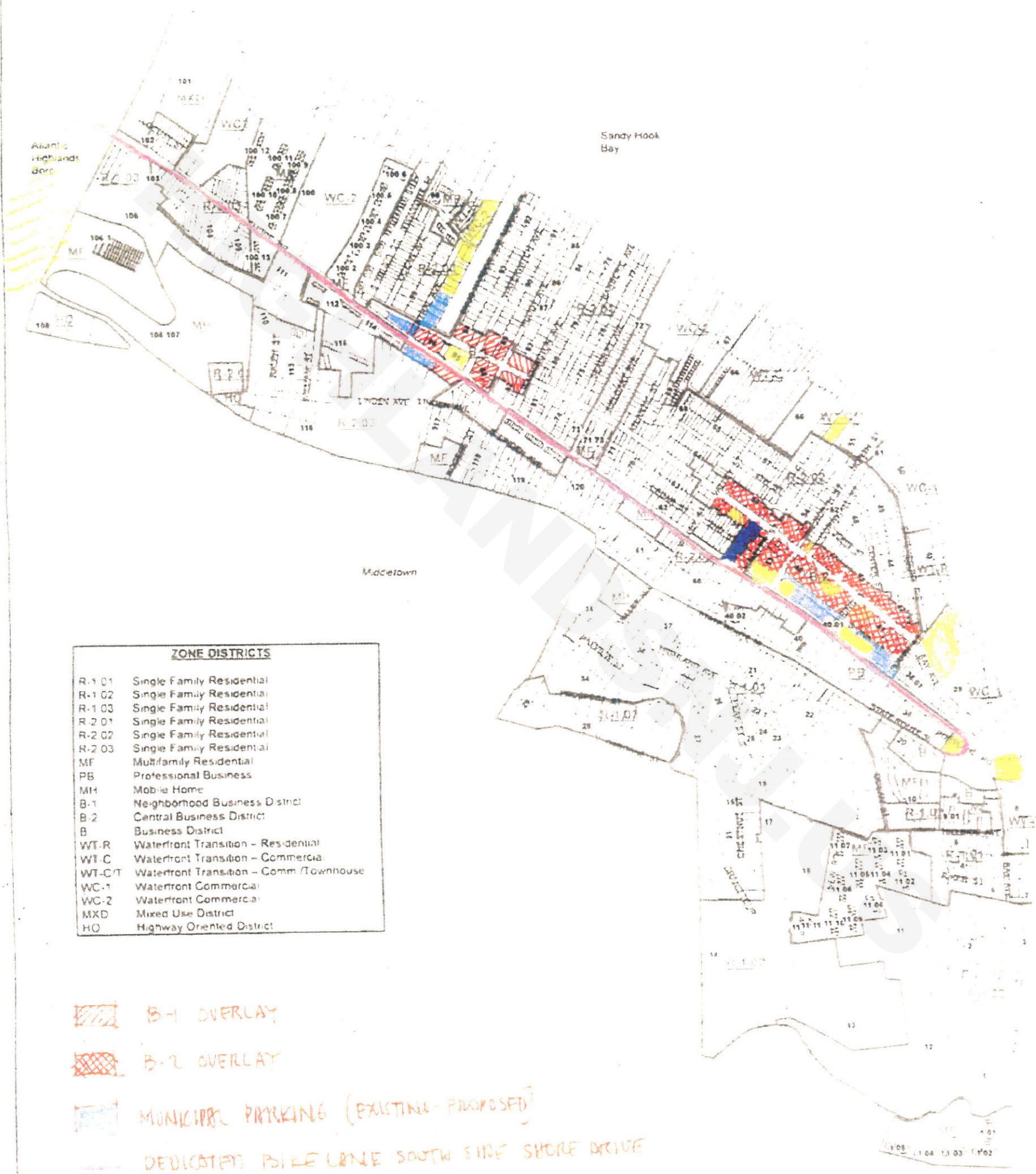
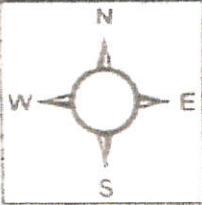
7. It would be appropriate to clarify to the intent of our ordinance with regard to access to buildings and structures in Section 21-77 PRINCIPAL BUILDINGS and STRUCTURES to include the clarifying text shown in brackets:
 - a. Every principal building or structure shall be built upon a lot with frontage on a public street. The principal building shall have access from that public street.

V. THE RECOMMENDATIONS OF THE PLANNING BOARD CONCERNING THE INCORPORATION OF REDEVELOPMENT PLANS

The 2004 Master Plan suggested several potential areas for redevelopment to stimulate redevelopment and revitalization in those areas. The Planning Board does not make any recommendations regarding the incorporation of redevelopment plans at this time.

The Board takes note of the fact that in 1997 the Borough Council adopted Ordinance No. 97-06 which designated the entire Borough an area in need of rehabilitation. The Ordinance provides for exemptions from taxation of improvements to dwellings and multiple dwellings of the first \$15,000 of the value of the improvements for each dwelling for a period of five years.

Zoning Map
Borough of Highlands
Monmouth County, New Jersey
February 2007



| ZONE DISTRICTS | |
|----------------|--|
| R-1 01 | Single Family Residential |
| R-1 02 | Single Family Residential |
| R-1 03 | Single Family Residential |
| R-2 01 | Single Family Residential |
| R-2 02 | Single Family Residential |
| R-2 03 | Single Family Residential |
| MF | Multifamily Residential |
| PB | Professional Business |
| MH | Mobile Home |
| B-1 | Neighborhood Business District |
| B-2 | Central Business District |
| B | Business District |
| WT-R | Waterfront Transition - Residential |
| WT-C | Waterfront Transition - Commercial |
| WT-C/T | Waterfront Transition - Comm/Townhouse |
| WC-1 | Waterfront Commercial |
| WC-2 | Waterfront Commercial |
| MXD | Mixed Use District |
| HO | Highway Oriented District |

- B-1 OVERLAY
- B-2 OVERLAY
- MUNICIPAL PARKING (EXISTING-PROPOSED)
- DEDICATED BIKE LANE SOUTH SIDE SHORE DRIVE
- MUNICIPAL PARKS
- BOROUGH HALL [w/ CONNECTION TO SHORE DRIVE]
- OTHER BOROUGH USE

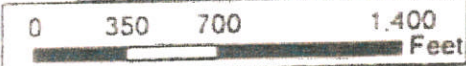
Prepared by
 The Highlands Planning Board
 Master Plan Subcommittee

NOTE The black numbers shown within map are block numbers

Proposed Zoning (Line)
 Tax Parcels

Adopted by the Highlands Borough Council
 on April 4, 2007

1 inch equals 700 feet



APP C-1

Rev. Ord. Supp. 5-07

APPENDIX C