

ECONOMIC DEVELOPMENT PLAN ELEMENT

INTRODUCTION

Highlands has actively pursued both residential and commercial revitalization efforts. As a built-out Bayside community, these efforts have predominantly been in the form of redevelopment of existing housing and commercial buildings. The Borough has prepared a waterfront revitalization plan, a strategic revitalization plan and a design manual to guide commercial façade and streetscape improvements. To guide efforts to revitalize the Borough's commercial district, a business improvement district (BID) was created. However, while the Borough has undertaken numerous efforts to rehabilitate and redevelop the Borough, progress is occurring more slowly than anticipated. From a planning perspective, there is a need to prioritize and reorganize these efforts systematically. A primary goal of this Master Plan is to create a new vision for the Borough and organize past and new planning efforts through an action plan, & implementation agenda to create accountability for such efforts. Such efforts are intended to create a Borough-wide consensus on new policies and implementation agenda. Only with Borough-wide consensus is it likely that such policies and plans will be implemented.

LEGAL BASIS AND PURPOSE

The New Jersey Municipal Land Use Law, Article 3, Section 40:55D-28(9) states that the preparation and contents of an economic plan element should "consider all aspects of economic development and sustained economic vitality;" This includes "a comparison of the types of employment expected to be provided by the economic development to be promoted with the characteristics of the labor pool resident in the municipality and nearby areas." Furthermore, section 40:55-D-28(9) states that there should be "an analysis of the stability and diversity of the economic development to be promoted."

This Economic Plan element evaluates the economy of the Borough of Highlands and identifies trends, strengths, opportunities and constraints. This includes an analysis of Monmouth County's economy and the State economy where appropriate. Moreover, baseline information of existing economic conditions is utilized to present future economic development potential.

ECONOMIC DEMOGRAPHIC PROFILE

Total Private Sector Employment

The total number of private sector jobs⁴ located in Highlands ranged from 513 in 1994 to 541 in 1997. Total covered employment is private sector or non-government jobs located in Highlands. As indicated in Table ED-1, the number of jobs increased by 5.5 percent or 28 jobs from 1994 to 1999. In comparison, Monmouth County created 16,039 jobs from 1994 to 1999. This represents an average annual growth rate ranging from 1.5 percent in 1996 to 2.2 percent in 1998 with an average of 1.76 percent. However, the minimal loss of jobs in 1999 -(2.5%) is an indication that the job market has stabilized. In Highlands, according to Figure ED-2, retail jobs accounted for between 55 percent and 59 percent of all jobs from 1993 to 1997. As with many New Jersey shore communities many retail jobs are seasonal. Several factors including the local weather affect seasonal jobs along the New Jersey Shore. For example, a summer with numerous rainy weekends can distinguish between a profitable and less profitable season and this relationship directly affects the number of seasonal jobs.

⁴ Covered employment is a monthly count of full and part-time employees who earned wages during the pay period as reported quarterly by employers covered by the New Jersey Unemployment Compensation Law. Basically, any employer paying at least \$1,000 in wages in the current or preceding calendar year is covered. Jobs not covered by the law include self-employed and unpaid family workers or certain agricultural and in-home domestic workers.

Table EC-1						
Private Sector Covered Employment, 1994 to 1999						
Borough of Highlands and Monmouth County						
	<i>Highlands Borough</i>			<i>Monmouth County</i>		
	<i>Number</i>	<i>Difference</i>		<i>Number</i>	<i>Difference</i>	
<i>Year</i>	<i>of Jobs**</i>	<i>Number</i>	<i>Percent</i>	<i>of Jobs**</i>	<i>Number</i>	<i>Percent</i>
1994	513	---	---	175,765	---	---
1995	570	+57	+11.1%	179,137	+3,372	1.9%
1996	530	-40	-7.0%	181,804	+2,667	1.5%
1997	551	+21	+4.0%	184,804	+3,000	1.6%
1998	535	-16	-3.0%	188,836	+4,032	2.2%
1999	541	+6	+1.1%	191,804	+2,968	1.6%
Employment Change, 1994-1999		+28	+5.5%		16,039	+9.1%

Source: * U.S. Census, 2000. ** NJ Department of Labor, Private Sector Covered Jobs (3rd Quarter, 1994-1999)

Table EC- 2
PRIVATE-SECTOR COVERED EMPLOYMENT BY INDUSTRY,
July 1993 –1999
Borough of Highlands, Monmouth County

<i>Industry</i>	<i>Borough of Highlands</i>		
	<i>1993</i>	<i>1997</i>	<i>1999</i>
<i>Number of Employees</i>			
Agriculture	*	*	*
Construction	73	58	72
Manufacturing	7	*	*
Transportation/Comm./Util.	26	27	41
Wholesale Trade	29	40	32
Retail Trade	292	329	297
Finance, Insurance & Real Estate	37	33	37
Services	60	64	62
Total ¹	524	551	541
Total Change in Employment , 1993 – 1999	3.2%		
<i>Percent of Total Employment</i>			
Agriculture	*	*	*
Construction	13.9%	10.5%	13.3%
Manufacturing	1.3%	*	*
Transportation/Comm./Util.	5.0%	4.9%	7.6%
Wholesale Trade	5.5%	7.3%	5.9%
Retail Trade	55.7%	59.7%	54.9%
Finance, Insurance & Real Estate	7.1%	6.0%	6.8%
Services	11.5%	11.6%	11.5%

* Indicates that data have been suppressed because there are less than three companies in an industry or where one company makes up 80 percent or more of the industry.

Source: New Jersey Department of Labor, Division of Labor Market and Demographic Research

AVERAGE ANNUAL WAGES

The average annual wage in Highlands rose from \$20,467 in 1992 to \$24,437 in 1999, which represents a 19.4 percent increase (2.8% per year). Comparatively, the state and county annual wages grew by 28.8 percent and 30.7 percent respectively, which is an average increase of 4.1 and 4.3 percent each year. The absolute change in average annual wages from 1992 to 1999 was \$3,970 in Highlands, \$8,669 in Monmouth County and \$9,122 at the state level.

<i>Year</i>		<i>Borough of Highlands (\$)</i>	<i>Monmouth County (\$)</i>	<i>New Jersey (\$)</i>
1992		\$20,467	\$28,247	\$31,683
1994		\$22,030	\$29,224	\$32,782
1999		\$24,437	\$36,916	\$40,805
Absolute Change, 1992-1999		\$3,970	\$8,669	\$9,122
Percentage Change, 1992-1999		19.4	30.7	28.8

Source: N.J. Department of Labor, N.J. State Data Center

LABOR FORCE CHARACTERISTICS

Resident Labor Supply

Table EC-4 Resident Labor Force Characteristics indicates the general composition of Highlands residential labor force, their commuting characteristics and place of work. Highlands' resident labor force, which represents individuals working or seeking employment, contains 2,905 civilian workers. This represents a labor force participation rate of 68 percent for the Borough compared with 65.5 percent for Monmouth County and 64 percent Statewide.

Over 65 percent of Highlands' labor force work in the County and almost 92% work in New Jersey. Six (6) percent of Highlands' labor force work in their place of residence in comparison to 13.5 percent in the County and 19.1% in the state. This is significantly lower than most municipalities as well as the County and State. In determining appropriate land use policy for the Borough, an

investigation of existing home occupations should be undertaken. An expansion of appropriate home occupations may lead to reduced locally generated vehicular traffic during peak hours and benefits to local merchants.

Over seventy five percent of Highlands' labor force commutes to work by car alone, 8.6 walked or worked at home, 8.5 percent use public transportation, 6.7 percent car pool and 0.4 percent use an unidentified means of transportation. The percentage of individuals that drive alone in Highlands is similar to both County and State percentages, 75.7 percent and 73.0 percent, respectively. However, the percentage of individuals who walk to work or work at home exceeded both County and State percentages, 5.3 percent and 5.8 percent, respectively.

Although ferry service to Manhattan is located in Highlands only 8.5 percent of individuals use public transportation to work. The Borough should consider surveying individuals using the ferry service during business hours to better determine the place of residence and income range of individuals who ride the ferry to work. It should be noted that a three month ferry pass costs \$1,300, or \$433 a month. In comparison, a monthly rail pass from Red Bank to Newark costs \$197.00 a month; path service from Newark to Manhattan is an additional \$60.00 a month, thus totaling \$257.00 a month; and Academy Bus Lines offers service to the Port Authority in Manhattan for \$220.00 dollars per month.

Table EC-4
RESIDENT LABOR FORCE CHARACTERISTICS, 2000
Borough of Highlands, Monmouth County and New Jersey

	<i>Borough of Highlands</i>		<i>Monmouth County</i>		<i>New Jersey</i>	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
<i>Labor Force Participation</i>						
Persons 16 and over						
Civilian Labor Force	2,905	68.0%	308,812	65.5%	4,193,145	64.1%
Employed	2,738	64.1%	294,622	62.5%	3,950,029	60.3%
Unemployed	167	3.9%	14,190	3.0%	243,116	3.7%
Males	1,620	55.7%	168,428	54.5%	2,225,325	53.0%
Females	1,285	44.3%	140,384	45.5%	1,967,820	47.0%
<i>Commuting Characteristics</i>						
Workers 16 and over						
Percent drove alone	2,002	75.7%	221,097	75.7%	2,828,303	73.0%
Percent in carpools	177	6.7%	26,932	9.2%	412,299	10.6%
Percent using public transportation	225	8.5%	25,866	8.9%	371,514	9.6%
Percent using other means	11	0.4%	2,653	0.9%	36,456	0.9%
Percent walked or worked at home	228	8.6%	15,390	5.3%	227,861	5.8%
Mean travel time to work	36.8 min.		34.8 min		30.0 min.	
<i>Place Of Work</i>						
Worked in place of residence	439	6.0	21,675	13.5%	521,346	19.1%
Worked outside of place of residence	2,204	94.0	137,948	86.5%	2,204,256	80.9%
Worked in county of residence	1,721	65.1%	175,070	67.9%	2,126,179	62.6%
Worked outside of county of residence	707	34.9%	82,735	32.1%	1,270,606	37.4%
Worked in state of residence	2,428	91.8%	257,805	88.3%	3,396,785	87.7%
Worked outside of state of residence	215	8.2%	34,133	11.7%	479,648	12.3%

Source: U.S. Bureau of the Census, 2000

Resident Unemployment

As shown in Figure EC-5 and EC-6, Highlands has historically maintained a higher unemployment rate than Monmouth County. The Borough's 2002 unemployment rate was 7.9 percent, which represents a decline of 3.1 percent from the peak recession year of 1992. Monmouth County had a 2002 unemployment rate of 5.3 percent, which is 2.6 percent lower than Highlands. As displayed in Figure EC-6, while the Borough's unemployment rate is higher than the County's, unemployment rate changes over time mimic the County. Therefore, since 1990, Highlands' unemployment rate varied consistently with County fluctuations.

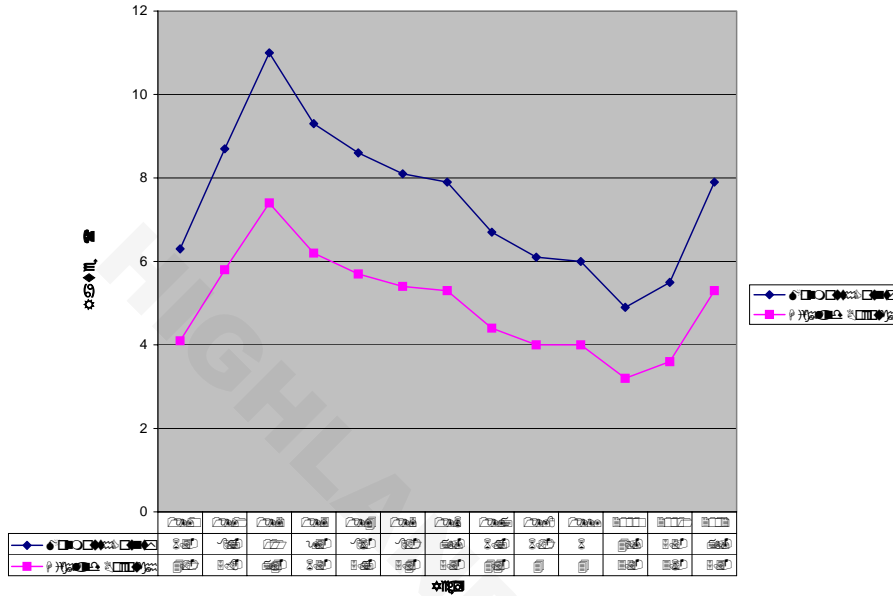
From 1993 to 2000, an eight (8) year period, unemployment declined each year. This trend is consistent with county, state and national trends in which the United States economy flourished. However, unemployment rates rose in 2001 and 2002 when the national economy was categorized as being in a period of recession.

Table EC-5
RESIDENT UNEMPLOYMENT RATE 1990-2002
Borough of Highlands and Monmouth County

	<i>Borough of Highlands</i>		<i>Monmouth County</i>	
	<i>Number</i>	<i>Difference</i>	<i>Number</i>	<i>Difference</i>
1990	6.3	--	4.1	--
1991	8.7	+2.4	5.8	+1.7
1992	11.0	+2.3	7.4	+1.6
1993	9.3	-(1.7)	6.2	-(1.2)
1994	8.6	-(0.7)	5.7	-(0.5)
1995	8.1	-(0.5)	5.4	-(0.3)
1996	7.9	-(0.2)	5.3	-(0.1)
1997	6.7	-(1.2)	4.4	-(0.9)
1998	6.1	-(0.6)	4.0	-(0.4)
1999	6.0	-(0.1)	4.0	0
2000	4.9	-(1.1)	3.2	-(0.8)
2001	5.5	+0.6	3.6	+0.4
2002	7.9	+2.4	5.3	+1.7
Total Change, 1990-2002		+1.6		+1.2

Source: New Jersey State Data Center

Figure EC-6
 Resident Unemployment Rate - Highlands, New Jersey



Educational Attainment

The educational attainment of Highlands residents is fairly consistent with the educational attainment of residents of Monmouth County. According to Figure EC-7, 87.9 percent of Borough residents age 25 and over have at least a high school degree. In comparison, the Census also reported that Monmouth County maintains an 87.9 percent high school graduation rate or better. However, Monmouth County as a whole maintains a higher level of individuals who hold both bachelor and post graduate degrees. More specifically, 26.4 percent of Highlands residents hold a bachelor’s degree, while 34.6 percent of Monmouth County residents hold a bachelor’s degree. Approximately 9.2 percent of Borough residents have a graduate degree compared to 12.8 percent at the County. This educational gap is expected to narrow as the Borough’s population evolves and new residents move in.

Over the past two decades, New Jersey’s economy has continued to replace traditional manufacturing jobs with high technology, communications and research jobs. Throughout New Jersey there exist opportunities for a high quality labor force to support the continuation of the growing technological sector in which the tri-state region continues to benefit from a competitive advantage.

A recent trend that warrants further attention is the development of a bimodal work force, with one group of highly skilled, highly educated workers and another group of relatively unskilled workers. Economic opportunities for this second group are limited because the educational and social system cannot overcome the cultural, monetary and social difficulties that separate the two groups. Preventing this bimodal split, which disconnects one segment of the Borough from meaningful participation in the work force, is necessary for the long-term economic well-being of the Borough and its residents.

Figure EC-7
RESIDENT EDUCATIONAL ATTAINMENT, 2000¹
Borough Of Highlands and Monmouth County

<i>Educational Attainment</i>	<i>Borough of Highlands</i>		<i>Monmouth County</i>	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
Less than 9th grade	38	1.0%	15,421	3.7%
9th to 12th grade, no diploma	421	11.1%	34,473	8.3%
High school graduate	1,321	34.8%	113,343	27.4%
Some college, no degree	854	22.5%	80,586	19.5%
Associate degree	156	4.1%	26,393	6.4%
Bachelor's degree	651	17.2%	90,050	21.8%
Graduate or professional degree	350	9.2%	52,792	12.8%
Total	3,791	100%	413,058	100%
Percent high school graduate or higher	--	87.9%	--	87.9%
Percent bachelor's degree or higher	--	26.4%	--	34.6%

¹Persons 25 years and over

Source: U.S. Bureau of the Census, 2000

Resident Employment Characteristics

The Borough of Highlands has a significant concentration of residents working in the retail trade, finance/insurance/real estate, education/health/social services industries and professional occupations, as shown in Table EC-8. In total, 51.8 percent of all Borough residents are employed in these industries. Many residents also work in construction, manufacturing, and entertainment/recreation services.

Figure EC-8
RESIDENT LABOR FORCE BY INDUSTRY OF EMPLOYMENT, 2000¹
Borough of Highlands, Monmouth County and New Jersey

<i>Industry</i>	<i>Borough of Highlands</i>		<i>Monmouth County</i>		<i>New Jersey</i>	
	<i>No. of Employees</i>	<i>Percent of Labor Force</i>	<i>No. of Employees</i>	<i>Percent of Labor Force</i>	<i>No. of Employees</i>	<i>Percent of Labor Force</i>
Agriculture, forestry and mining	29	1.1%	1,104	0.4%	12,618	0.3%
Construction	261	9.5%	19,046	6.5%	220,817	5.6%
Manufacturing	230	8.4%	24,325	8.3%	472,684	12.0%
Transportation and utilities	133	4.9%	15,835	5.4%	234,801	5.9%
Wholesale trade	123	4.5%	11,102	3.8%	173,166	4.4%
Retail trade	275	10.0%	35,372	12.0%	447,346	11.3%
Finance, insurance & real estate	306	11.2%	32,448	11.0%	352,722	8.9%
Information	108	3.9%	15,320	5.2%	173,865	4.4%
Other services	117	4.3%	12,113	4.1%	173,686	4.4%
Entertainment & recreation services	196	7.2%	18,865	6.4%	271,864	6.9%
Education, health and social services	461	16.8%	57,326	19.5%	783,137	19.8%
Professional	379	13.8%	35,865	12.2%	453,842	11.5%
Public administration	120	4.4%	15,901	5.4%	179,481	4.5%
Total*	2,738	100%	294,622	100%	3,950,029	100%

¹Employed persons 16 years and over

Source: U.S. Bureau of the Census, 2000

Highlands has a significant concentration of residents working in education, health and social services. Almost 17 percent of all Borough residents are employed in these occupations. The Borough also has a greater proportion of resident workers employed in professional; wholesale trade; entertainment & recreational services; agricultural, forestry and mining; construction, manufacturing; and finance, insurance and real estate compared to Monmouth County. In total, 55.7 percent of all Borough residents are employed in these occupations compared to 46.2 percent for County residents.

Figure EC-9
RESIDENT LABOR FORCE BY OCCUPATION, 2000
Borough of Highlands and Monmouth County

<i>Occupation</i>	<i>Borough of Highlands</i>		<i>Monmouth County</i>	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
Management, professional, and related	955	34.9%	123,260	41.8%
Service Occupations	454	16.6%	36,619	12.4%
Sales and office occupations	771	28.2%	86,647	29.4%
Farming, fishing, and forestry	23	0.8%	636	0.2%
Construction, extraction and maintenance	293	10.7%	22,758	7.7%
Production, transportation and material moving	242	8.8%	24,702	8.4%
Totals	2,738	100%	294,622	100%

Source: U.S. Bureau of the Census, 2000

EMPLOYMENT PROJECTIONS

Projected Employment 1998 - 2008

The employment picture in Highlands is expected to improve significantly in the long-term with continued economic growth at the State and County levels as well as the potential redevelopment of key activity areas such as the Borough's downtown and waterfront.

As shown in Table EC-10, the Borough's total employment is projected to increase to 1,039 in 2020. This represents a gain of 200 jobs or approximately 23.8 percent between 1995 and 2020. In comparison, Monmouth County is projected to have an employment increase of 71,394 jobs or 36.3 percent between 1995 and 2020.

Table EC-10
EMPLOYMENT ESTIMATES AND PROJECTIONS, 1995 TO 2020
Borough of Highlands and Monmouth County

	1995	2005	2020	<i>Change, 1995-2020</i>
				<i>Percent</i>
Highlands	839	909	1,039	23.8%
Monmouth County	196,885	230,202	268,279	36.2%

Source: Monmouth County Demographic and Economic Updates Estimates and Projections, April 2002

FUTURE EMPLOYMENT

Labor Force Trends

According to the 2003 Monmouth County Profile prepared by the Monmouth County Planning Board⁵, Monmouth County is expected to continue to outperform older northern New Jersey counties in job creation, particularly in the trade and service industry divisions. The service producing sector has accounted for more than four out of every five new jobs in the County. The most noteworthy gains were in wholesale trade, food and general merchandise, eating and drinking establishments, business and health services, engineering, accounting and management services. It is anticipated that by the year 2008, 80% of all job growth in Monmouth County is expected to consist of broad services and the retail and wholesale trade sectors.

According to the New Jersey State Data Center ten year employment projections, state employment is expected to increase 11.6% during 1998 – 2008, while Monmouth County employment is expected to rise 13.4%. Furthermore, out of all New Jersey counties with total employment above 185,000, Monmouth County has the largest projected growth rate.

The following Figure, EC-11 indicates the ten projected largest growing occupations according to the New Jersey State Data Center. Systems Analysts are expected to be the largest growing occupation

⁵ Based on New Jersey Department of Labor 1998 to 2008 projections.

followed by computer engineers, retail sales persons, registered nurses, cashiers, engineers, office clerks, child care workers, waiters and waitresses and computer support specialists.

Figure EC-11
Ten Largest Growing Occupations (1998 to 2008)
Monmouth County Occupation Increase in New
Jobs 1998-2008

Occupations	New Jobs
Systems Analysts	2,950
Computer Engineers	1,200
Retail Salespersons	1,150
Registered Nurses	1,100
Cashiers	900
Engineers, NEC	900
Office Clerks, General	850
Child Care Workers	750
Waiters and Waitresses	700
Computer Support Specialists	650
Total	11,150

Source: NJ State Data Center, May 2001

REDEVELOPMENT PROCESS, CRITERIA, AND BENEFITS

In 1992, the State of New Jersey empowered local municipalities to address conditions of deterioration and lack of proper use of lands by adopting the Local Redevelopment and Housing Law (N.J.S.A. 40A: 12A-1 et. seq. hereinafter referred to as the “Redevelopment Statute”). The purpose of the Redevelopment Statute is to provide municipalities with the powers needed to plan undeveloped and underdeveloped portions of a municipality, and to actively redevelop designated areas into productive assets for the community. These powers allow a Municipality to acquire private land (through negotiation or condemnation) for the redevelopment process, and to form partnerships with public-private entities.

Redevelopment Process

According to the 992 Local Redevelopment and Housing Law (LRHL), to initiate a redevelopment plan, a municipality may either designate a redevelopment agency or may assume the responsibility through the existing governing body. Upon establishment of the redevelopment agency, the governing body can then initiate the process of redevelopment and coordinate that process with the Planning Board of the community. The following steps should be taken to initiate the redevelopment process:

1. The Governing Body must direct the Planning Board to undertake an investigation of the area in question to determine whether it meets the criteria established (under N.J.S.A. 40 A: 12A-5) for an “Area in need of Redevelopment”.
2. The Planning Board must prepare and publish a map showing the boundaries of the area in question and the location of the various parcels therein. This map must include a statement setting forth the basis for the Borough’s investigation.
3. The Planning Board must conduct an investigation and hold a duly noticed public hearing in order to discuss the findings of the investigation and to hear persons who are interested in or would be affected by the contemplated action. The results and recommendations of the said hearing are then referred (in the form of a Planning Board Resolution) to the Governing Body for formal action.
4. Upon receipt of the recommendation from the Planning Board, the Governing body may act to adopt a resolution designating the area in question as an “Area in Need of Redevelopment”.
5. Upon this designation the Planning Board is then required to prepare a Redevelopment Plan, which establishes the goals and objectives of the municipality in designating the area in need of

redevelopment. The Plan is then referred to the Governing Body in the form of a Planning Board Resolution for formal action.

6. Upon receipt of the Redevelopment Plan from the Planning Board, the Governing Body may act to adopt the Plan by Ordinance. The Redevelopment Plan then becomes an explicit amendment to the Borough's Zoning District Map and Zoning Ordinance.

Redevelopment Criteria

The criteria used by the Redevelopment Statute (N.J.S.A. 40A: 12A-5) for designating areas in need of rehabilitation or redevelopment offer a great deal of flexibility. As long as the designated area meets any of the following conditions it may be considered for redevelopment status:

- a. The buildings are substandard, unsafe, unsanitary, dilapidated or obsolescent, or are so lacking in light, air, or space as to be conducive to unwholesome living or working conditions.
- b. The discontinuance or abandonment of the use of buildings previously used for commercial, manufacturing, or industrial purposes. This also refers to such buildings that have fallen into a state of disrepair as to be untenable.
- c. Land that is owned by various government entities, or unimproved vacant land that has remained so for a period of ten years prior to the adoption of the resolution, may be considered for redevelopment based on factors such as remoteness, accessibility, topography, soil conditions, and marketability.
- d. Areas with buildings or improvements that are detrimental to the safety, health, morals or welfare of the community.
- e. An area that is potentially valuable to serving the public health, safety, and welfare, which is not properly utilized as a result of the condition of title, diverse ownership of real property, or other conditions.
- f. Areas, in excess of five contiguous acres, upon which buildings or improvements have been destroyed, consumed by fire, demolished or other natural disasters so as to cause depreciation in the aggregate assessed value.
- g. In any municipality in which an enterprise zone has been designated pursuant the "New Jersey Enterprise Zones Act," P.L. 1983.c.303 (C.52: 27H-60 et. seq.) an area may be eligible for redevelopment status for the purpose of granting tax exemptions within the zone.
- h. The designation of the delineated area is consistent with smart growth planning principles adopted pursuant to law or regulation.

Benefits of Redevelopment Designation

The benefits of formally establishing designated redevelopment areas are well worth the effort of the required process. Unlike typical short-term redevelopment plans, the formal redevelopment process requires a comprehensive approach through the preparation of a redevelopment plan. In addition to allowing for public input this approach allows the municipality to apply a maximum level of creativity and flexibility to establish a broad vision of development for the community.

An important component of the redevelopment process is the fostering of public-private partnerships. Unlike conventional development where the private sector and the local government are often at odds, public-private partnerships are a co-operative opportunity. By working as a team, the municipality is able to exercise greater control and the developer is often able to leverage a better deal through the incentives offered. This approach results in creative projects that establish a unique environment for the public to enjoy and business to prosper.

The most beneficial aspect of the formal redevelopment process is the allowance of payment in lieu of taxes over a period of 30 years, enabling the municipality to capture almost a full portion of the tax dollar. Under the traditional process, the tax dollar is split between county, school and local purposes tax. In redevelopment projects, depending upon the agreed formula, municipalities can capture substantially greater proportions of the tax dollar and use the excess revenues to fund infrastructure, assist in financing, or initiate other creative ways to attract development to specific target sites⁶.

The Borough of Highlands contains several areas with significant redevelopment potential for waterfront and commercial redevelopment. Figure LU-5 depicts areas recommended to be investigated as potential redevelopment areas.

DOWNTOWN CORRIDOR

The Downtown Corridor is currently being revitalized through the efforts of the Borough, the BID and downtown merchants. Many parcels in the downtown may be underutilized and could represent redevelopment potential. This is consistent with public opinion stated during the Master Plan

⁶ This process is applicable to non-residential projects.

visioning sessions where individuals spoke of their desire for reinvestment within the Borough's downtown.

Under a traditional non-redevelopment scenario, future growth in the downtown most likely would be limited to infill development of vacant buildings, and business turnover may produce additional employment, tax ratable and economic activity.

This Plan specifically recommends investigating the potential for redevelopment within the downtown to address problems, identify opportunities and provide a guide for future reinvestment. Downtown improvements may include targeted investment of public and private funds for façade improvements, interior building renovations, streetscape upgrades and increased parking.

WATERFRONT

In October of 1994, the Borough created a Waterfront Revitalization Program. The program was designed to encourage reinvestment in the Borough's waterfront and to implement a new vision. The program established the following eight goals:

1. Capitalize on the economic resources represented by Sandy Hook, Route 36, the Twin Lights, the New York ferry, the physical attractiveness of the setting and the recreation potential.
2. Upgrade Highlands' image and identity.
3. Encourage movement by bike and on foot.
4. Protect residential neighborhoods.
5. Adopt a multi-year investment strategy that will have a positive effect on taxes and increase the commercial sector's share of property tax payments.
6. Encourage investment in more diverse commercial activities.
7. Extend the recreation season.
8. Expand recreational and cultural facilities and services.

While there have been improvements along the waterfront, many have not come without separate land use problems. For example, the Wind and Sea restaurant is a great example of waterfront redevelopment. However, due to the inability to assemble sufficient land, an off-street parking problem exists. This Plan specifically recommends reestablishing waterfront redevelopment initiatives. The action agenda, located at the end of this Plan, identifies specific items the Borough should be investigating, a responsible entity, and the timeframe to complete each task.

RECOMMENDATIONS

The Goals and Objectives section of this Master Plan identifies economic development goals for the Borough. In pursuing these goals, a number of development-related issues should be considered. The following are important to address:

- Reaching consensus on a vision for Highlands' future, including economic development priorities, their location, and sources of funding.
- Improving local capital in the Borough to carry out economic development initiatives.
- Assembling sites that can be offered for new business development.
- Improving the appearance of neighborhood commercial districts.
- Expanding the role of tourism in the Borough's economy.
- Providing timely responses to requests for business licenses, permits, zoning, funding, and related business and development initiatives.
- Targeting sectors of the economy where the Borough has a competitive advantage for further development.

Specific recommended actions include:

- Developing effective marketing campaigns and outreach programs to build the Borough's image.
- Utilize the Highlands Business Partnership to coordinate all economic development initiatives in the Borough.
- Continue to support the public transportation improvements within the Borough.
- Expand the Commercial Revitalization program; intensify downtown beautification and cleanup programs.
- Encourage the development of niche retail markets.
- Create a year round marketing program - (Entire Bay Shore Region).
- Involve leasing agents and realtors as part of the business recruitment efforts.
- Budget for and prepare professionally produced recruitment literature.
- Develop a business retention and expansion program.
- Conduct a market study.