tepida in their support. They did not believe the plan represented an actual commitment of resources and they felt it did little to address their most urgent priorities, notably property-tax reform, educational improvement, redevelopment of polluted urban sites, and stopping drug-related crime.27

Environmental groups consistently expressed support for the planning process, but they did not view it as a top priority, preferring to focus on specific environmental issues where victory was more likely, such as wetland and coastal zone protection. Additionally, whatever enthusiasm they had tended to wane as the plan was weakened to mollify plan critics.

The combination of intense opposition from critics and only lukewarm support from potential beneficiaries left the planning commission with very limited political capital. A small group of planners, environmentalists, and sympathetic business leaders tried to rectify this situation by forming New Jersey Future to advocate for state planning. This group attracted some media attention but it was unable to turn the tide toward merely advisory state planning.

A New Governor and A Different Economy

Kean, who had been strongly supportive of the planning process (though not necessarily of plan implementation), was ineligible to run in 1989. His successor, James Florio, had been a Democratic member of Congress from Camden, one of the state’s poorest cities. Florio generally expressed support for the state planning process when asked during the campaign, and he had been a strong supporter of environmental and planning-related legislation while in Congress. So the advocates of state land use planning were heartened by his victory.

Upon taking office at the beginning of 1990, however, Florio was confronted with two major challenges. First, the state had entered a recession28 and development had slowed. The number of residential building permits issued, for example, fell from a peak of 57,074 units in 1986 to only 14,777 units in 1991 and construction employment fell by more than 30 percent.29 The result was a major shift in public sentiment from concerns about development to concerns about its absence. Second, the state faced a half-billion dollar shortfall in the current-year budget that Florio inherited, with a full billion-dollar shortfall projected for the following year.

Florio was committed, furthermore, to reforming the state’s school finance system, which was again being challenged in the courts because great disparities remained between spending in wealthy and poor

28 For example, New Jersey’s gross state product, which rose rapidly from 1982 to 1989, declined by 2.1 percent between 1989 and 1992. Even worse, state employment declined by 8 percent, almost 250,000 jobs. This decline, moreover, was felt even harder in the “Big Six” cities, which lost 11.6 percent of their jobs. See Hughes and Seneca (1995 and 1996a).
29 Hughes and Seneca (1996b).
communities. To close the budget gap, respond to the education issue, and provide some property tax relief, Florio proposed and convinced the Democratically-controlled legislature to pass a $2.8 billion tax increase. These taxes proved wildly unpopular with the state's voters, who in 1991 defeated so many Democratic candidates that the Republicans achieved veto-proof control of both houses of the state legislature.

In this turbulent political and economic context, Florio retained Epling and many members of the State Planning Commission, and he allowed the state planning process to move forward with little interference. He did not, however, provide visible leadership or support for the planning process.

State planning officials had already begun work on cross acceptance in the spring of 1989, before the election. As a first step, they had broken the process into three stages: a comparison of county and local plans with the preliminary state plan, an effort to reconcile disagreements through negotiations, and a process to resolve remaining differences after the negotiations had ended.

They soon found that most communities were indifferent to the preliminary plan. According to a 1989 survey, most municipal officials involved in cross-acceptance believed their communities had neither negative nor positive reactions to the draft plan. Few believed, moreover, that the plan would help stabilize the local economy or improve environmental quality.

Cross acceptance did, however, seem to change the frequency and nature of contacts between local, county, and state officials. The cross-acceptance report from Hunterdon County, a fast-growing area in the west-central part of the state, for example, noted that: "These sessions have been unique because for the first time all municipalities—and the County—have been talking about the same issues at the same time." Such contacts, however, did not reveal much readiness for plan implementation. Hunterdon officials also commented that:

While the concept of clustering most development in concentrated areas where infrastructure can be efficiently provided has widespread appeal... real concerns exist with regard to the impact on current land values that such a change would have. Accordingly, the concept of [cluster development] will only be realistic once an adequate compensatory system is adopted to... address these equity concerns.

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30 When he took office, a 1981 case challenging the system was before the state's supreme court. In June 1990 (after Florio proposed his budget but before it became law) the court ruled that the state had to bring per pupil spending in its poorest school districts up to same level as the wealthiest districts and to maintain that parity over time. See Abbott v. Burke, Supreme Court of New Jersey, 119 NJ. 287; 575 A.2d 359; 1990 NJ. LEXIS 64.

31 $1.3 billion of the increase was in higher income taxes for the state's wealthiest residents; another $1.3 billion came from a one percent hike in the state's sales tax; the remaining $200 million came from extending the sales tax to previously untaxed items. Of the money, $1.1 billion was devoted to a new school aid program, an amount later reduced to $700 million in order to fund a property tax rebate program designed to quell the controversy provoked by the original legislation.


The [preliminary plan] also advocates siting of jobs and housing in close proximity to one another. Local officials see the wisdom in this approach yet they are unwilling to implement it until such time as the property tax system has been reformed to eliminate the burden that residential development places on local taxpayers.34

As the comparison phase ended and the negotiation phase was scheduled to begin, the planning office and commission had to find ways to resolve the many differences that had emerged. Eppling's strategy was to resolve issues where possible but otherwise merely to acknowledge disagreements. He recalled:

I was driving home and I said, "Wait a minute, we can't be negotiating implementation. We'll never get the plan out because there is no answer." ... I came back to the staff and said ... "What happens if when the local negotiating committee says, 'We don't like the plan because of home rule,' the first question you ask is 'What specifically in the plan ... is of concern to you on that subject? Can you show me?' One of two answers will occur. If they can cite a specific concern, look at it and say, 'We will agree to amend that statement in this way.' Then you have an agreement. If they can't point to something in the plan and instead say 'As far as I am concerned it is the whole process' ... then you say, 'I'm going to agree or disagree with you. You've got that concern but there is nothing specific ... Tell you what, we will list it as a concern in the written statement of agreements and disagreements required by the law ... Now let's move on to the next set of complaints.'"

By early 1991 the commission and the state planning office had completed negotiations with all the state's counties on their 548 initial disagreements. While few issues were cited in the end as disagreements, more than 100 issues were deferred as "implementation" questions.35 Such results, contended Judith Innes, a national scholar on planning, showed that cross acceptance had "identified and resolved many of the issues that remain problematic in other states."36

Many local officials were much less sanguine, however. Illustratively, more than 70 percent of local officials who participated in the cross acceptance process said that, in their view, the state plan would not influence local land use and zoning regulations.37 In fact, no local plans were significantly amended to conform to the state plan.

Under pressure from Florio’s office to complete the plan by mid 1992, the commission and the Office of State Planning, as required by law, redrafted the plan to respond to the concerns that had emerged during the cross-acceptance process. The draft plan they produced, labeled “interim,” was released in July 1991. It divided the state into six planning areas (rather than the seven “tiers” proposed in 1988) and placed even greater emphasis on the notion of “central places” as a focus of the planning effort. (See Figure 2)

Critics of the plan were greatly strengthened, however, by the great Republican victory in legislative elections of November 1991. When the new legislature convened in January 1992, its leaders explicitly targeted the Office of State Planning as one of two state agencies they intended to abolish before the year was out. They also endorsed legislation specifying that the plan would go into effect only upon formal approval by the legislature.

Plan supporters were able to defuse some controversy about the plan via release of an impact study carried out under the direction of Rutgers University economist Robert Burchell. The study (required by law) found that if the plan was fully implemented, by the year 2010 it would produce:

- $380 million in annual operating cost savings for municipalities and school districts
- $1.4 billion in reduced capital costs for roads, water and wastewater treatment facilities, and school buildings.

38 Buchbaum (1993).
Figure 2

DESIGNATED CENTERS
of the
New Jersey State Development
And Redevelopment Plan

CENTERS

- Urban Center
- Existing Regional Center
- Town
- Existing Village
- Planned Village
- Existing Suburb
- Planned Suburb

PLANNING AREAS

- P.R.C. Metropolitan Planning Area
- S.A.C. Suburban Planning Area
- R.P.C. Regional Planning Area
- R.E.D. Rural Planning Area
- R.S.D. Rural Environmental Service District Planning Area
- E.S.D. Environmental Service District Planning Area
- P.A.S. Planning Area
- M.R.A. Military Reservation Area
- E.M.R. Naval Reserves
- H.M.R. Harborways
- R.U.C. Special Planning Area
- W.A.R. Waterfront Areas

This is a generalized interpretation of official map on file with the New Jersey State Planning Commission.
Protection of 30,000 additional acres of environmentally fragile lands and 40,000 additional acres of farmland, and

- A 40 percent reduction in water pollution.\(^{39}\)

More significantly (and in seeming contradiction to Burchell’s working assumption that the plan would be fully implemented), the commission emphasized that the plan was purely advisory, “not a regulation but a policy guide for State, regional and local agencies to use when they exercise their delegated authority.”\(^{40}\) The commission added that while it hoped that state agencies would incorporate the plan’s recommendations into their own plans and regulations, it well understood that the first priority for state agencies had to be consistency with statutory mandates. Consequently, state agencies could use the plan only if they sought authorization via either legislation or formal rule-making procedures.\(^{41}\) After intense negotiations with agricultural interests, the final plan also specified that property owners negatively affected by the plan should be compensated for their losses.

With most opposition defused by such assurances, the Republican legislative leadership killed the bill requiring legislative approval of the plan\(^{42}\) and the State Planning Commission unanimously adopted the plan in June 1992 amidst widespread praise. The League of Municipalities’ Jack Trafford, for example, enthused that the plan “was a remarkable achievement” and represented the will of the people.”\(^{43}\) Judith Innes, a planning professor at the University of California at Berkeley, commented that final plan adoption was “eloquent testimony to the success of [the] consensual model of state planning.”\(^{44}\)

On the other hand, Peter Buchsbaum, a leading land use lawyer in New Jersey (and a member of the ad hoc committee that had drafted the State Planning Act), asserted:

Clearly, over five years, New Jersey developed a planning process that deeply involved local government, the commission itself, and some segments of the private sector. The non-directive, cross-acceptance process of comparing and adjusting local, state, and county planning is unique to New Jersey. The state’s planning procedure and coordination has thus been strengthened. However, the outcome of the process—and whether it will really will change New Jersey—remains very much in doubt. In five more years, the New Jersey chapter in a book [on state planning] may be as long and as filled with cases

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39 See Center for Urban Policy Research (1992). There was some criticism of the study’s methodology. These were not widely reported in the press, however, whereas the study findings were. See Buchsbaum (1992) and Newton (1993). For a response to these criticisms see Burchell (1992).


42 They did, however, cut the Office of State Planning’s budget in half in FY 1993 and in half again in FY 1994.


as the Oregon or Florida chapters; yet New Jersey’s contribution
to the literature of the state planning movement could equally as
well shrink. Only time will tell.45
Governor Florio—who was preparing for what promised to be a tough reelection battle—had to decide how,
if at all, his administration would use the new state plan.

References

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