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SUSSEX COUNTY STRATEGIC GROWTH PLAN UPDATE



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EXECUTIVE SUMMARY

The 2014 Sussex County Strategic Growth Plan Update is a follow-up to the County's 2005 Strategic Growth Plan. This Update is an effort to synthesize current economic data and trends at the regional and county level. The Plan recommends strategies to reduce or reverse the loss of population and economic base that the County has been experiencing in recent years. In order for the Updated Plan to lead to improved economic stability, the information and recommendations found in this Plan should be considered by both private and public county stakeholders, in a partnership with the business community and non-profit organizations. The cooperation of state and regional agencies is also essential.

The recommendations in this Update are based on six focus areas and informed by six Topic Reports (Appendix B) that were selected by Sussex County. The Plan of Action lists recommendations for tourism, transportation, economic development, housing, reducing the regulatory burden, and agricultural development. The general theme of the recommendations include:

Tourism:

- Support and expand tourism marketing and the hospitality industry

Transportation:

- Improve roadways and transit to make the County more attractive for residents and businesses

Housing:

- Encourage mixed-use development and housing options for people with developmental and physical disabilities, mental illness, and the elderly

Economic Development:

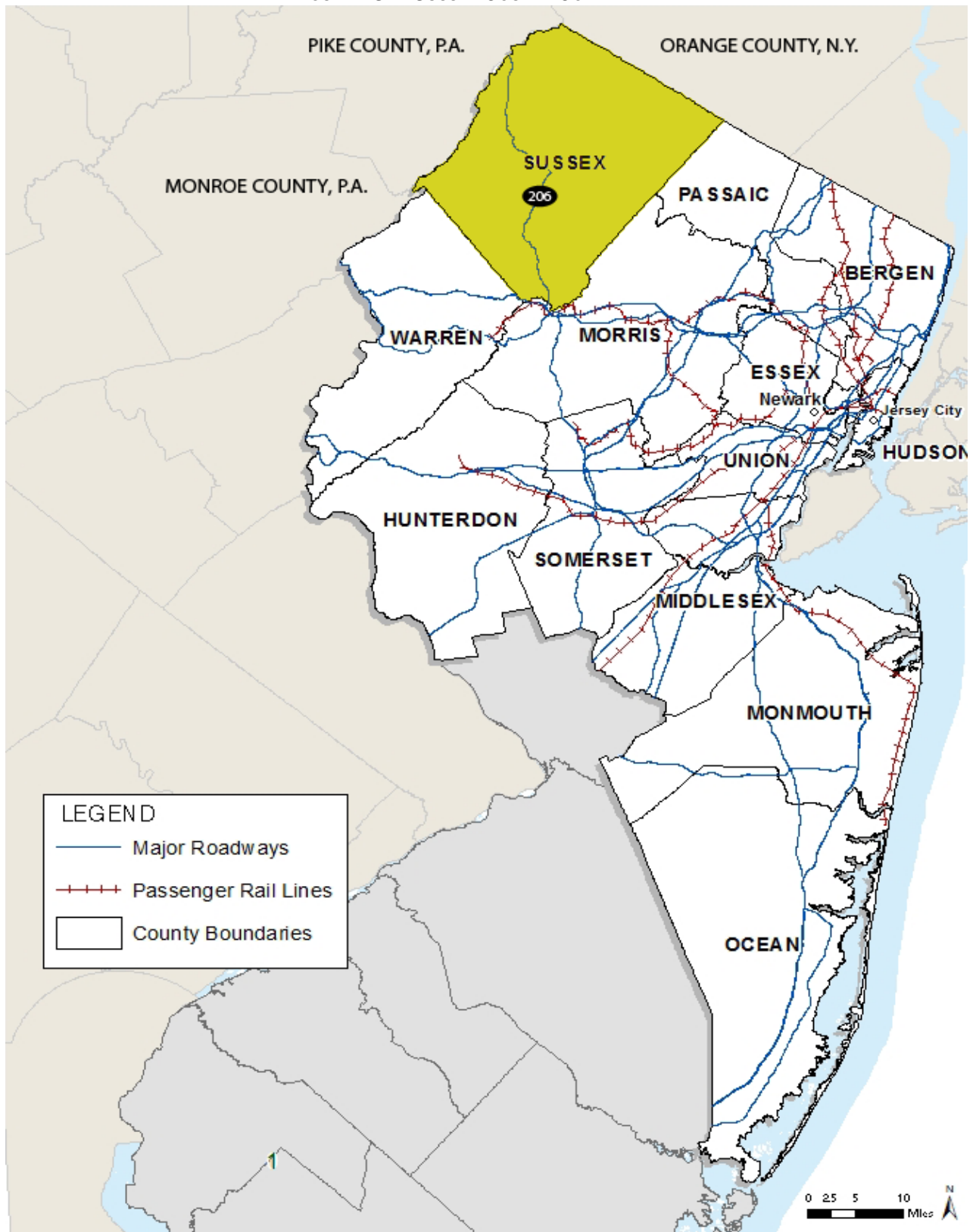
- Support economic development through education and awareness of current and potential business and industry needs such as workforce training and business retention efforts by the Sussex County Economic Development Partnership

Reducing the Regulatory Burden:

- Coordinate with the New Jersey Department of Environmental Protection in accommodating targeted growth through a partnership with municipalities

Agriculture:

- Support agriculture businesses through a partnership with the New Jersey Department of Agriculture
-

FIGURE ES.1: SUSSEX COUNTY CONTEXT MAP

Source: NJOIT, 2008; NJTRANSIT, 2011; NJDOT, 2011; Esri, 2011.

THE CHALLENGES FACING THE COUNTY

The County, and to a lesser extent, the region are undergoing a major demographic and economic transformation. It is likely that the 50-year period of increasing suburbanization, or spatial disaggregation from the regional core, has come to an end. The trends that have been evidenced in Sussex County indicate a weakening of the regional perimeter and a strengthening of the regional core and inlying suburbs. This fundamental shift in spatial growth patterns is not unique to northern New Jersey and is consistent with what has been occurring in metropolitan areas across the country. These changing demographics are also contributing and will continue to contribute to changing economic dynamics for the County and the region well into the future.

Sussex County is also failing to attract the workforce of the future --- persons between the ages of 20 and 29. Individuals in the 20-29 age cohort have been identified as one of the key demographic groups associated with economic growth and development. They have vastly different live/work preferences than the generations that came before them. These younger workers are more interested than previous generations in living in walkable, high-density, high-activity environments that are transit accessible, which is a living option that does not exist in Sussex County. The lack of younger workers was also identified as a major potential issue in the County's Vision 2020 plan. The report found that a decline in the number of younger workers could be a negative for many firms, especially for the "cutting edge" technology businesses that the Vision 2020 Plan hoped to attract. The age shift also has an impact on the nature and types of services that the government can or should provide, as well as altering the County's market for goods and services. The combination of a declining and aging population coupled with an inability to attract young workers, younger families, and foreign born individuals is likely to continue well into the future and will likely affect the future growth prospects of the County.

Education and healthcare and leisure and hospitality are major drivers of Sussex County's economy. They have seen positive growth since 2000, and are responsible for a large portion of the county's employment. While the education and healthcare sector has seen positive employment growth since 2000, the shift-share analysis found a negative regional competitive effect which means that the industry did not do as well as would be expected given overall national economic trends and national industry trends.

The county is under-represented in its percentage of employment in higher-paying industries such as Information, Financial Activities, and Business and Professional Services. These industries are typically considered export-based industries that bring money into the region and have a wealth creating impact on the local economy. The County's employment profile is further distinguished by its low percentage of private sector employment when compared to the 13-county NJTPA region and the state as a whole. This gives a greater relative presence in the County to public sector employment. This is evident by the fact that Sussex County is one of the larger employers in the County. In addition, five of the thirty largest employers in the County are public school districts, which are affected by declines in enrollment such as those experienced in recent years.

Leading up to the Great Recession, the County had enjoyed a strong employment growth trajectory, outpacing the state and region in most years. However, while the employment picture in the North Jersey Region, the State of New Jersey, and the US has begun to improve, the recovery in Sussex County has been much slower. It is not clear if this represents a new-post recession normal for the County or a temporary shift that will default to the “old normal” in the near future¹.

This 2014 Sussex County Strategic Growth Plan Update reflects these new realities. The Vision 2020 Plan acknowledged that the proposed course of action stood in contrast with the existing economic trends that were occurring at the time the plan was developed. The same trends that were in effect then are still in force now and are unlikely to reverse in the near future. Furthermore, since the Vision 2020 Plan was completed, the County has lost further ground in many of the key sectors that the report had identified to strengthen – including Business & Professional Services and Manufacturing. This suggests the need to reevaluate the conclusions of the Vision 2020 Plan, and develop a strategic growth plan that capitalizes on the unique strengths of the County.

A key asset to the County is its rural character in proximity to the urban core and the work that has been done by the County and state government to promote the recreational and tourism potential of Sussex County. The County’s high-quality natural assets are year-round attractions with the potential to bring in significant expenditures from out-of-county tourists. They can also attract significant investment and employment opportunities to provide year-round leisure and recreational activities through a combination of golfing, hiking, skiing, and ziplining, as well as entertainment related to resorts, water parks, vineyards, and zoos. The Leisure & Hospitality industries have the potential to become a true basic industry for the Sussex County economy by selling goods and services to out-of-county buyers and bringing in economic activity that would not have otherwise been generated in the County.

TRENDING TOPICS

To provide structure to the study process, six Topic Reports on issues of concern to Sussex County that are relevant to its strategic economic growth planning were developed and can be found in Appendix B. These Topic Reports assess existing conditions and trends, identify key assets and resources, and highlight issues of concern for securing the County’s long-term economic development with a resilient and diverse economic base. The conclusions of the Topic Reports are summarized as follows:

¹ Hughes, J. W. and Seneca, J. J. 2014. Sussex County Economic and Demographic Profile: Framework for Future Development. Edward J. Bloustein School of Planning and Public Policy. January 2014.

- ***Economic Development***

Sussex County and its municipalities depend on growth, particularly non-residential growth, as the means by which local governments generate revenue to provide public services. Economic development in Sussex County depends on a balance between protecting and preserving the natural resources that make the county attractive, pursuing sound economic development strategies which facilitate market-driven growth, and following the smart growth principles envisioned in the County Strategic Growth Plan. Sussex County faces several internal and external obstacles to realizing this type of growth.

Improving the economic competitiveness of Sussex County will require coordinating with public and private entities, offering an appropriate business environment, and investing in infrastructure that allows companies to be competitive in a global marketplace.

- ***Transportation***

The transportation system of Sussex County consists of an extensive network of roads that support the dominant mode of travel: cars and trucks. There are limited transit services as well as limited general aviation airports. The rural nature of many of the roads found throughout the County poses challenges for walking and bicycling, but at the same time offers aesthetic qualities that attract pedestrians and bicyclists.

Many of the old rail beds of the largely abandoned rail system have been transformed into trails for walking, hiking, biking, and horseback riding. While these extensive trails are primarily used for recreation, adding connections between the trail system and destinations, such as downtown Newton, would expand their transportation value for pedestrians and bicyclists and potentially increase usage. The anticipated restoration of passenger rail service to the County, from the Andover Train Station, and policy decisions that encourage concentrating and mixing uses in centers of population and jobs may supply some of the support needed to strengthen transit services and walking/biking to jobs and services, while also creating environments that are more attractive to the 20 to 29 age cohort.

- ***Tourism***

A short distance from New York City and surrounding densely populated areas, Sussex County provides an escape to a vastly different environment of lakes, meadows, farms and forests. Sussex County is part of the Skylands Region, one of six designated tourism regions established by the New Jersey State Department of Tourism. Tourism spending in Sussex County increased from \$480.5 million dollars in 2011 to \$501.6 million in 2012, an increase of 4.4%. The natural assets of Sussex County have the potential to be further leveraged to increase tourism by

promoting the recreational opportunities for ecotourism and agritourism in the County.

- ***Housing***

Sussex County has experienced continued population loss since the Great Recession, but many opportunities exist for the County to retain residents and to increase its attractiveness to the regional population. Currently, the County does not offer much variety of housing types. Analysis indicates that several housing market segments have limited supply, including higher-end rental, empty-nester housing, and lower-end single family housing. Rental cost burden in Sussex County is higher at virtually all income levels than in contiguous counties.

Moreover, Sussex County has relatively high combined housing and transportation costs compared to nearby counties. A transit supportive residential development strategy which limits traffic congestion by providing alternative modes of mobility such as private or public shuttle bus, walking, and/or bicycling to the Andover Township Train Station would be an attractive alternative to current development patterns.

- ***Land Use & Urban Design***

Sussex County is comprised of natural areas (largely preserved), agricultural lands, towns and villages, and mostly single-family developments. There are a number of approaches that municipalities in Sussex County can take to help preserve the County's rural character while at the same time allowing targeted development to occur in the appropriate places. One approach has been to encourage mixed-use development, where different uses (such as residential and retail or office and retail) may be combined in the same development to create lively, walkable towns and villages. Another approach to discourage sprawl and preserve agriculture and open space in New Jersey is the Transfer of Development Rights (TDR) from one landowner to another who owns land in a part of town more conducive to development. A third approach is form-based code, which emphasizes the compatibility of the form of new construction with an existing context, usually in a town or village.

Mixed-use development, TDRs, and form-based code approaches can be keys to aligning future development in the County with market trends toward centers for living, working, and playing, while contributing to the conservation of natural resources, open space and farm land that are an essential part of the County's attraction for visitors and a legacy for residents into the future.

- ***Workforce Development***

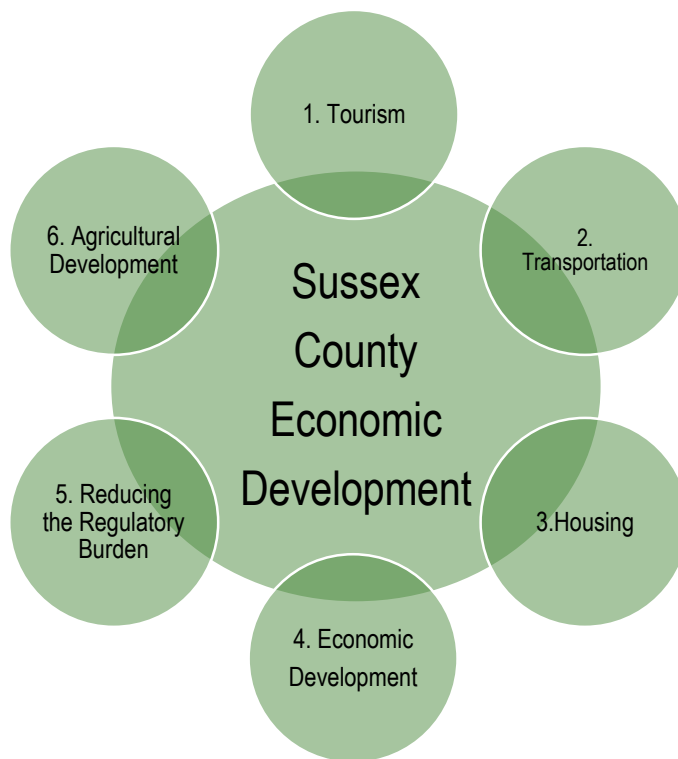
A well-trained workforce can be an important draw for employers and one of the County's most powerful economic development assets. The population of Sussex

County is highly educated and highly skilled. In addition to the degree programs and workforce training programs offered by Sussex County Community College, there are several other job-training programs available in Sussex County.

However, Sussex County faces decreasing population in age-cohorts that are crucial to workforce development, including individuals under age 20 and individuals between age 20 and 29. The decline in the number of young workers could be a negative for many firms, especially for the technology-related businesses that the County's 2020 Vision Plan hopes to attract.

PLAN OF ACTION

FIGURE ES.2: SIX PRIORITY FOCUS AREAS



The resulting recommendations outlined within this Sussex County Strategic Growth Plan Update are based on information gleaned from the plan's findings, cluster workshop, and steering committee meetings. The recommendations are divided into six priority focus areas (Figure ES.5). Four of the focus areas (Tourism, Transportation, Economic Development, and Housing) coincide with the Topic Reports. Two additional Plan of Action focus areas were developed based on feedback from the workshop discussions and the Study's steering committee. These additional focus areas (Reducing the Regulatory Burden, and Agricultural Development) enhance the workshop discussion's priority goals and were added based on feedback from the steering committee meetings

and best practices noted from other rural and suburban communities within the Mid-Atlantic region.

Changing an economy takes decades, but the process begins with smaller steps that can produce tangible outcomes over the short- and medium-term. The state, county, municipal partners, and private stakeholders may not be able to achieve all of these recommendations, and certainly not immediately. However, these recommendations provide direction for Sussex County stakeholders, who have a strong interest in the County's economic stability and to inform and guide decision making. These recommendations are forward-looking and reflect the best information available about current and future trends. The recommendations are essentially actions that align Sussex County's direction to outside economic, demographic and social forces.

Successful implementation, however, requires that local, county and state governments work effectively, in collaboration with Sussex County's private businesses and residents, as well as neighboring counties, municipalities, and businesses. The recommendations are not meant to be limiting in pursuit of implementable strategies for economic development; a specific recommended policy or action may not be listed or discussed, but may still be worthy of further exploration.

Recommended Strategies and Actions

Recommendation		Description
All Areas		
	Use the New Jersey Draft Final State Strategic Plan's (SSP) Criteria-Based Investment Strategy and Priority Investment Framework	The Framework identified four types of investment areas, which should be considered in the planning and implementation of any recommendations.
Primary Focus Area #1 – Tourism (High Priority)		
1	Undertake a Tourism Market Study.	In order to be able to effectively market the County to potential tourists, consider a study that provides a better understanding of who comes to Sussex, why they come, and where they come from.
2	Encourage the expanded use of the County DMO's low-cost social media tourism marketing.	Continue to improve social media marketing to help educate local municipalities on the benefits of travel and tourism, and help ensure that the overall tourism-related goals of the County are being advanced.
3	Advocate for increased tourism funding from the State.	The State hotel occupancy tax revenue has increased approximately 30% from 2009-2013. The amount of funding provided to DMOs has remained constant, while the number of DMOs has increased. (NJ's DMOs are currently working together to seek additional funding from the hotel tax. NJDMO appreciates/seeks additional support for this effort.)
4	Update the County's Tourism website and improve social media presence.	Refer to the County's nearest competitor, the Poconos of PA, for direction in improvements to the County DMO's website and social media presence.
5	Develop a mobile-friendly tourism website and an accompanying smartphone app.	In addition to helping promote the County to potential visitors, the "app" and mobile-friendly website would also be useful for individuals who are visiting the County to find restaurants, hotels, and attractions.
6	Support local municipalities and business partners (if there is an interest) to identify locations that are suitable for new hotel development.	Consider promoting private development of hotels, especially mid-level hotels, to better capitalize on tourism in the County.
7	Include State Parks staff responsible for Forest and State Parks management in tourism initiatives at the County level.	Including the County's State Parks staff in County tourism initiatives can help strengthen private business tourism and enhance marketing of the County to visitors.
8	Expand eco- and agri-tourism curriculum.	The Sussex County Technical School and Sussex County Community College should incorporate robust eco- and agri-tourism curriculum into their offerings.
9	Pursue creation of a 4-year degree program in tourism and hospitality to be located in Sussex County.	Capitalizing on the County's tourism assets and internship opportunities, the County should work with a NJ secondary education institution and the NJ legislature to establish a satellite college campus in Sussex County that offers a 4-year degree in tourism and hospitality, specializing in eco- and agri-tourism.
Primary Focus Area #2 – Transportation (High Priority)		
1	Continue to identify municipal and County intersections and road segments that most frequently lead to congestion and work to increase capacity.	There are many inexpensive options that could be pursued to increase capacity including: retiming lights, or minor reconfigurations of intersections. It is important to note that the County only has jurisdiction over County roadways.
2	Coordinate with NJDOT to identify critical maintenance and roadway improvements on state roads.	Collaborating with NJDOT on transportation projects within the County is important to ensure that the transportation needs of the County's residents and businesses are met.
3	Work with NJDOT, NJTPA, and local municipalities to secure funding for transportation improvements.	There are a number of funding sources available from NJDOT for vehicular, pedestrian, and bicycle improvements such as the Transportation Alternatives Program and the Safe Routes to Schools Program. NJTPA also has funding available through its Local Safety and High Risk Rural Roads Program.
4	Better connect the County's extensive trail network to destinations and prioritize trail development efforts in connecting high-demand origins and destinations.	The trails currently follow railroad rights-of-way and do not connect users to final destinations. Practical connections could help increase usage and benefit tourists as well. Refer to the Sussex County Complete Streets Policy and Implementation Plan as a resource.

Primary Focus Area #2 – Transportation (High Priority) (CONTINUED)		
5	Implement the recommendations from the Sussex County Complete Streets Policy and Implementation Plan pilot locations.	When roads are rebuilt, they should follow the recommendations contained in the Sussex County Complete Streets Policy and Implementation Plan.
6	Encourage local municipalities to adopt the recommendations in the Sussex County Complete Streets Policy and Implementation Plan.	When local governments undertake road construction projects they should incorporate the design recommendations from the Sussex County Complete Streets Policy and Implementation Plan.
7	Ensure there is sufficient parking at the Andover train station.	125 spaces are planned. Monitor to ensure that parking is sufficient. No action needed unless the lot is inadequate.
8	Encourage municipalities to work with NJTRANSIT and Skylands Ride to make public transportation information more widely available.	The existing public transit system should be as easy to ride as possible. Every bus stop should be clearly marked with prominent signs, and signs at each stop should indicate the route, schedule, fare, and other relevant information. NJTRANSIT has a "My Bus" service that improves service communication.
9	Consider feasibility of enhancing current shuttle service that connects population centers (Newton, Hopatcong, Sparta, etc.) to the Andover Station.	To maximize the effectiveness of the new Andover train service in reducing local congestion, a public transit connection between population centers and the new train station is recommended.
10	Continue to develop prioritized lists of transportation investments.	Continue to prioritize projects for federal and state transportation funding where feasible. The County is successful with the federally funded High Risk Rural Roads program and should continue to use this funding stream pending availability.
11	Improve transit accessibility for the elderly, disabled, and those without access to automobiles.	To benefit all roadway users, increase availability and frequency of County transit service, as well as improvements to bus stop configuration and placement, shelters, and ADA compliance, are beneficial to transit users.
Primary Focus Area #3 – Housing (High Priority)		
1	Work with municipalities to reconsider their zoning to better allow mixed-use developments in town.	Mixed-use development contributes to economic vitality, reduces land consumption, and also reduces the need for auto trips. One way to realize mixed use is to adopt form based zoning.
2	Encourage local municipalities to permit higher-density development in appropriate areas.	Concentrating development in existing areas will help preserve open space and maintain Sussex County's rural character.
3	Coordinate with municipalities as they prepare affordable housing plans.	COAH's draft regulations call for the development of 1,700 new affordable housing units in the County over the next ten years.
4	Continue to support municipalities in reducing costs through sharing of services or other means.	High taxes and high government costs have been identified as a deterrent to economic competitiveness. Expanding the practice of shared service agreements at the municipal-level could help to reduce government costs as well as property taxes.
5	Support additional housing options for people with developmental disabilities, the elderly, or people with mental illness.	Supporting additional options can be encouraged through the streamlining of funding rules for group housing. The oversupply of vacant large lots that have received development approvals and infrastructure investment can be used for group housing.

Primary Focus Area #4 –Economic Development (Medium Priority)		
1	Expand upon the Sussex County Economic Development Partnership's diversified board and investors group to incorporate broader County participation among working groups in key economic development areas.	These working groups will serve as an advisory council to the Economic Development Partnership and the Freeholders. We propose in the following areas: • Travel and tourism • Community engagement / education • Key industry clusters • Sites and infrastructure • Business retention.
2	Consider continuing the County's economic development visioning process.	While the process of updating the SGP took a step towards establishing a unified vision for economic development in the County, there still appears to be disagreement on what the County can and should be economically. The County should consider continuing the visioning process to arrive at a consensus vision for economic development in the County.
3	Develop an educational tool (i.e. Power Point) that outlines the importance of coordinated economic development, with regional support, and speak at various existing meetings within the County to raise awareness about the topic.	It is important to educate municipalities and its diverse stakeholders – leadership, private sector, residents — about the value and importance of coordinated, smart economic growth and development within Sussex County.
4	Develop a list of industries and sectors municipalities can target for recruitment and expansion if there is interest at the local level. This should be coordinated with the Sussex County Economic Development Partnership since they work on a daily basis with business retention.	The industries and sectors should build on the occupational advantages of the County (see Section 10.3) as well as the industry clusters identified as priorities by the State. Potential clusters include: • Agribusiness industry • Healthcare • Advanced manufacturing The County should establish a task force to assist with business retention with representation from each targeted industry.
5	Develop a list of potential sites for targeted industries based on the Priority Growth Investment Areas.	Identify sites with few or no zoning restrictions.
6	Continue to reach out to new businesses and entrepreneurs to learn what resources are needed at the municipal level to be able to succeed long-term.	Business churn is inevitable. Helping new firms brings new ideas and dynamism to the local economy. As businesses grow, they create jobs and support other local businesses.
7	Develop a partnership between the arts and creative sector and the travel and tourism sector.	The arts and creative business enterprises are a highly desirable business that can locate anywhere. Some of these entrepreneurs may be attracted to the County due to the natural assets of the County, and the sector can also draw new visitors to the County.
8	Explore the feasibility of establishing an arts/creative business incubator and/or arts district in the County.	An arts incubator is a next step in helping grow art businesses.
9	Continue to promote and improve collaboration (including County Planning Department participation) among existing and potential businesses to identify any workforce training needs between the Community Colleges and business community.	A well trained workforce is a powerful economic development tool. The SCEDP is currently partnering with the SCCC to provide economic development and technical assistance to businesses through a USDA grant. Additional support and focus should be considered since this was discussed during this Study's cluster workshop with SCCC participation as well as a Steering Committee meeting. The SCEDP and County should consider linking this workforce preparedness initiative to Rutgers University's John J. Heldrich Center for Workforce Development department as a resource for successfully approaching the County's workforce preparedness goals.

Primary Focus Area #4 –Economic Development (Medium Priority) (Continued)		
10	Encourage schools in Sussex County to incorporate soft skills into the curriculum.	Lack of soft skills has been identified as a workforce preparedness issue facing the County. The Chamber's Education Committee has an established Superintendent roundtable. It currently meets monthly and has three standing committees that have an established intern/extern program, discusses current workforce needs, and has a speakers' bureau and a "practical employment practices" committee to communicate needs and expectations of employers. The Committees are a mix of school representatives and business owners/managers. Additional support and partnerships for the continued on-going success of this initiative is recommended.
Primary Focus Area #5 – Reducing the Regulatory Burden (Medium Priority)		
1	Coordinate with the Highlands Council, NJDEP, and local municipalities to identify areas where development can occur that meet mutually agreed upon goals and would not have an adverse impact on the environment	Broad limits on development can prevent smart-growth style dense development.
2	Work with local municipalities who are interested in identifying potential locations for density development and collaborate with the NJDEP to reevaluate the current sewer service boundaries in those locations in anticipation of possible changes to the NJDEP's Water Quality Management Plan rules.	Broad limits on development can prevent smart-growth style dense development.
3	Coordinate with NJDEP to confirm that alternative septic systems are approved for use in the County	New septic system technologies could potentially allow for higher density development. Refer to NJDEP's information on Alternative Treatment Systems and Onsite Wastewater Management Program.
4	Work with municipalities that are interested in revising their regulations to identify those that are outdated and/or hindering economic growth	Some municipalities in the County, that desire growth, may have outdated regulations that are not compatible with today's economy and may be hindering economic growth.
Primary Focus Area #6 – Agricultural Development (Low Priority)		
1	Continue to support the County's shared commercial kitchen facility for use by the agricultural sector to develop "value-added" products	A local kitchen will help keep agricultural activity in the County.
2	Assess the capital assets, technical support, and other business development needs of agricultural entrepreneurs	Provides support to large agricultural sector.
3	Suggest that the NJ Department of Agriculture develop a "toolkit" of service programs to assist start-up and small-scale agricultural entrepreneurs	Provides support to large agricultural sector.
4	Continue to encourage the "branding" of Sussex County products for export and expand awareness of the brand among the County and beyond.	Branding raises awareness of Sussex County's agribusinesses and drives tourism and development. The Chamber currently attends an average of 5 travel shows a year promoting agricultural products and services through the Sussex Skylands brand. Agritourism is popular among both domestic and international travelers. The brand is known by tour operators, state tourism representatives and the public. Continued marketability is recommended.
5	Encourage ecosystem health on private and public lands through conservation zoning techniques for non-development areas.	Preserving the natural and rural character of Sussex County is key. The unique character of the County attracts both visitors and residents, which is beneficial to quality of life goals and growth in the long-term.

THE PROCESS

The process of developing this Update began by preparing an economic and demographic profile of the County. Building on the 2014 Sussex County Economic and Demographic Profile by Rutgers University, Edward J. Bloustein School of Planning and Public Policy, the Study Team collected additional economic and demographic baseline data and analyzed them to identify the key challenges facing the County. The Project Team also reviewed previous municipal, County and regional economic development plans.

The Study Team also developed briefing documents in six key topic areas identified by the County: Economic Development, Transportation, Tourism, Housing, Land Use and Urban Design, and Workforce Development. The Topic Reports assess existing conditions and trends, identify key assets and resources, and highlight issues of concern for securing the County's long-term economic development with a resilient and diverse economic base (Appendix B).

To ensure a truly participatory and well-informed planning process, the project team held three Steering Committee meetings throughout the study process, as well as facilitated an in-depth daylong cluster workshop on May 12, 2014 at the Sussex County Community College (Appendix F).

The cluster workshop provided the opportunity for stakeholder and inter-agency involvement in the development of this Plan. Representatives from a range of organizations with expertise in at least one of the six topic areas noted above were invited to participate in the cluster workshop. Forty stakeholders participated in the day's activities.

The result of the cluster workshop was a series of preliminary goals and strategies created through cross-disciplinary consensus for each of the topic areas. The goals and strategies provided initial guidance for the project team to further investigate, and informed the development of recommendations for the final Action Plan (Section 6.0).

Sussex County partnered with TOGETHER North Jersey (TNJ) to fund this effort through the Local Government Capacity Grant Program (LGCGP), which provides financial and technical assistance to county and municipal members of TNJ to conduct planning activities in support of development of a Regional Plan for Sustainable Development.

1.0 INTRODUCTION

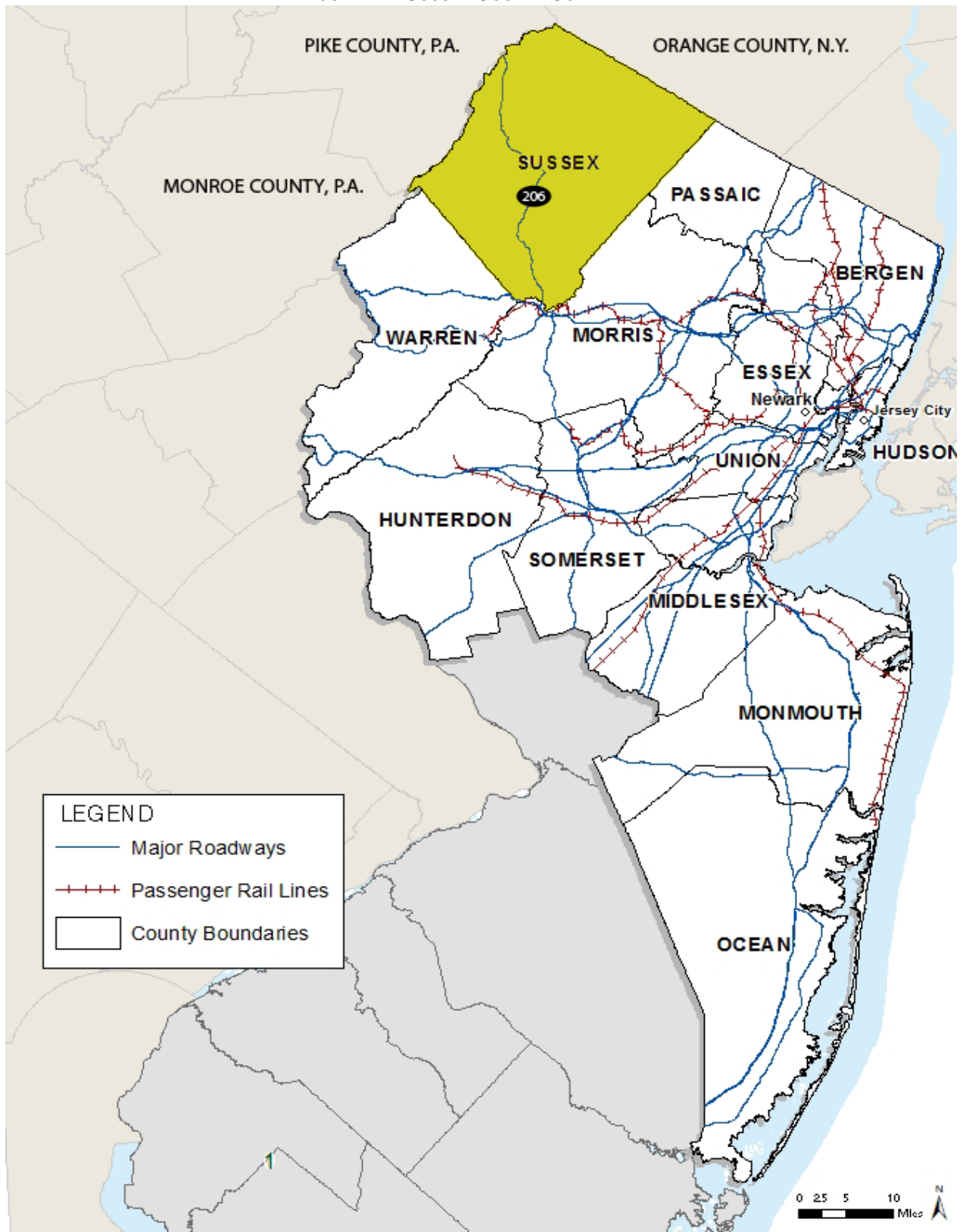
Sussex County is the northern most county in the State of New Jersey (Figure 1.1). It is bordered by Morris, Warren, and Passaic Counties to the south and east, with the Pennsylvania counties of Monroe and Pike to the west and Orange County, New York, to the north. The County is located on the western edge of the New York metropolitan area and includes a mix of suburban and small town centers with a relatively low population density. It has been considered a bedroom community for a number of years, with a large percentage (71.3%) of residents commuting out of the County for work.

Sussex County originally developed as an agricultural, mining and manufacturing area and later as an area for summer recreation. Today, the County has nearly one-half of its land in permanently preserved open space (Figure 1.2). This land is owned and managed by a variety of state and federal agencies, municipalities, and non-profit land conservation organizations. Sussex County is also home to roughly 40% of the approximately 200 named lakes within New Jersey.

Many of the new residents are attracted to the relatively rural character of the County. The rural character is also why many residents remain in the County through retirement. The County offers the best of both worlds – it features modern amenities within a one to two and a half hour drive to New York City and Philadelphia, the ability to enjoy wildlife and natural landscapes, and access to abundant outdoor recreational opportunities.

For much of the last fifty years the County's growth has been due to the automobile-driven suburbanization fueled by the migration of some of the middle-class population from New York City and New Jersey's urban centers westward. This westward migration during the second half of the 20th century led Sussex County to experience the highest rate of population growth of any county in the 13-county North Jersey region, with the population increasing approximately 320% between 1950 and 2000. Although relatively small in absolute terms, this growth had a major impact on the distribution of land uses in the County.

However, recent evidence suggests that the 50-year period of movement from the regional core has ended. The recent trends that have been evidenced in Sussex County and the North Jersey Region indicate a flat-lining or weakening of the regional perimeter and a strengthening of the regional core and inlying suburbs. This fundamental shift in spatial growth patterns is not unique to northern New Jersey and is consistent with what has been occurring in metropolitan areas across the country. These changing land use patterns are also contributing and will continue to contribute to changing economic dynamics for the County and the Region for the foreseeable future.

FIGURE 1.1: SUSSEX COUNTY CONTEXT MAP

Source: NJOIT, 2008; NJTRANSIT, 2011; NJDOT, 2011; Esri, 2011.

FIGURE 1.2: SUSSEX COUNTY OPEN SPACE

As a result of the recent demographic and economic trends and the negative impact on the County, Sussex County partnered with TOGETHER North Jersey to update the County's 2005 Strategic Growth Plan and to fund a 2014 Sussex County Economic and Demographic Profile (Appendix A). The Profile identifies current economic trends and population shifts within the region and state and how these shifts affect Sussex County. The Profile informs this 2014 Sussex County Strategic Growth Plan Update. Together, the Profile and Plan Update provide a resource for Sussex County as well as neighboring municipalities and counties.

The Study process was led by a steering advisory committee, Study workshop participants from the State of New Jersey, private stakeholders with a strong interest in the County's economic stability, and municipal partners, with guidance from Sussex County and TOGETHER North Jersey. This Study was funded through the Local Government Capacity Grant Program (LGCGP) of TOGETHER North Jersey, which provides financial and technical assistance to county and municipal members to conduct planning activities in support of development of a Regional Plan for Sustainable Development.

The goal of this Study is to synthesize current economic data and trends at the regional and county level and to recommend strategies to reduce or reverse the loss of population and economic base that the County has experienced in recent years. For the updated Plan to lead to improved economic stability, its recommendations should be considered by both private and public county stakeholders, in a partnership with the business community and non-profit organizations. The cooperation of State and regional agencies is also essential.

Finally, the Plan must preserve the very elements of the County which have brought growth and investment. It is likely that there will be no simple answers.

2.0 OUTREACH AND VISIONING

To conduct a participatory and well-informed planning process, the project team held steering committee meetings three times throughout the study process, as well as facilitated an in-depth daylong stakeholder workshop on May 12, 2014 at Sussex County Community College. The purpose of these meetings was to review data and analysis collected from Rutgers University's 2014 Sussex County Economic and Demographic Profile, as well as six topic reports that focused on key issues of concern to Sussex County's updated growth plan. With these resources in-hand, meeting participants were able to contribute to the development of the strategies and recommendations identified in this Study's Plan of Action.

2.1 TOPIC REPORTS

To provide structure to the study process, six Topic Reports relevant to Sussex County and its strategic economic growth planning were developed (Appendix B). These Topic Reports assess existing conditions and trends, identify key assets and resources, and highlight issues of concern for securing the County's long-term economic development with a resilient and diverse economic base.

The Topic Reports were made available to steering committee members and summarized to participants of the May 12, 2014 cluster workshop. The Topic Reports served as briefing documents to this Strategic Growth Plan Update so that challenges and opportunities confronting the County were clearly understood. They were used to invite feedback from participants to assist in the formation of a vision for the future of Sussex County. The six topic areas were selected by Sussex County and are listed below:

- Tourism
 - Land Use and Urban Design
 - Transportation
 - Housing
 - Workforce Preparedness / Training
 - Economic Development
-

Each Topic Report provides a summary section, highlighting key Strengths, Weaknesses, Opportunities and Threats (SWOT), as it relates to Sussex County and with reference to the larger thirteen county region and State, where appropriate.

2.2 SUSSEX COUNTY VISIONING WORKSHOP

The project team held a visioning workshop with a wide range of stakeholders to gather input for the six topic areas on May 12, 2014. Representatives from a range of organizations with expertise in at least one of the six topic areas noted above were invited to participate in the stakeholder workshop. In addition to the Project Team that served as facilitators, forty individuals participated in the day's activities. Participants included staff from TransOptions, NJ State Park Service, NJDEP, NJTPA, Sussex County Chamber of Commerce, NJDOT, NJ Office for Planning Advocacy, NJ Business Action Center, Project Self-Sufficiency, Sussex County Community College, MSW Workforce Investment Board, and various other entities with an interest in the County's future growth plans.

The project team was mindful of capturing input from traditionally under-represented populations when identifying organizations and individuals to participate in the Stakeholder Workshop. The stakeholder list included organizations and individuals representing equity issues such as access and mobility for the elderly, disabled, and low income; workforce development, affordable housing, veteran's affairs, and other relevant topics. Examples of invited organizations included Sussex County Social Services, Sussex County Arc, the local Workforce Investment Board, the NJ Department of Military and Veteran Affairs, and Project Self Sufficiency².

The workshop contained a presentation of Rutgers University's 2014 Sussex County Economic and Demographic Profile, and a dialogue with the author about economic conditions and trends in Sussex County, the region and New Jersey. Additionally, a series of interactive group meetings tailored to gather expert insight into the six topical areas were conducted.

The result of the cluster workshop was a series of preliminary goals and strategies for each of the topic areas created through cross-disciplinary consensus. The goals provided initial guidance for the project team, and informed the development of recommendations for the final Action Plan . The preliminary goals and strategies, which were generated by the workshop participants, are as follows:

Tourism:

- Enhance marketing of Sussex County as a "Four Season" tourism destination.
- Expand local government and business participation in the tourism economy.

² **Project Self-Sufficiency** provides a full range of services to assist low-income families achieve personal and economic **self-sufficiency** and family stability.

- Enhance and promote transportation circulation opportunities throughout the County to better accommodate tourists.
- Broaden the benefits for tourism investment and activities.
- Enhance private-public and inter-governmental partnerships to provide high-quality services to tourists.

Transportation:

- Promote Complete Streets implementation.
- Improve traffic flow and reduce congestion.
- Improve transit accessibility for the elderly, disabled, and those without access to automobiles.
- Pursue new and alternative financing for transportation funding.
- Increase safe mobility through transportation improvements.

Housing:

- Provide additional housing options for people with developmental disabilities.
- Lower the real estate tax burden for residents.
- Promote mixed-income, mixed-use development and denser development at suitable locations.
- Continue to explore opportunities for regulatory reform that would reduce the administrative burden and the costs generated by the State and local building and environmental codes.

Economic Development:

- Enhance transportation connectivity.
- Expand employment opportunities with a special consideration for the tourism industry.
- Support policy changes that garner increased support for development within the County.
- Improve infrastructure (e.g. high speed fiber, 4G cell, and sewer and water infrastructure) to help grow industries.
- Identify key industries appropriate to site new or expanded facilities in the County.

Land Use and Design:

- Enhance existing open space and parks.
- Focus growth in and around existing towns.
- Preserve the natural and rural character of the County.
- Promote pedestrian friendly mixed-use development that preserves small town character.
- Discourage the expansion of state and federal parkland within the County.

Workforce Preparedness:

- Implement a “pre-training” initiative to properly prepare Sussex County residents for jobs in key and expanding industries.
-

A majority of the goals and strategies developed by the workshop participants informed this Study's Plan of Action. Four of the original topic areas that were discussed during the workshop (Tourism, Transportation, Economic Development, and Housing) were included in the Plan of Action as priority focus areas. The two additional Plan of Action focus areas were developed based on feedback from the workshop discussions and the Study's steering committee. These additional two (Reducing the Regulatory Burden, and Agricultural Development) enhance the workshop discussion's priority goals and were added based on feedback from the Steering Committee meetings and best practices noted from other rural and suburban communities within the Mid-Atlantic region.

2.3 DRAFT FINAL PLAN FEEDBACK

The Draft Final Plan was distributed to steering committee members and discussed during an October 21, 2014 steering committee meeting. The draft was distributed to all agencies (state, regional, county, and local) mentioned in the Plan of Action for review. In addition, the draft was distributed prior to a November 12, 2014 Freeholder Board meeting to the twenty-four municipalities within the County, Chamber of Commerce, Sussex County Planning Board, Sussex County Water Quality Policy Advisory Committee and Solid Waste Council, and the Freeholder Board. The Freeholder Board meeting was open to the public and announced in the NJ Herald. At the meeting, the Plan of Action was discussed in a conversation about current and proposed future economic trends and County and municipal involvement in strategic economic planning. The draft final plan was also available for download from the Sussex County and TOGETHER NORTH JERSEY websites during a four week public comment period following the Freeholder Board meeting.

3.0 REVIEW OF PREVIOUS PLANS

The foundational plan for Sussex County is the statewide 2001 State Development and Redevelopment Plan (SDRP). Subsequent County plans, and the 2012 update to the state plan, build off the 2001 plan. Since 2005, the County has produced two major growth plans, the Strategic Growth Plan completed in 2005 and the Target Business and Industry Analysis (Vision 2020 Plan), completed in 2007, which expanded on the economic development goals contained in the 2005 Strategic Growth Plan. These plans were both completed before the start of the Great Recession in 2007. The economic and demographic trends that were in place when these pre-recession plans were developed are no longer applicable. Therefore, there was a need to revisit the recommendations based on the new economic and demographic conditions facing the County, the North Jersey region, and the State of New Jersey.

3.1 2012 NEW JERSEY DRAFT FINAL STATE STRATEGIC PLAN

The New Jersey Draft Final State Strategic Plan (SSP) was released in 2012 and is the proposed revision to the 2001 State Development and Redevelopment Plan (SDRP). It sets forth a vision for the future of the State along with strategies to achieve that vision. It is the culmination of several years of work by the State and its staff in collaboration with county and local stakeholders and members of the public. No formal action to adopt it has been taken by the State.

The Draft Final SSP takes a different approach than the SDRP by eliminating a policy map that divided the state into planning areas, as well as designated centers for various kinds of development activities. The 2001 SDRP designated centers for Sussex County, including Andover, Branchville, Hopatcong, Montague, Newton, Hainesville, Layton and Sparta (Table 3.1). The 2005 Sussex County Strategic Growth Plan was completed in 2004, adopted in 2005, and approved as an Endorsed Plan under the SDRP on February 21, 2007.

TABLE 3.1: SDRP DESIGNATED CENTERS FOR SUSSEX COUNTY

Center	Municipality	Type
Andover	Andover Borough	Town
Branchville	Branchville Borough	Village
Hopatcong	Hopatcong Borough	Town
Montague	Montague Borough	Village
Newton	Newton Town	Regional Center
Hainesville	Sandyston Township	Village
Layton	Sandyston Township	Village
Sparta	Sparta Township	Town

The four overall goals of the 2012 Draft Final SSP are as follows:

- **Goal 1:** Targeted Economic Growth: Enhance opportunities to attract and grow industries of statewide, regional, and international importance;
- **Goal 2:** Effective Regional Planning: Guide and inform regional planning to enable each region of the State to experience appropriate growth, preservation, and protection based on its assets and desires;
- **Goal 3:** Preservation, Protection, and Enhancement of Critical State Resources: Ensure that strategies for growth include preservation, protection, and enhancement of the State's critical natural, agricultural, scenic, recreational, and historic resources, recognizing their role in economic growth and the quality of life for New Jersey residents;
- **Goal 4:** Tactical Alignment of Government: Prioritize effective resource allocation, coordination, cooperation, and communication among entities that play a role in meeting the Plan's mission.

The Draft Final SSP establishes a Criteria-Based Investment Strategy and Priority Investment Framework that identifies and prioritizes locations suitable for growth, limited growth, or agricultural and open space conservation. The Draft Final SSP identifies four kinds of investment areas, as follows:

- **Priority Growth Investment Areas (PGIA):** An area where more significant development and redevelopment is preferred and where public and private investment to support such development and redevelopment will be prioritized.
- **Priority Preservation Investment Areas (PPIA):** An area where land preservation, agricultural development and retention, historic preservation, environmental protection and stewardship is preferred and where investment to support land preservation, agricultural development and retention, historic preservation, environmental protection and stewardship is encouraged.
- **Alternate Growth Investment Areas (AGIA):** An area that has existing or planned infrastructure that will lead to development and redevelopment opportunities. State investments related to the efficient development and redevelopment of previously developed sites and optimization of existing settlement patterns should be encouraged but as a lesser priority than PGIAs.
- **Limited Growth Investment Areas (LGIA):** An area that does not have existing or planned infrastructure and will lead to a significant degree of additional new development if developed. Large scale investments that may lead to additional development should not be prioritized in these areas.

Some counties have begun to explicitly support this investment framework. For example, Somerset County has gained regional and state attention by developing a 2013 *Supporting Priority Investment in Somerset County through Access and Mobility Improvements Study*, which prioritizes infrastructure investments that support Priority Growth Investment Areas.

The Draft Final SSP envisions that all lands in the state will eventually be designated as one of these four types of areas through actions taken by counties, municipalities, or regional entities and approval by the State Planning Commission.

3.2 SUSSEX COUNTY STRATEGIC GROWTH PLAN (2005)

The Sussex County Strategic Growth Plan (SGP) was adopted by the Planning Board on February 7th, 2005 and the Board of Chosen Freeholders on March 9th, 2005. The SGP incorporated the goals of the 2001 New Jersey State Development and Redevelopment Plan, reflected the concerns of the County's residents and businesses and articulated a clear and concise shared vision of the County and its potential. The SGP development process began with a community visioning exercise in order to arrive at a shared vision for the County. The resulting vision describes Sussex County as a place where:

- The air is clean.
 - The water is pure.
-

- The view is of fields, hills, valleys, and lakes.
- Agriculture remains a viable sector of the economy.
- Traffic is smooth and transit is readily available.
- Towns, villages, and hamlets hum with activities where one may walk in safety.
- Homes are available to all regardless of income.
- Good jobs and education are close to home.
- Open Space is abundant.

The SGP divides the County into five distinct landscapes: Rural/Agricultural, Highlands, Traditional Centers, Job Creation Centers, Parks and Wildlife Management Areas, and Lake Communities. Drawing upon public comments and numerous visioning meetings held throughout the County during the SGP development process, there are specific goals and objectives for each landscape.

The SGP outlines critical issues facing each landscape and are related to development patterns, housing, transportation, agriculture, resource conservation, and landowner equity. The SGP also sets forth a series of general strategic goals for the County that can be summarized as follows:

- The County is wholly dependent on its natural resources. Future development must be based upon the capacity of the resource base to sustain the development.
- Agriculture is a vital part of the County's economy and will continue to be so. It provides food, jobs, scenic values, and broadens the ranges of wildlife habitats.
- Future development will be strongly encouraged in designated growth areas (centers) and discouraged outside of those centers. In particular, new strip commercial development will be discouraged.
- Housing is a regional issue and must be understood as such. Thousands of households have chosen to move west to Pennsylvania to find somewhat affordable housing, which imposes costs on existing businesses employing the long distance commuters and on the County itself in lost local spending.
- Transportation is the key to the County's long term economic viability and quality of life. Existing assets need to be maximized and the County needs to work together with the State to create new opportunities.
- Land owner equity is a major point of contention and must be considered in the preservation of environmentally sensitive land. Techniques such as transfer of development rights, easement purchases, and land acquisition should all be used to help preserve land and land owner equity.

The SGP contains specific objectives for each landscape. The objectives follow common themes based on the general strategic goals discussed above. The SGP also relates the Sussex County approach to growth to eight goals and seventeen policies found in the 2001 State Development and Redevelopment Plan.

3.3 SUSSEX COUNTY VISION 2020 (2007)

The Sussex County Vision 2020 initiative was undertaken in order to begin the implementation process of the economic development portion of the SGP. The goal of the Vision 2020 Plan was to identify and implement strategies that would lead to the creation of a sustainable business and an industrial base that would create stable jobs for County residents, increase the County's tax base without sacrificing the County's quality of life and natural resources, and broaden the County's economic base. The main objectives of the Vision 2020 plan are:

- To identify and target economic sectors with the greatest economic growth, and public benefit potential;
- To enhance intergovernmental planning and coordination to promote the desired growth;
- To identify ways to streamline local regulatory processes to promote obtaining economic development.

The report emphasizes several strengths that the County had and still has, including high quality of life enjoyed by residents, high-income levels, a good education system, and a highly educated workforce. The report also identifies a number of challenges and threats facing the County. The challenges include limited incentives to help attract business to the County, lack of focused countywide collaborative efforts, and the state business climate. The lack of access/transportation options, especially access to major airports, is also identified as a major challenge facing the County. The threats facing the County include the loss of middle income households, continued sprawl, and increasing tax and regulatory burden.

The Vision 2020 Plan develops a shared vision for the County with a focus on increasing employment and job compensation across a range of diverse and sustainable industries in order to strengthen the County's economic base, increase tax rates, support a higher standard of living, and provide improved opportunities for County residents. The Vision 2020 Plan also makes it clear that these growth goals should be in balance with preserving the County's unique natural resources and environment. The identified community preferences that support the shared vision include a focus on clean industries, technology and "cutting edge" industries, developing a business-friendly climate, focusing growth in appropriate areas and employing the residential workforce, investing in development of education and workforce skills, and capitalizing on the quality of life benefits offered by the County.

Based on the identified preferences of County residents and stakeholders, the Vision 2020 Plan recommended that the County choose Professional Services and selected manufacturing sub-sectors for targeting. Those industries matched the County's aims and vision when the Plan was produced in 2007 and suggested that the County capitalize on these identified strengths, which were pre-recession industry trends.

The report acknowledges that the course of action proposed by the Vision 2020 Committee was in conflict with projections and economic trends. The report points out that implementing the course of action proposed in the Vision 2020 plan, in light of the conflict, would take a “concerted, consistent, and long term effort not only in business development, but in education and training, capital planning and improvements, and issues such as quality of life and affordable housing.” The report also developed a number of specific action elements to help implement the course of action.

3.4 MUNICIPAL MASTER PLANS

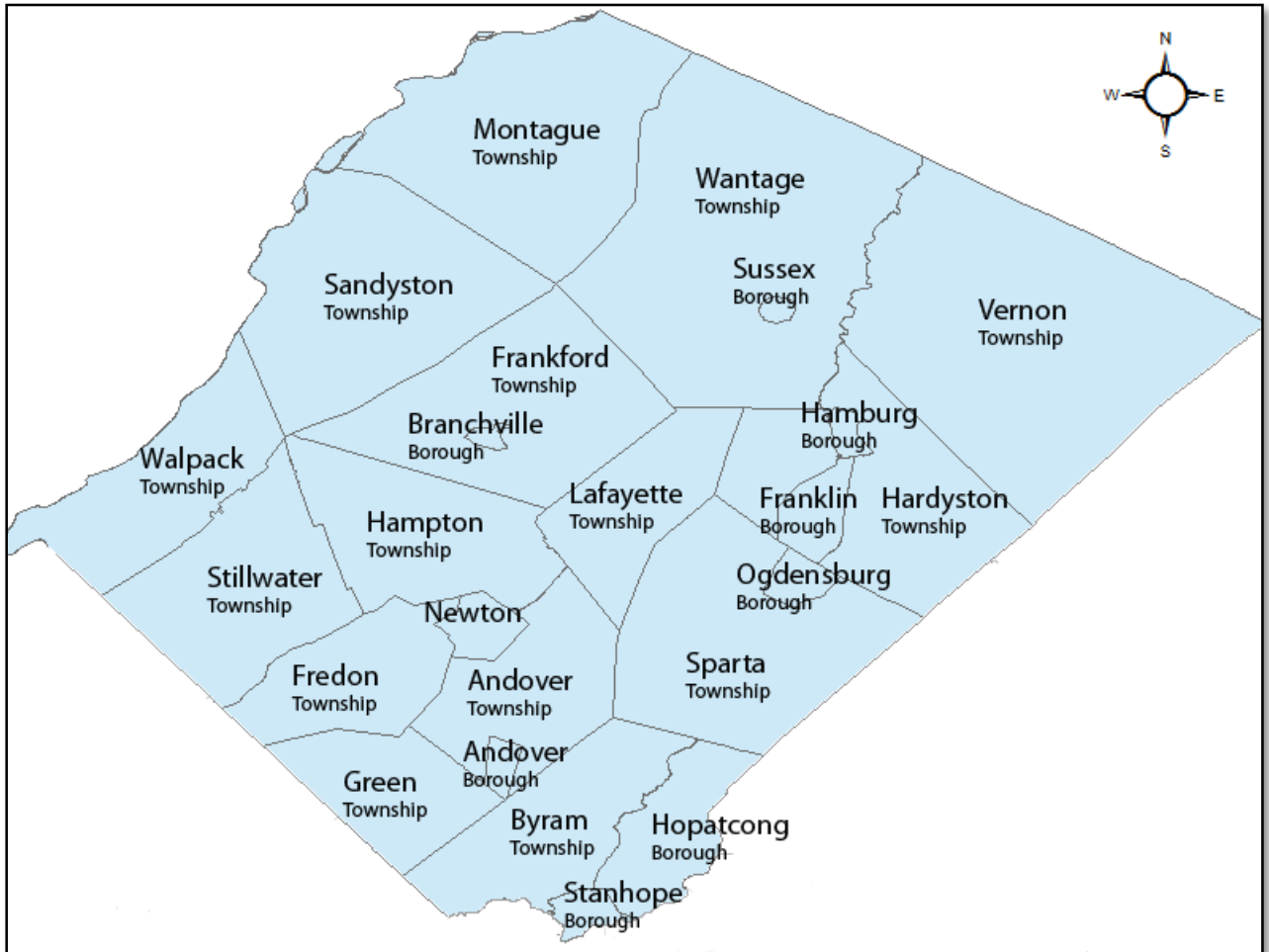
New Jersey is a “Home Rule” state and delegates most land use planning and decision making authority to each of the 565 municipalities within the state. However, municipalities are not required to consider the effects of their decisions on neighboring municipalities. The County has limited power to affect the land use decisions of individual municipalities; they can only act to inform and, where invited, coordinate the planning efforts of its individual municipalities.

There are 24 municipalities in Sussex County (Figure 3.1). Except for Walpack Township, which lies entirely within the Delaware Water Gap National Recreation Area and related public preservation lands, each municipality has a master plan to guide local decisions about growth, development, conservation, and preservation. Master plans must be re-examined at least once every ten years and must consider a number of specific questions related to community goals and objectives and changes that have occurred since the last re-examination.

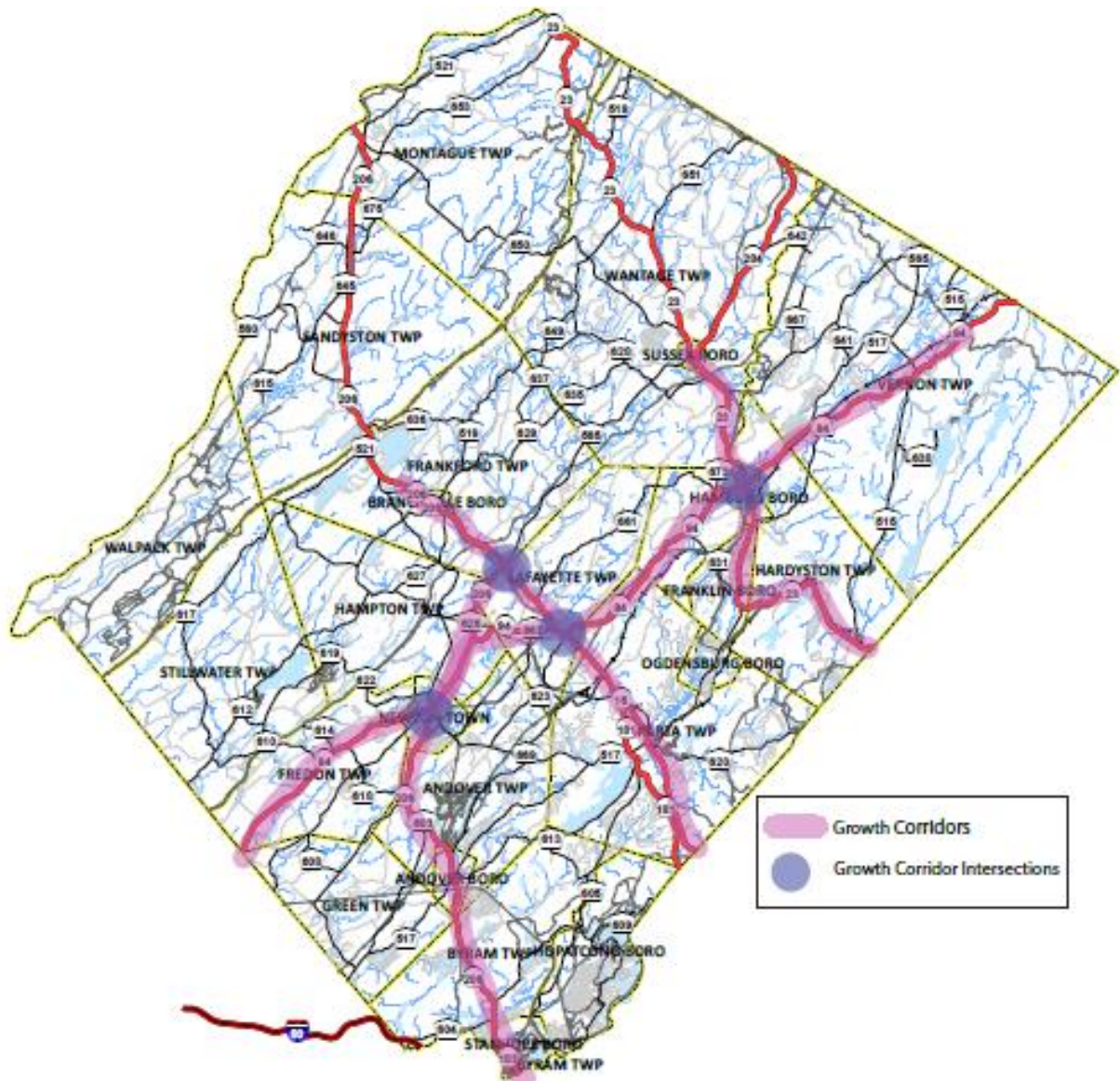
Many of the municipalities have strong concerns about conservation and preservation, meaning that their master plans direct growth and development to specific places in the community while other parts of the community are intended to be protected from growth and development. Municipalities that have land use designations favorable for employment and commerce are generally along the following corridors (Figure 3.2):

- Route 206, from the Morris County line to Ross Corner (in the center of the county);
- Route 15, from the Morris County line to Ross Corner within Frankford Township;
- Route 23, from the Morris County line to Route 284;
- Route 94 corridor, excluding the open space locations of Vernon Township.

Analysis of zoning patterns, municipal master plans, commuting patterns and feedback from the steering committee led to the identification of growth corridors. Future growth centers, as represented in municipal master plans, will likely be oriented to already existing centers along these corridors. The growth corridor concept is not intended to encourage strip development or a continuation of sprawl.

FIGURE 3.1 SUSSEX COUNTY MUNICIPALITIES

In addition to the corridors themselves, intersections of these corridors (e.g. Route 15 and Route 94), in particular, may be able to offer a high degree of flexibility in terms of access and servicing and therefore can be thought of as high priority locations for employment and commerce in the future. The recommendations contained in this report are intended to guide economic and development growth for the County, and municipalities are encouraged to make their master plans as consistent as possible with the recommendations, especially at specific corridors and locations where corridors intersect.

FIGURE 3.2: PROPOSED GROWTH CORRIDORS

4.0 CURRENT TRENDS AND IMPLICATIONS

To better understand the potential for future growth in Sussex County, it is essential to understand the recent demographic and economic trends that have been affecting Sussex County, how Sussex County compares to its neighboring counties (both in-state and out-of-state) and how Sussex County fits into the broader 13-county North Jersey region.³

Sussex County has been affected by several fundamental forces over the past 50-plus years. These include an extended period of automobile-driven suburbanization during the early part of the period which led to the larger North Jersey Region becoming the dominant economic engine of the New York/New Jersey metropolitan region at the expense of New York City.⁴ However, since the early 2000s, New York City has re-emerged as the dominant economic force in the region. This emergence of a new geographic dynamic has and will continue to have consequences for many of the counties of the North Jersey region, especially Sussex County, given its location on the western edge of the larger tri-state region.

4.1 DEMOGRAPHICS

POPULATION

Over the 1950-2000 period, Sussex County experienced the highest population growth rate of any county in the 13-county North Jersey region, New Jersey as a whole, and New York City. Between 1950 and 1960, the County's population grew 43.1%, between 1960 and 1970, the County's population grew another 57.4% and between 1970 and 1980, the population grew an additional 49.8%. In each decade, the County's population growth rate far exceeded that of the 13-county North Jersey region. Beginning in 1980, the County's growth began to slow, but was still significantly greater than that of the 13-county region – 12.8% compared to 2.5%. However, during the 1990's the County's growth rate converged with that of the 13-county region – 10.2% compared to 8.6%.⁵

The growth rate for Sussex County (3.4%) dropped below that of the North Jersey region (3.6%) and the state as a whole (4.5%) between 2000 and 2010 (Table 4.1). While the County did not perform as well as the region and the state over the 2000-2013 period, its growth did exceed that of the region and the state over the 2000-2003 period. This is illustrated by the steeper line in Figure 4.1 for Sussex County over the 2000-2003 period. During the 2004-2007 period the growth of the County, the Region, and the State slowed. After 2007, the paths of the County, the Region, and the State diverged. Beginning in

⁴ Hughes, J. W. and Seneca, J. J. 2014. Sussex County Economic and Demographic Profile: Framework for Future Development. Edward J. Bloustein School of Planning and Public Policy. January 2014.

⁵ Hughes, J. W. and Seneca, J. J. 2014. Sussex County Economic and Demographic Profile: Framework for Future Development. Edward J. Bloustein School of Planning and Public Policy. January 2014.

2007, the population of the County began to decrease, while the growth rate of the Region and the State increased. By 2013, the population of the County was below its 2001 level.

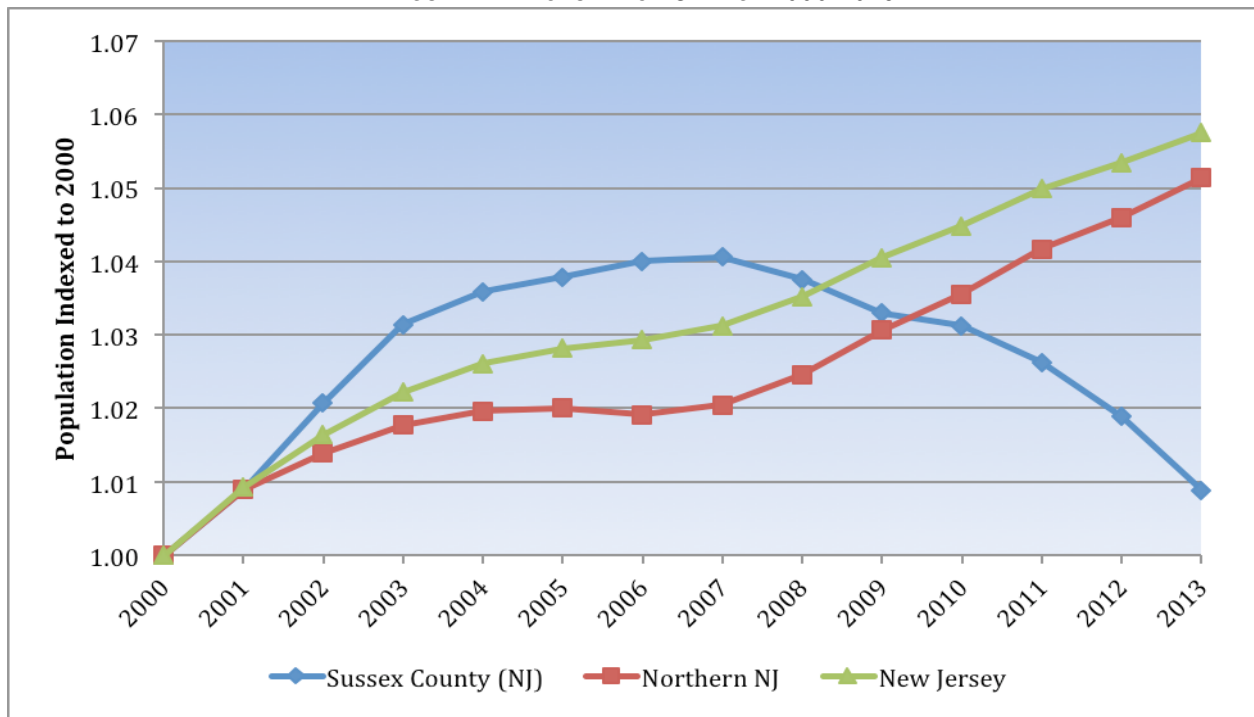
TABLE 4.1: POPULATION CHANGE 1950-2000

Area	Absolute Change	Percent Change
New Jersey	3,579,435	74.0
13-County Region	2,208,513	56.0
Bergen County	345,040	64.0
Essex County	-113,714	-12.6
Hudson County	-38,396	-5.9
Hunterdon County	79,374	185.7
Mercer County	120,992	52.7
Middlesex County	485,403	183.3
Monmouth County	389,926	173.0
Morris County	305,906	186.1
Passaic County	153,192	45.4
Somerset County	198,492	200.4
Sussex County	109,920	319.3
Union County	124,369	31.2
Warren County	48,009	88.3
Manhattan	-422,906	-21.6
New York City	116,321	1.5

TABLE 4.2: POPULATION COMPARISON 1990-2013

	Sussex County	North Jersey	New Jersey
1990	130,900	5,663,800	7,730,200
2000	144,300	6,151,200	8,414,800
2010	149,300	6,369,900	8,791,900
2013	146,000	6,467,700	8,899,300
Percent Change between 1990-2000	10.2%	8.6%	8.9%
Percent Change between 2000-2010	3.4%	3.6%	4.5%
Percent Change between 2010-2013	-2.2%	1.5%	1.2%
Percent Change between 2000-2013	1.2%	5.1%	5.8%

Source: US Census Bureau, Econsult Solutions, Inc.

FIGURE 4.1: POPULATION CHANGE 2000-2013

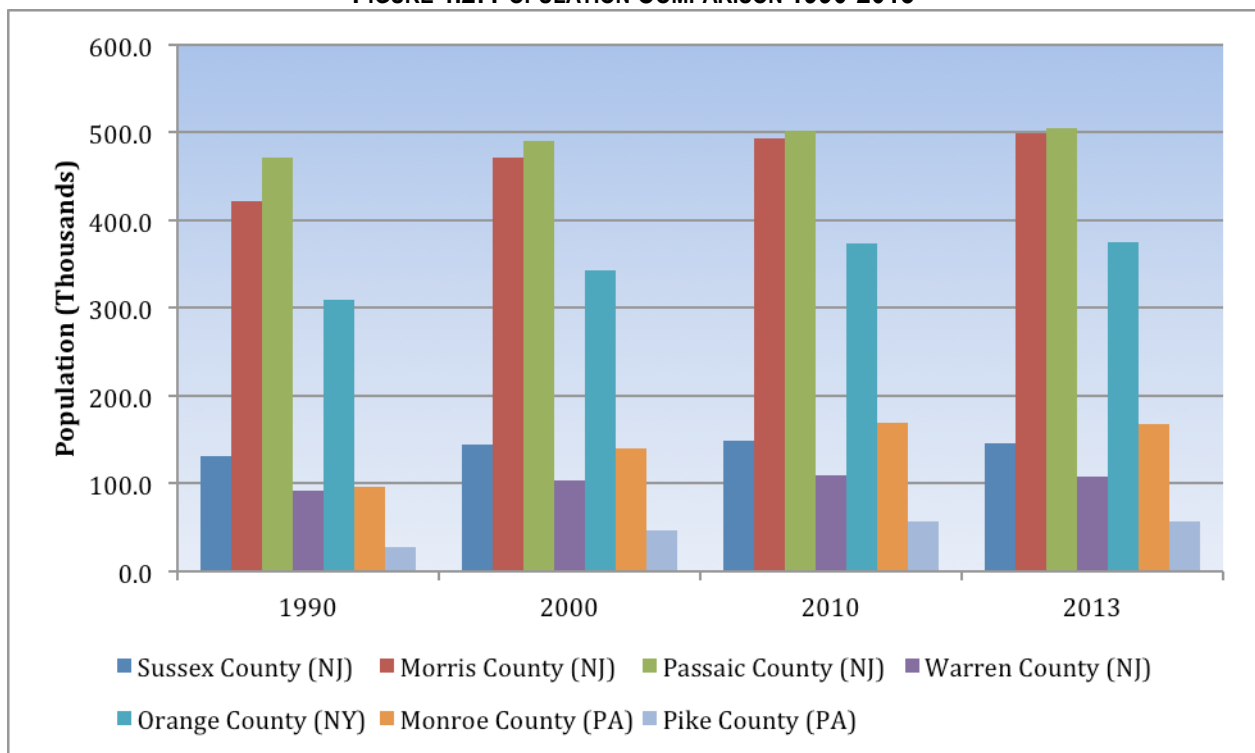
Source: US Census Bureau, Econsult Solutions, Inc.

In addition to comparing the population growth of Sussex County to the 13-county North Jersey Region and the state as a whole, it is also important to compare the County to its neighboring counties, including Morris, Passaic, and Warren counties in New Jersey, Monroe and Pike counties in Pennsylvania, and Orange County in New York. Three of these counties are larger and three are smaller (Table 4.2 and Figure 4.2). In terms of population growth rates, Sussex County lagged slightly behind most of its neighbors during the 1990s and 2000s – the only neighboring county that had lower growth than Sussex County over the same time periods was Passaic County.

TABLE 4.3: NEIGHBORING COUNTY POPULATION COMPARISON 1990-2013

	Sussex County (NJ)	Morris County (NJ)	Passaic County (NJ)	Warren County (NJ)	Orange County (NY)	Monroe County (PA)	Pike County (PA)
1990	130,900	421,300	470,900	91,700	308,800	95,700	28,000
2000	144,300	471,300	490,700	102,900	342,900	139,700	46,400
2010	149,300	492,700	501,900	108,700	373,500	169,900	57,300
2013	146,000	499,400	505,700	107,400	375,600	167,100	56,600
Percent Change:							
1990-2000	10.2%	11.9%	4.2%	12.2%	11.0%	46.0%	65.7%
2000-2010	3.5%	4.5%	2.3%	5.6%	8.9%	21.6%	23.5%
2010-2013	-2.2%	1.4%	0.8%	-1.2%	0.6%	-1.6%	-1.2%
2000-2013	1.2%	6.0%	3.1%	4.4%	9.5%	19.6%	22.0%

Source: US Census Bureau, Econsult Solutions, Inc.

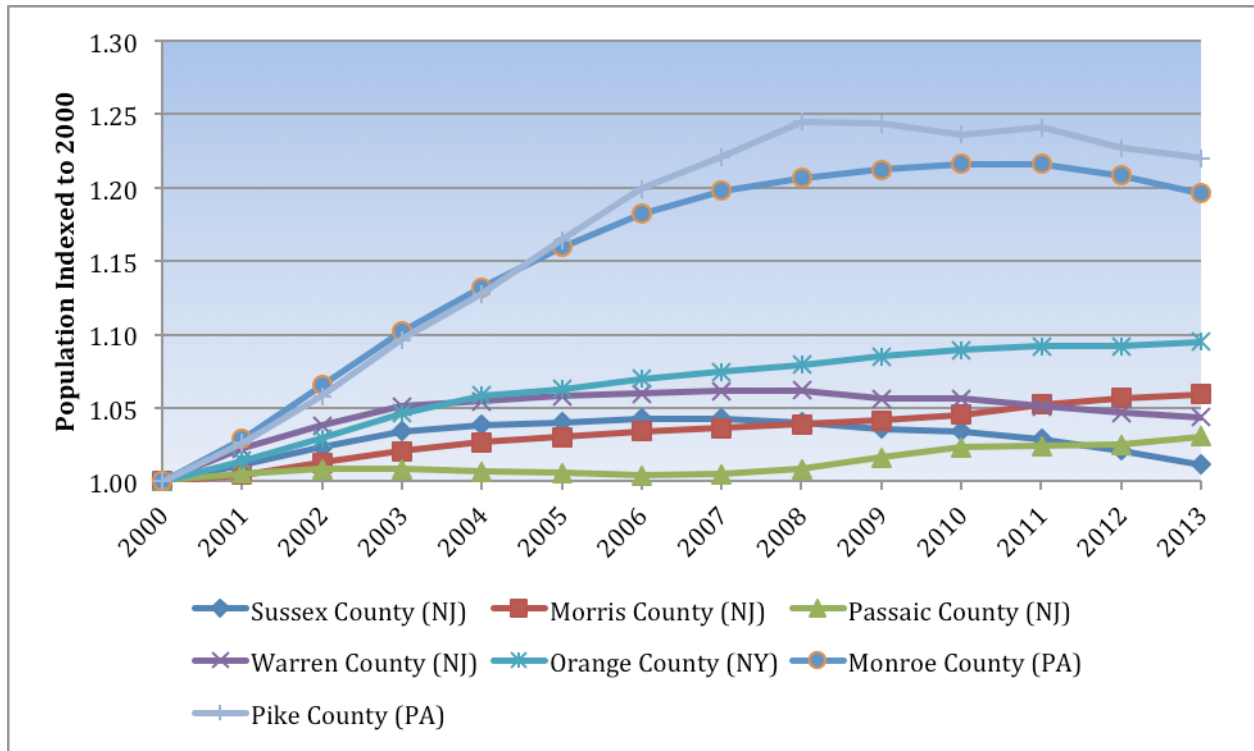
FIGURE 4.2: POPULATION COMPARISON 1990-2013

Source: US Census Bureau, Econsult Solutions, Inc.

Since 2000, the non-New Jersey counties have outpaced the New Jersey counties in terms of population growth rate. This is evidenced by the fact that the lines in Figure 4.3 for Monroe and Pike County in Pennsylvania and Orange County in New York are above the lines for their New Jersey counterparts. Compared to the other New Jersey Counties,

Sussex County's population growth rate outpaced that of Morris and Passaic Counties during the early 2000's, but has since been exceeded by those counties.

FIGURE 4.3: POPULATION GROWTH 2000-2013



Source: US Census Bureau, Econsult Solutions, Inc.

At the same time that Sussex County's population is decreasing, it is also becoming an older county. According to data from the US Census Bureau's American Community Survey, the median age of the County increased from 39.2 years to 43.1 years between 2005 and 2012, an increase of 3.9 years (Figure 4.4). The increase in median age was significantly greater than the state's increase of 1.4 years and greater than the neighboring counties and the other counties in the 13-county North Jersey Region.⁶⁷

⁶ Hughes, J. W. and Seneca, J. J. 2014. Sussex County Economic and Demographic Profile: Framework for Future Development. Edward J. Bloustein School of Planning and Public Policy. January 2014.

⁷ Change in median age data are not available for Pike County.

TABLE 4.4: 20-29 YEAR OLD POPULATION, 2005-2012

Area	2005	2012	Change: 2005-2012	
			Absolute	Percent
New Jersey	971,194	1,117,870	146,676	15.1
13-County Region	698,134	818,657	120,523	17.3
Bergen County	88,722	101,042	12,320	13.9
Essex County	96,138	106,550	10,412	10.8
Hudson County	84,979	117,083	32,104	37.8
Hunterdon County	10,446	11,621	1,175	11.2
Mercer County	40,638	51,488	10,850	26.7
Middlesex County	97,385	114,269	16,884	17.3
Monmouth County	63,895	68,894	4,999	7.8
Morris County	43,414	50,100	6,686	15.4
Passaic County	60,232	70,305	10,073	16.7
Somerset County	28,958	32,398	3,440	11.9
Sussex County	15,372	15,488	116	0.8
Union County	58,395	68,146	9,751	16.7
Warren County	9,560	11,273	1,713	17.9
Manhattan	223,008	324,156	101,148	45.4

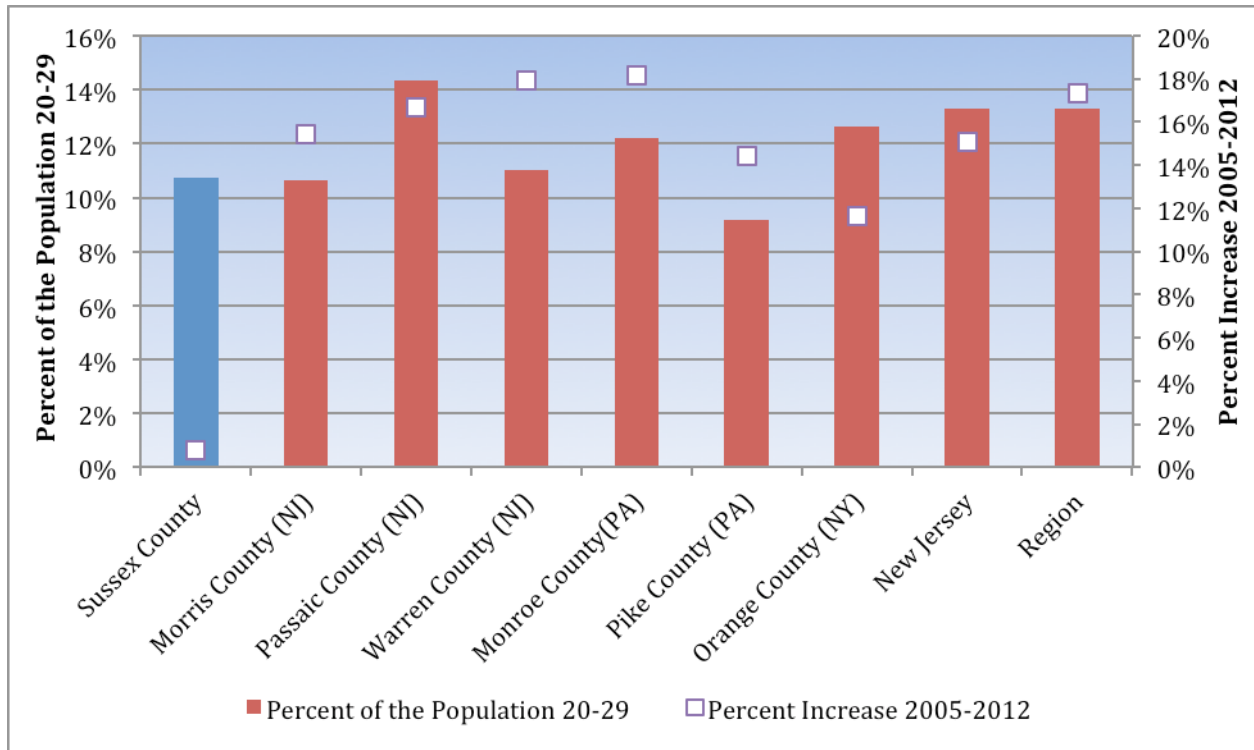
Source: US Census Bureau, American Community Survey

Drs. Hughes and Seneca of Rutgers University⁸ argue that the aging of the population is linked to both the lagging growth in echo-boom population⁹ in Sussex County and the lack of new, younger, foreign born populations. International migration is a key source of population growth in New Jersey and the 13-county North Jersey Region. In 2012, 21.2% of New Jersey's population was foreign born, up from 19.5% in 2005. The 13-county North Jersey Region had a foreign-born percentage of 25.7% in 2012. Sussex County lagged considerably behind the region and state with only 7.3% of the population being foreign born in 2012. It ranked last of the 13 counties in the Region and was also the only county whose foreign-born share did not increase between 2005 and 2012.

Sussex County is also failing to attract the workforce of the future, comprised of those individuals between the ages of 20 and 29 (Figure 4.4). Sussex County not only has the lowest percentage of its population in the 20-29 cohort, but this cohort increased by less than 1% over the 2005-2012 period. This increase was substantially lower than the neighboring counties, the State and the 13-county North Jersey region.

⁸ Hughes, J. W. and Seneca, J. J. 2014. Sussex County Economic and Demographic Profile: Framework for Future Development. Edward J. Bloustein School of Planning and Public Policy. January 2014.

⁹ The echo-boom generation includes those individuals born between the years of 1982 and 2005. They are commonly referred to as Millennials.

FIGURE 4.4: POPULATION BETWEEN THE AGES OF 20-29

Source: US Census Bureau, Econsult Solutions, Inc.

Individuals in the 20-29 cohort have been identified as one of the key demographic groups associated with economic growth and development. They have vastly different live and work preferences than preceding generations. This generation is more interested in living in 24/7 walkable, high-density, high-activity environments that are transit accessible, which is a living option that does not exist in Sussex County. The lack of younger workers was also identified as a major issue in the County's Vision 2020 Plan. The report found that a decline in the number of younger workers could be a negative for many firms, especially for the "cutting edge" technology businesses the Vision 2020 Plan hoped to attract. The age shift also affects the nature and types of services that the government can or should provide, and alters the County's market for goods and services.

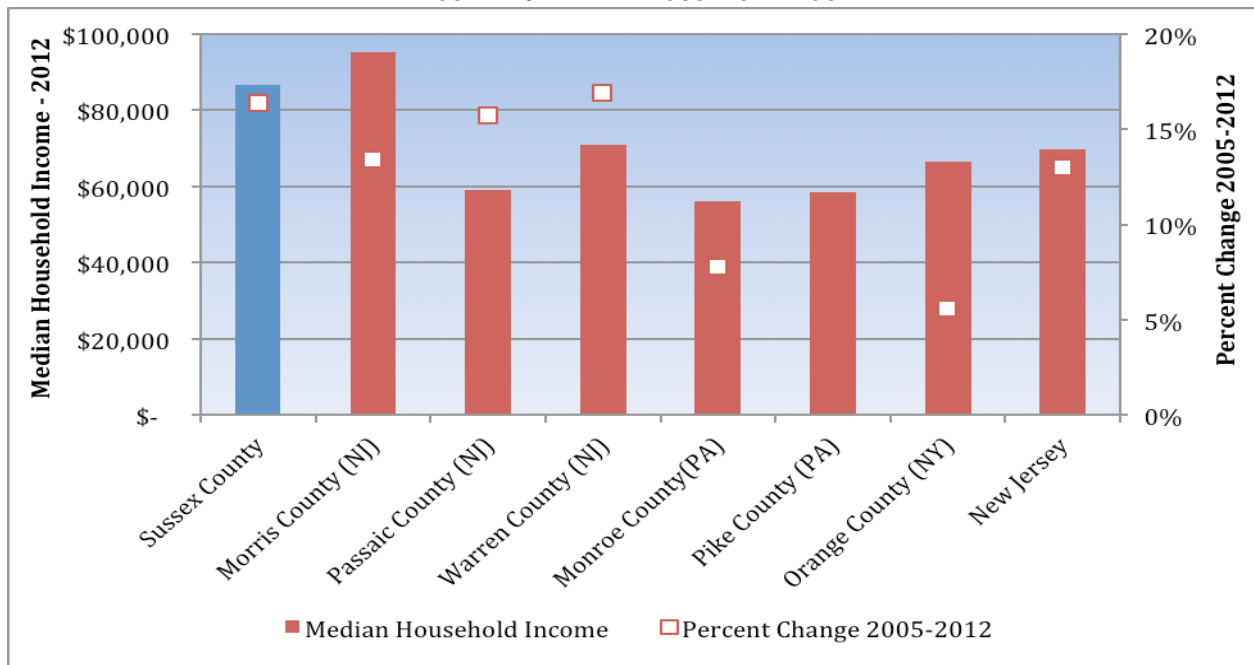
The combination of a declining and aging population, coupled with an inability to attract young workers, younger families, and foreign born individuals, is likely to continue for the foreseeable future and will likely affect the future growth prospects of the County. In addition, the larger trends that have been evidenced in Sussex County and the Region indicate a weakening of the regional perimeter and a strengthening of the regional core and inlying suburbs. This fundamental shift in spatial growth patterns is not unique to Northern New Jersey and has been found in metropolitan areas across the country.

INCOME

Sussex County is an affluent county with a median household income of over \$86,000 in 2012. This is one of the highest incomes in the Region, ranking fourth behind Hunterdon, Somerset, and Morris counties. The County's median income is also well above the state's median household income (Figure 4.5). The County also had the second largest increase in median household income, in both absolute and percentage terms, of the 2005-2012 period in the 13-county North Jersey Region. The strong median household income is likely due to two factors: the minimal growth in young and foreign born households, who generally have lower incomes, and the high-quality jobs held by County residents.¹⁰

The higher median household income indicates that overall, County residents have good jobs (which are predominantly outside the County) and offer a solid market for goods and services. However, it also means that firms looking to locate or expand in the County may have to pay higher County wages to attract those workers than neighboring counties with lower median household incomes such as Monroe County and Pike County in Pennsylvania.

¹⁰ Hughes, J. W. and Seneca, J. J. 2014. Sussex County Economic and Demographic Profile: Framework for Future Development. Edward J. Bloustein School of Planning and Public Policy. January 2014.

FIGURE 4.5: MEDIAN HOUSEHOLD INCOME

Source: US Census Bureau, Econsult Solutions, Inc.

4.2 ECONOMIC BASE AND EMPLOYMENT

It is important to understand the types of businesses and industries in Sussex County that have prospered, are currently prospering, and are most likely to prosper in the future. This requires an understanding of the structure of the County economy and its strengths and weaknesses.

Sussex County's early industry and commerce was chiefly centered on agriculture, milling, and iron and zinc mining. The local economy expanded due to the introduction of the railroads, which helped the development of factories following the Civil War and continuing to the 1960s. While manufacturing in the County has declined since 2000 and earlier, the County is still home to several manufacturers including Ames Rubber Corp, a manufacturer of molded components, protective coatings, and dispensed gaskets for high-tech applications and ThorLabs, a manufacturer of high-tech components for the laser and fiber optics industry. Today, the fastest growing sectors of the economy are tourism and recreation. The industries represented by the ten largest employers include recreation, healthcare, retail, education and government (Table 4.5).

TABLE 4.5: TOP TEN SUSSEX COUNTY EMPLOYERS

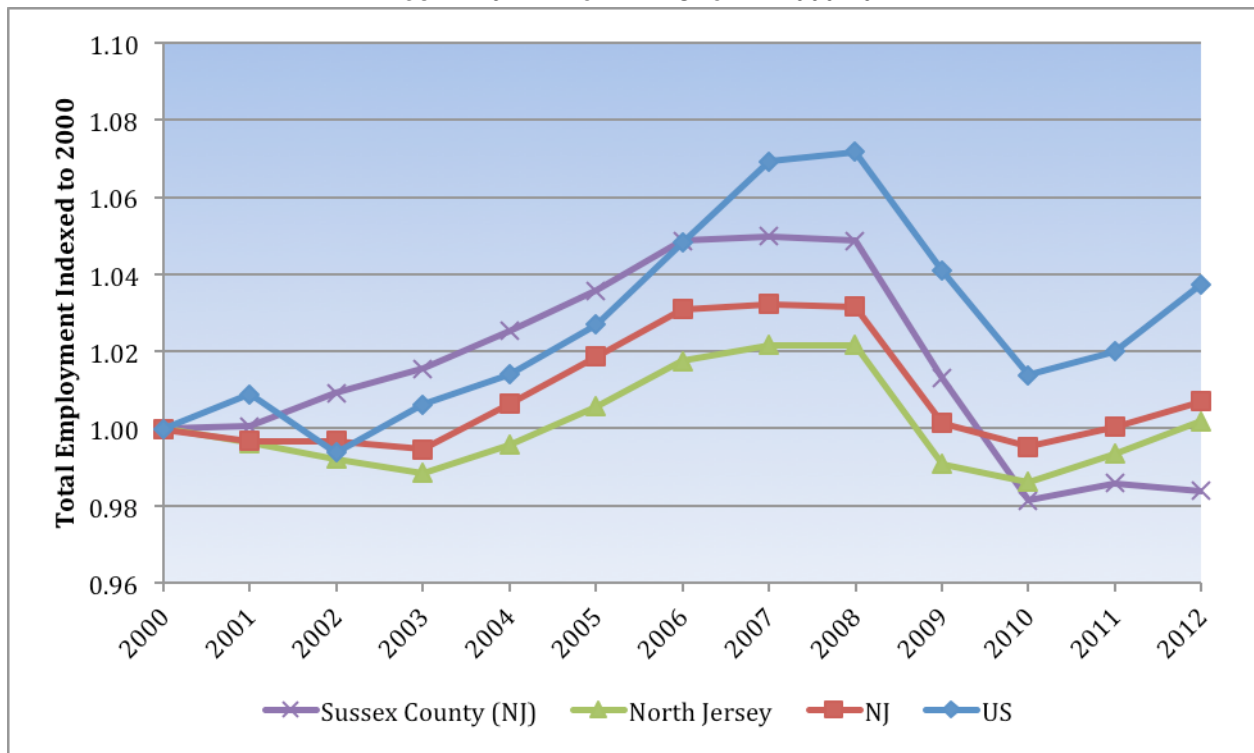
Employer	Location	Employment	Industry
Crystal Springs Golf and Spa Resort	Vernon/Hardyston	2,000	Recreation
Newton Memorial Hospital	Newton	1,200	Healthcare
Selective Insurance	Branchville	900	Insurance
Mountain Creek Resort	Vernon	800	Recreation
County of Sussex	Newton	500	Government
Ames Rubber Corp	Hamburg	445	Manufacturing
Shop Rite Supermarkets	Newton	301	Retail
Andover Subacute and Rehab Center	Andover	300	Healthcare
Sussex County Community College	Newton	300	Education
Raider Express	Andover	250	Trucking/Logistics

Source: Sussex County Chamber of Commerce (2011)

EMPLOYMENT

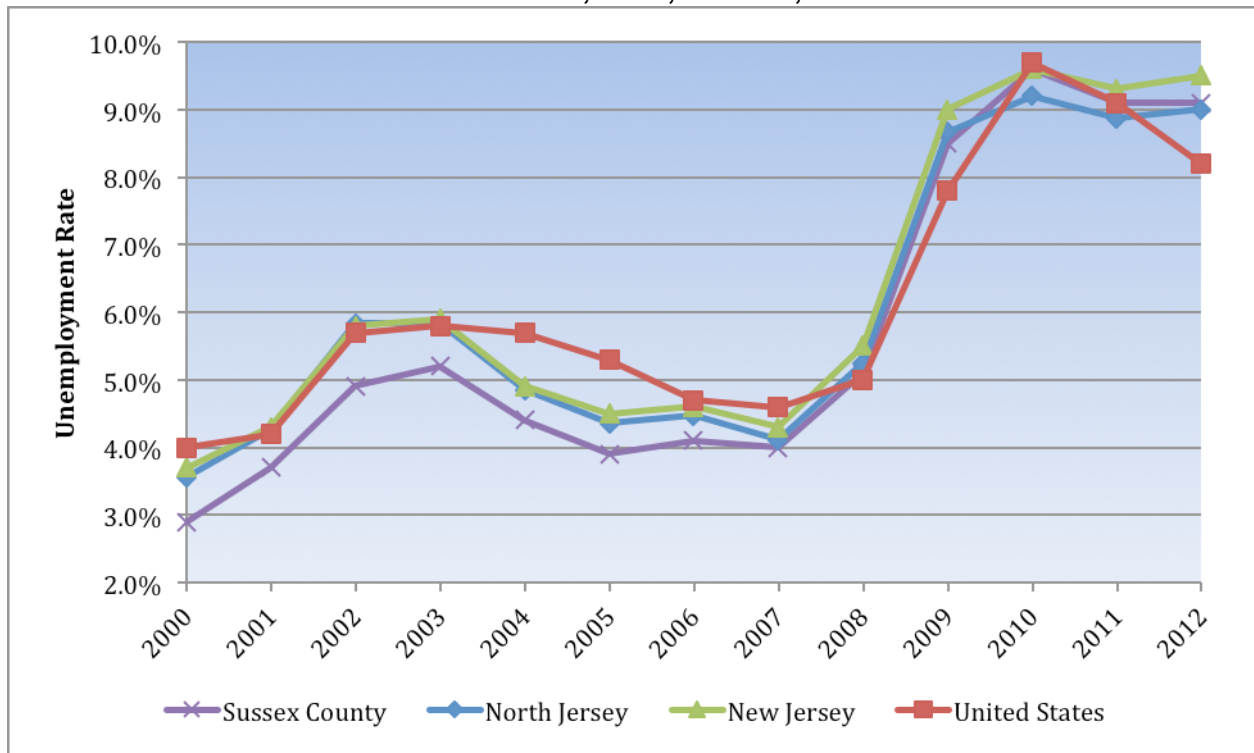
In analyzing the Sussex County economy it is useful to compare the employment growth of the County to its region, the State of New Jersey, and the US as a whole. National employment grew by 3.7% over the 2000-2012 period. During the same period, total employment in New Jersey and the North Jersey Region only grew by 0.7% and 0.2% respectively, and total employment in Sussex County actually decreased by over 1.6%. In fact there are fewer people employed in Sussex County today than there were in 2000.

All of the employment gains for the State of New Jersey during the 2003 to 2007 growth period were lost during the Great Recession. Sussex County was especially affected, and has been slower to recover. Between 2000 and 2006, employment growth in Sussex County outpaced that of the 13-county North Jersey Region, the State of New Jersey, and the US as a whole. During the 2006-2008 period, Sussex County's employment growth pattern was similar to that of the region, the State, and the nation. However, while the employment picture in the North Jersey Region, the State of New Jersey, and the US has begun to improve, the recovery in Sussex County has been much slower (Figure 4.6).

FIGURE 4.6: EMPLOYMENT GROWTH 2000-2012

Source: US Bureau of Labor Statistics, Econsult Solutions, Inc.

Leading up to the Great Recession in 2007, Sussex County had traditionally enjoyed an unemployment rate that was below the national average). In 2000 the unemployment rate in Sussex County was 2.9%, well below the national, state, and regional levels. The County's unemployment rate peaked at 9.6% in 2010, which was slightly below the national peak and on par with the state and region. The County's unemployment rate has improved slightly since, but like the rest of the region and state, Sussex County lagged behind the national recovery in 2012 (Figure 4.7).

FIGURE 4.7: COMPARISON OF NATIONAL, STATE, REGIONAL, AND COUNTY UNEMPLOYMENT

Source: US Bureau of Labor Statistics, Econsult Solutions, Inc.

EMPLOYMENT BY INDUSTRY

Currently, the largest employment sector in Sussex County is Education & Healthcare, followed by Trade, Transportation, & Utilities, and Leisure & Hospitality (Tables 4.4 and Figure 4.9). Sussex County appears to be under-represented in its share of employment in higher-paying industries such as Information, Financial Activities, and Business & Professional Services. These industries are typically considered export-based industries that bring money into the region and have a wealth creating impact on the local economy. The County is over-represented in lower paying industries such as Education & Healthcare, Leisure & Hospitality, and Personal Services. These industries are considered non-basic industries, and except for Leisure & Hospitality, do not bring money into the local economy and as a result have smaller multiplier impacts on the local economy.

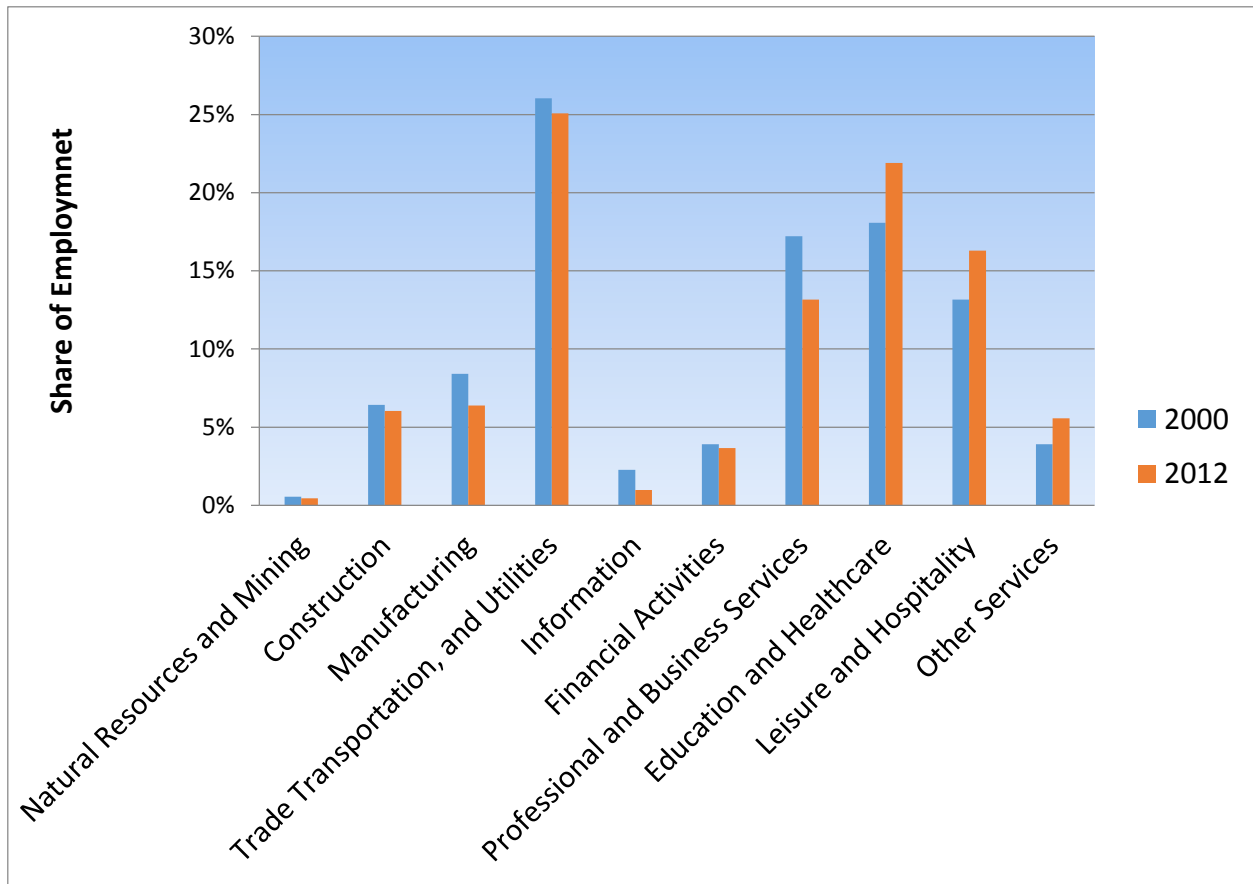
In both 2000 and 2012, Sussex County had a lower percentage of private sector employment than the percentage for the 13-county North Jersey region and the State. In 2012, the percentage of private employment in the region was 85% compared to 81% in Sussex County (Table 4.6). Sussex County's 2012 percentage is slightly lower than in 2000, in spite of significant reductions in Sussex County government employment, which decreased from 800 to 500 between 2000 and 2012. The lower percentage of private sector employment for the County means that the County is more reliant on public sector

employment than its neighboring counties and the private sector has not rebounded as quickly as in the neighboring counties.

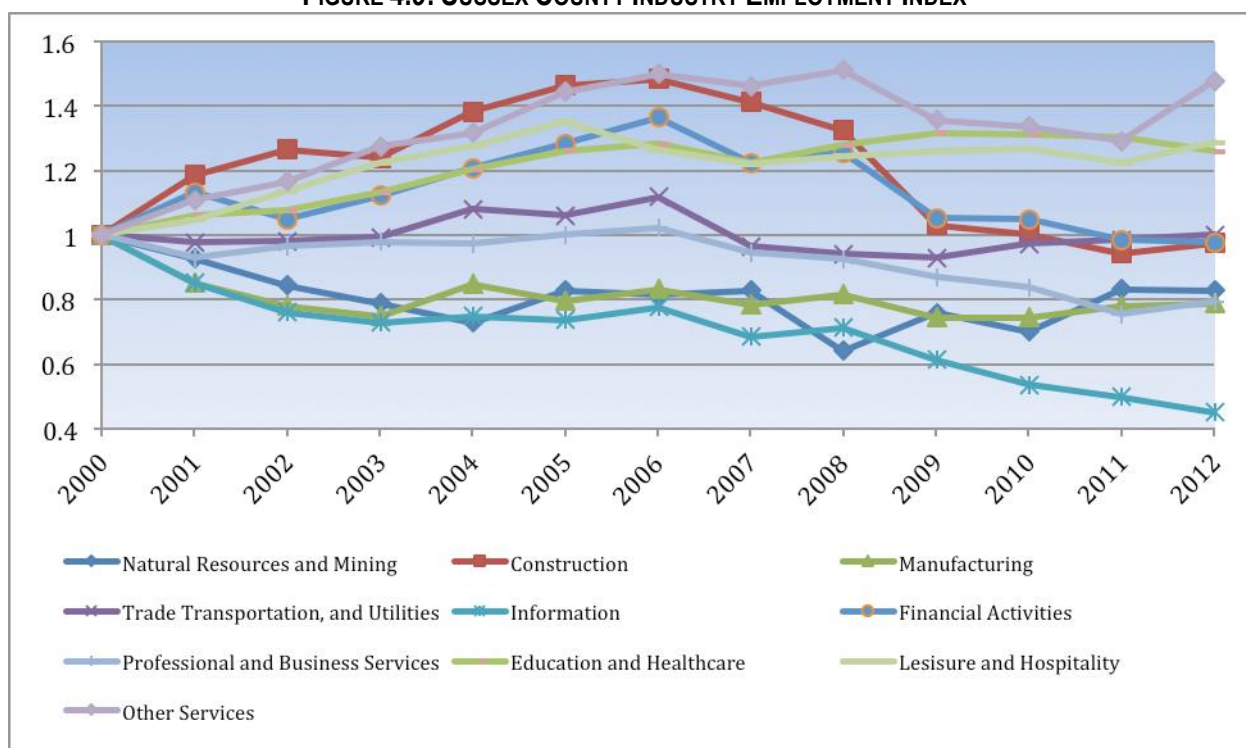
TABLE 4.6: SUSSEX COUNTY INDUSTRY EMPLOYMENT

Employment	2000			2012		
	Sussex County	North Jersey	New Jersey	Sussex County	North Jersey	New Jersey
Total Non-Farm	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Private Sector	81.7%	85.5%	85.6%	80.8%	84.6%	84.8%
Goods Producing (the sum of "Natural Resources & Mining" + "Construction" + "Manufacturing")	15.4%	17.8%	17.2%	12.9%	12.0%	12.1%
Natural Resources & Mining	0.6%	0.2%	0.3%	0.4%	0.2%	0.4%
Construction	6.4%	3.5%	4.4%	6.0%	3.8%	4.1%
Manufacturing	8.4%	13.5%	12.4%	6.4%	8.0%	7.6%
Trade, Transportation, & Utilities	26.0%	26.7%	26.2%	25.1%	25.4%	25.5%
Information	2.3%	4.4%	3.7%	1.0%	2.7%	2.4%
Financial Activities	3.9%	8.1%	7.4%	3.7%	7.8%	7.3%
Professional and Business Services	17.2%	19.3%	17.6%	13.2%	20.3%	19.2%
Education & Healthcare	18.1%	13.3%	13.3%	21.9%	18.1%	18.2%
Leisure & Hospitality	13.2%	6.9%	8.9%	16.3%	9.2%	10.8%
Other Services	3.9%	3.3%	3.2%	5.6%	4.1%	4.0%
Government	18.3%	14.5%	14.4%	19.2%	15.4%	15.2%

Source: US Bureau of Labor Statistics, Econsult Solutions, Inc.

FIGURE 4.8: PRIVATE SECTOR EMPLOYMENT BY INDUSTRY

Sussex County employment has decreased in a majority of the industry sectors since 2000 with the exception of Education and Healthcare (25.8%), Leisure and Hospitality (28.5%), and Other Services (47.7%). All other industries are below their 2000 employment levels, with many industries significantly below, including Information (55.1%), Manufacturing (21.2%), and Professional & Business Services (20.8%). This decrease is evident when examined at the industry-level employment growth index (Table 4.7). An index value of one means that the industry has the same amount of employment as it did in 2000, a value greater than one means that employment has increased compared to 2000, and a value of less than one means that employment in the sector has declined compared to 2000 (Table 4.7).

FIGURE 4.9: SUSSEX COUNTY INDUSTRY EMPLOYMENT INDEX

Source: US Bureau of Labor Statistics, Econsult Solutions, Inc.

TABLE 4.7: SUSSEX COUNTY EMPLOYMENT INDEX

Industry	2000 Employment	2012 Employment	Index Value	2000-2012 Percent Change
Natural Resources and Mining	161	133	0.83	-17.4%
Construction	1,867	1,821	0.98	-2.5%
Manufacturing	2,443	1,924	0.79	-21.2%
Trade Transportation, and Utilities	7,566	7,560	1.00	-0.1%
Information	663	298	0.45	-55.1%
Financial Activities	1,134	1,106	0.98	-2.5%
Professional and Business Services	5,006	3,966	0.79	-20.8%
Education and Healthcare	5,251	6,605	1.26	25.8%
Leisure and Hospitality	3,823	4,912	1.28	28.5%
Other Services	1,138	1,681	1.48	47.7%

Source: US Bureau of Labor Statistics, Econsult Solutions, Inc.

LOCATION QUOTIENT

One method to help identify what makes a regional economy unique is to look at the location quotient (LQ) of a given industry. A location quotient is an indicator of industry concentration within a region, expressed as the ratio of the proportion of the industry

locally within the total local economy to the proportion of the industry nationally within the total national economy. It can help reveal in what industries a region may have a competitive advantage. Therefore, an LQ greater than one indicates that the industry has a competitive advantage. Conversely, an LQ less than one indicates that the industry is a smaller piece of the local economy than it is of the national economy and indicates an area where the local economy is not as strong.

Most industries in Sussex County have a LQ that is below one (Table 4.8), including the typically higher paying industries of Information (0.36), Financial Activities (0.52), and Professional & Business Services (0.78). These are industries that typically bring money into a region and have a wealth creating impact. The fact that these high-paying industries have LQs that are significantly below one is likely having a negative impact on the future growth prospects for the County's economy. The industries that have LQs above one in 2012 also were above one in 2000, and include Trade, Transportation, & Utilities; Education & Healthcare; Leisure & Hospitality; and Other Services. While the LQs indicate that these are base industries, they tend to be low paying, and - except for Leisure & Hospitality - tend to be consumed primarily by local residents.

TABLE 4.8: SUSSEX COUNTY LOCATION QUOTIENT ANALYSIS¹¹

Industry	2000	2005	2010	2012
Natural Resources and Mining	0.34	0.25	0.21	0.24
Construction	1.02	1.19	1.15	1.15
Manufacturing	0.52	0.44	0.53	0.57
Trade Transportation, and Utilities	1.07	0.99	1.01	1.06
Information	0.67	0.51	0.36	0.36
Financial Activities	0.55	0.57	0.54	0.52
Professional and Business Services	1.10	0.94	0.85	0.78
Education and Healthcare	1.33	1.27	1.24	1.20
Leisure and Hospitality	1.18	1.29	1.13	1.19
Other Services	1.00	1.21	1.18	1.30

Source: US Bureau of Labor Statistics, Econsult Solutions, Inc.

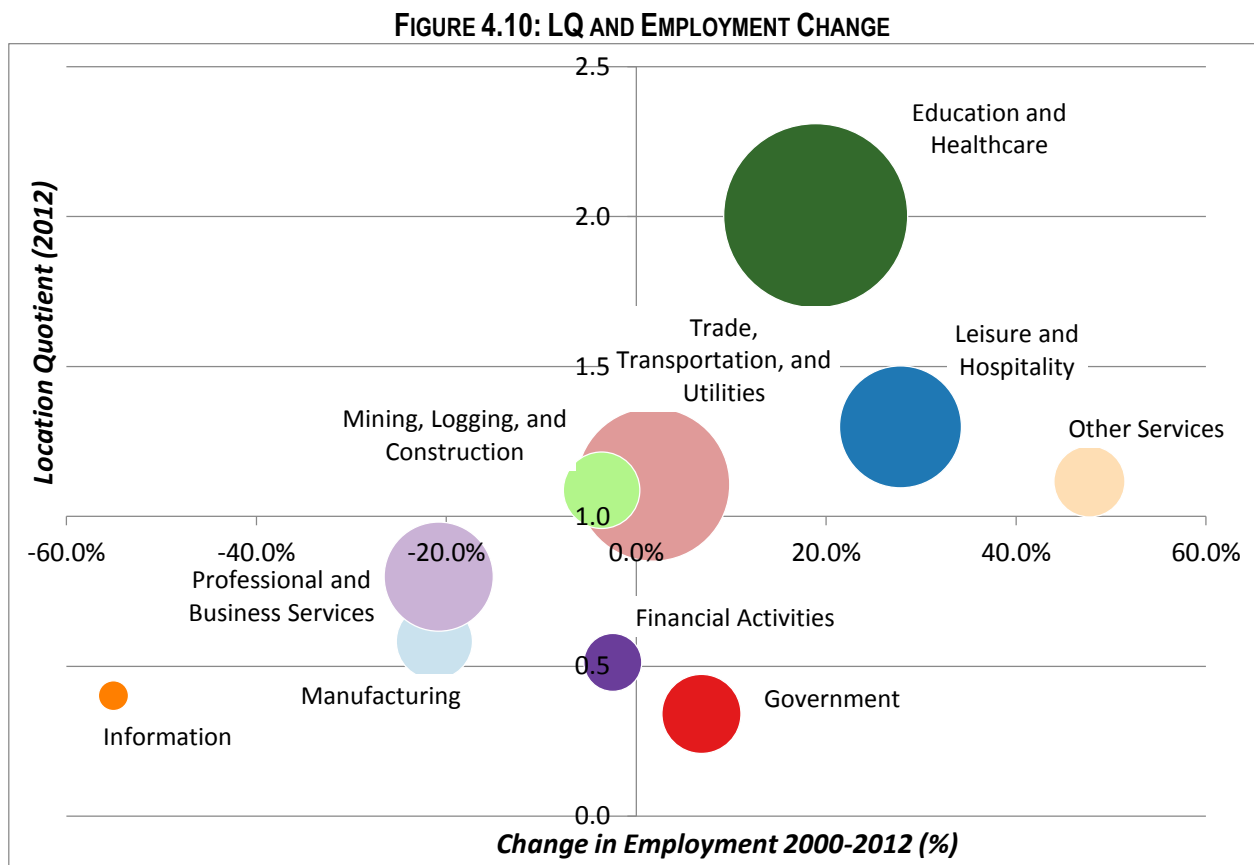
The location quotient is augmented by two other pieces of information, the size of the industry in terms of employment, and the percent change in employment over time. A high-LQ industry with a small number of jobs may be an export industry, but it is not vital to the region's economy. A large, high-LQ industry that has declined over time could be endangering the regional economy.

In Figure 4.10, the x-axis (horizontal axis) indicates the percent change in employment from 2000-2012, the y-axis (vertical axis) represents how concentrated the industry is in

¹¹ Industries with LQ in **bold italics** are considered to be basic industries, which means that compared to the national economy, the County's economy has a greater number of jobs than would be expected.

the county relative to the US (the location quotient) in 2012, and the size of the bubble indicates the number of employees in the respective industries in 2012.

Figure 4.10 indicates that Education & Healthcare and Leisure & Hospitality are clearly major drivers of Sussex County's economy – they both have LQ above one, have seen positive employment growth since 2000, and are responsible for a large proportion of the County's employment (as indicated by the size of the circle). It is also evident that Trade, Transportation, & Utilities is a vital industry group as well. Figure 4.10 also indicates the declining and minimal role that higher-paying industries such as Information, Financial Activities, and Business & Professional Services play in the economy of Sussex County. Those industries all have LQs below one, have experienced significant employment loss since 2000, and comprise a small proportion of total employment.



SHIFT SHARE ANALYSIS

Shift Share is another standard regional analysis method that attempts to determine how much of regional job growth can be attributed to national trends and how much may be due to unique regional factors. It is similar to LQ in that it highlights the uniqueness of a regional economy, but it does so in terms of job growth, rather than total jobs in an industry. Shift Share shows the industries in which the region is outcompeting or under-

competing the nation. It can be useful in identifying investment targets so that planners can help high-performing regional industries either continue to outperform national trends or catch up with national trends so that the regional economy is not left behind in those industries.

Shift Share segments regional job growth into three components:

- 1). National Growth Effect:** the change in employment associated with the overall health of the national economy.
- 2). Industrial Mix Effect:** the change in employment associated with the health of the industry nationally.
- 3). Regional Competitive Effect:** the change in employment associated with the health of the industry within the local region, in this case Sussex County.

The three components can move in different directions, but their sum is equal to the total change in jobs observed in the region's economy. The most important indicator for a local economy is the regional shift; a positive value indicates that the local industry is outperforming the national industry, which can be true even if there is a net decrease of jobs within the industry. A negative value indicates that the local industry is lagging the national industry, which can be true even when there is a net-increase in employment. Table 4.9 summarizes the Shift Share analysis for Sussex County between 2000 and 2012.

TABLE 4.9: SUSSEX COUNTY SHIFT SHARE ANALYSIS 2000 TO 2012

Industry	2000	National Growth Effect	Industrial Mix Effect	Sussex County Competitive Effect	Total Shift	2012
Natural Resources & Mining	161	1	26	-55	-28	133
Construction	1,867	11	-310	253	-46	1,821
Manufacturing	2,443	14	-777	244	-519	1,924
Trade, Transportation, & Utilities	7,566	43	-213	164	-6	7,560
Information	663	4	-177	-192	-365	298
Financial Activities	1,134	6	-17	-18	-28	1,106
Professional and Business Services	5,006	28	348	-1,416	-1,040	3,966
Education & Healthcare	5,251	30	1809	-485	1,354	6,605
Leisure & Hospitality	3,823	22	581	486	1,089	4,912
Other Services	1,138	6	104	433	543	1,681
Total Private Sector	29,052	164	1,375	-585	954	30,006

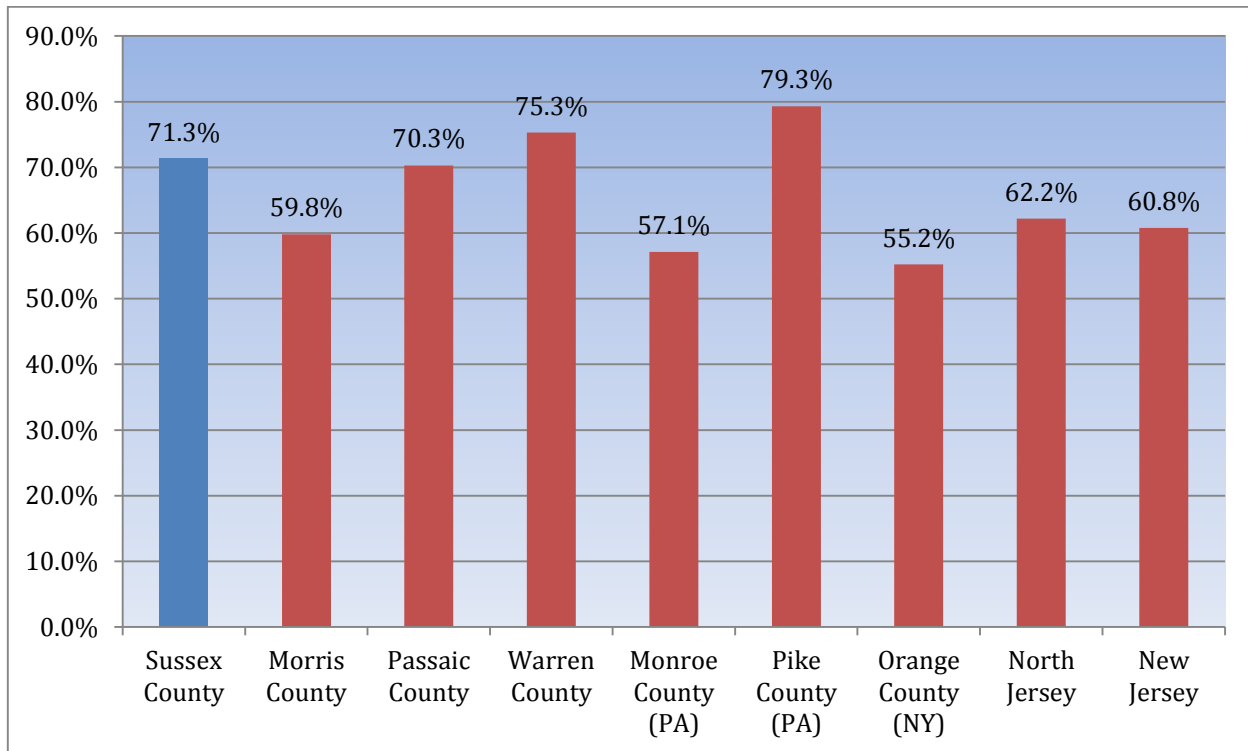
Source: US Bureau of Labor Statistics, Econsult Solutions, Inc.

For the purposes of this Study, the regional competitive effect is the most important. A positive regional competitive effect for an industry (Leisure & Hospitality, Trade, Transportation, & Utilities, Manufacturing, and Construction) indicates that the regional industry is out performing national trends (both overall national trends and national trends specific for that industry). A negative regional competitive effect, such as for Information, Financial Activities, Professional & Business Services, and Education & Healthcare, means that the industry is underperforming compared to national trends.

The analysis shows two interesting results, which are the negative regional competitive effect for Education & Healthcare and the positive regional competitive effect for Manufacturing. The negative regional competitive effect for Education & Healthcare does not mean that the industry did not add jobs over the 2000-2012 period. As was illustrated in Table 4.9, it is clear that the industry added jobs over the period. What the negative value means is that the industry did not do as well as would be expected given overall national economic trends and national industry trends. Conversely, the positive value for manufacturing does not mean that the manufacturing sector in Sussex County added jobs; in fact the industry lost nearly 520 jobs over the 2000-2012 period (nearly 21%). The positive value means that the manufacturing sector in Sussex County performed better than would have been expected given trends in the national economy and the manufacturing sector nationally; in other words, while the manufacturing sector in Sussex County lost jobs, it did not lose as many jobs as would have been expected.

COMMUTING PATTERNS

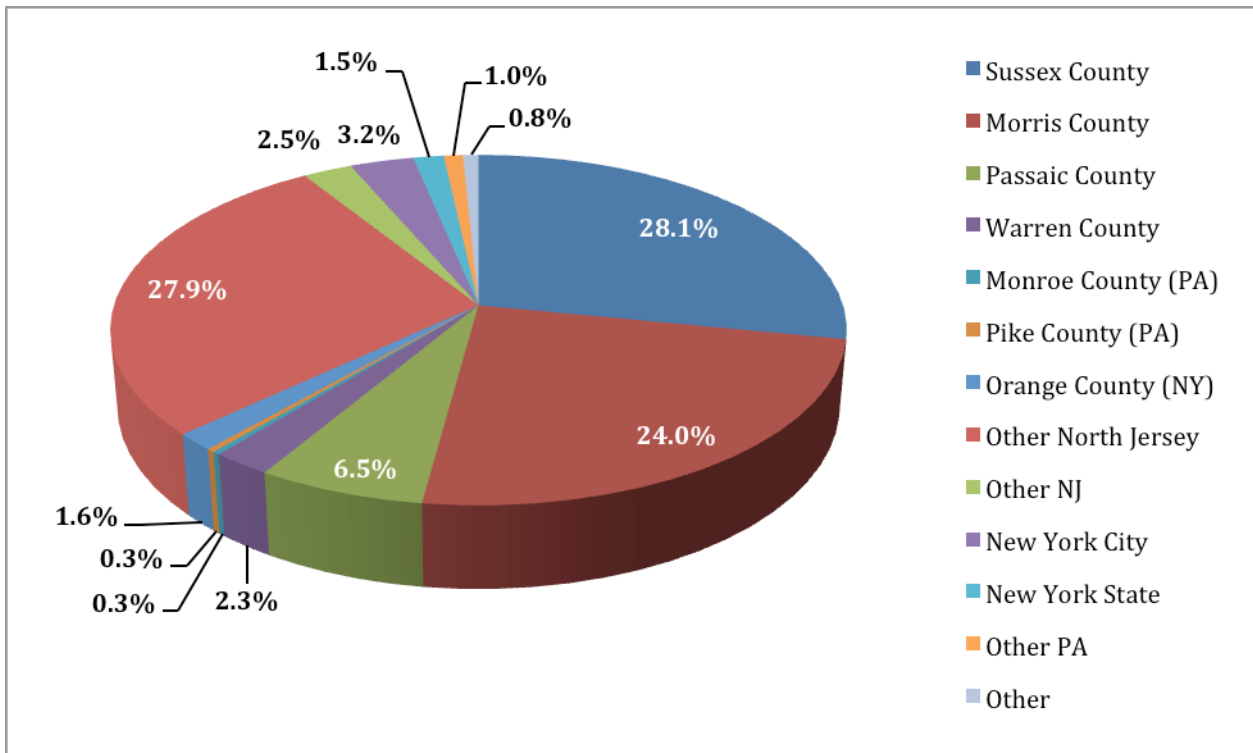
The location of an individual's residence relative to where they work can have implications for economic development. Studies have shown, for example that long daily commutes can make it more difficult to attract and maintain a reliable workforce and decreases employee productivity. Journey-to-work data from the US Census Bureau provides information on county-to-county flow of workers. A review of this data found that in 2011, approximately 71% of the individuals that lived in Sussex County commuted outside of the County for work. The only neighboring counties with a higher percentage of out-commuters included Warren County at 75% and Pike County (PA) at 79% (Figure 4.11). As would be expected due to the decrease in employment in the County, the percent of workers that commute outside of the County has been steadily increasing from 69% in 2002 to its current peak of nearly 71%.

FIGURE 4.11: 2011 PERCENT OF OUT-COMMUTERS

Source: US Census Bureau, Econsult Solutions, Inc.

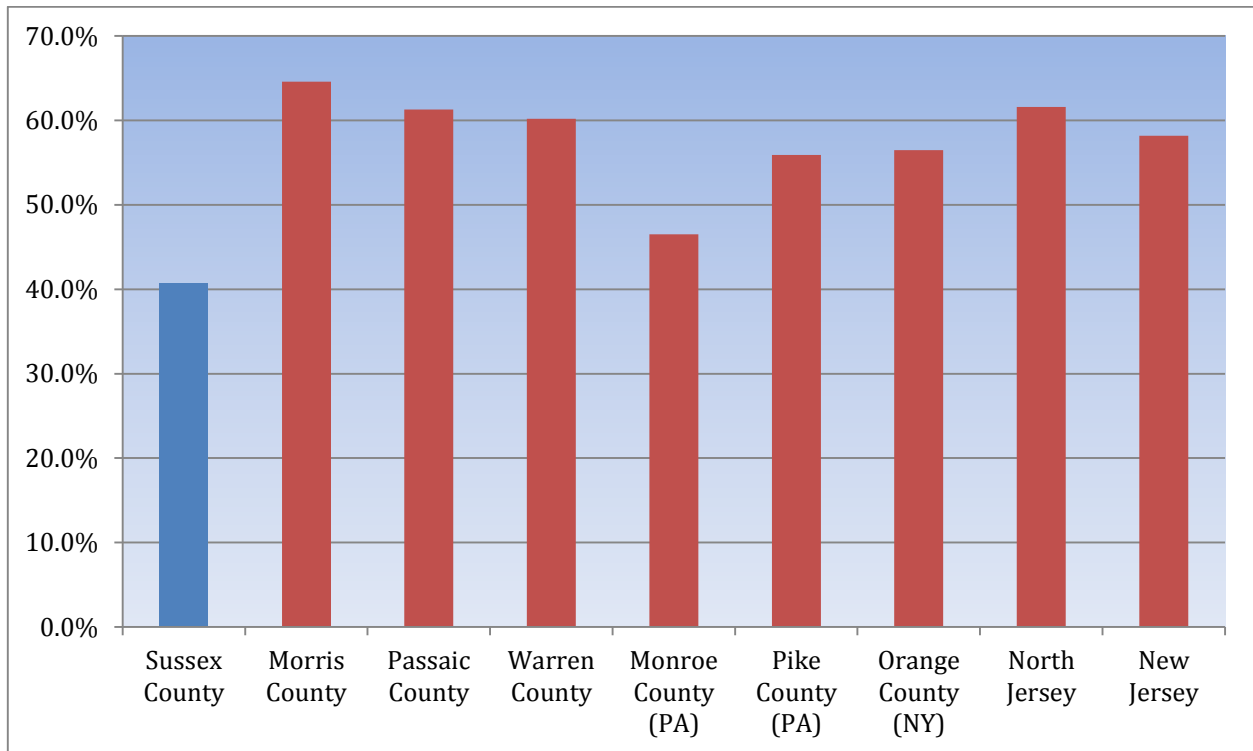
In addition to the commuting patterns, the Census Bureau also collects data on the average commuting travel time of workers. Residents in Sussex County had the highest average commute time of all counties in the 13-county North Jersey Region, 36.8 minutes. As would be expected, Warren County had the second highest commute time of 34.8 minutes. Both of these times are significantly above the state average of 30.7 minutes.

Nearly 33% of employed individuals in Sussex County commuted to a neighboring New Jersey county, with 24.0% traveling to Morris County, followed by Passaic and Warren Counties at 6.5% and 2.3% respectively (Figure 4.12). An additional 27.9% commuted to one of the remaining North Jersey counties. Only slightly more than 2% commuted to one of the neighboring out of state counties, including Orange County, NY (1.6%), Monroe County, PA (0.3%) and Pike County, PA (0.3%). Only 3.2% commuted to New York City.

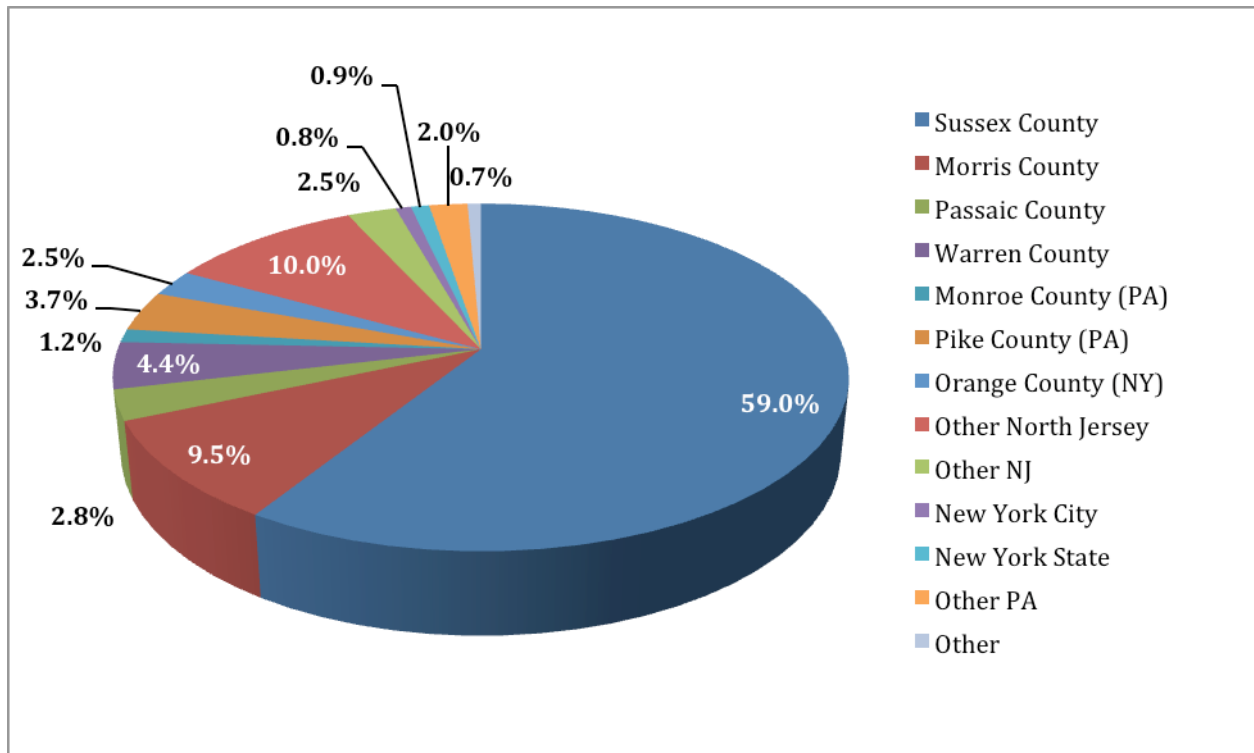
FIGURE 4.12: WHERE SUSSEX COUNTY RESIDENTS WORK

Source: US Census Bureau, Econsult Solutions, Inc.

Sussex County had the lowest percentage of out-of-county residents holding jobs in Sussex County compared to neighboring Morris, Passaic, Warren, Monroe, Pike, and Orange Counties, as well as the North Jersey region and the State. Only 40.7% of individuals who worked in Sussex County commuted from outside of the County (Figure 4.13). This is well below the other neighboring counties as well as the other counties in the North Jersey region and the State. Nearly 17% of Sussex County employees come from one of the neighboring New Jersey counties - Morris County (9.5%), Passaic County (2.8%), and Warren County (4.4%) (Figure 4.14). An additional 10% come from one of the remaining North Jersey counties. Slightly more than 7% of Sussex County employees come from one of the out-of-state neighboring counties, including Monroe County, PA (1.2%), Pike County, PA (3.7%) and Orange County, NY (2.5%).

FIGURE 4.13: PERCENT OF IN-COMMUTERS

Source: US Census Bureau, Econsult Solutions, Inc.

FIGURE 4.14: WHERE DO SUSSEX COUNTY EMPLOYEES COME FROM?

Source: US Census Bureau, Econsult Solutions, Inc.

The high percentage of residents who commute outside of the County for employment indicates that the County serves as a bedroom community for employment centers located outside of the County. Additionally, the low percentage of workers that commute in from outside the County indicates that the County is not a destination for businesses that attract a large employment base.

5.0 CHALLENGES FACING THE COUNTY

The County, and to a lesser extent, the region are undergoing a major demographic and economic transformation. It is likely that the 50-year period of increasing suburbanization, or spatial disaggregation from the regional core, has come to an end. The trends that have been evidenced in Sussex County indicate a weakening of the regional perimeter and a strengthening of the regional core and inlying suburbs. This fundamental shift in spatial growth patterns is not unique to northern New Jersey and is consistent with what has been occurring in metropolitan areas across the country. These changing demographics are also contributing and will continue to contribute to changing economic dynamics for the County and the region well into the future.

Sussex County is also failing to attract the workforce of the future, those individuals between the ages of 20 and 29. Individuals in the 20-29 age cohort have been identified as one of the key demographic groups associated with economic growth and development. They have vastly different live/work preferences than the generations that came before them. These younger workers are more interested than previous generations in living in walkable, high-density, high-activity environments that are transit accessible, which is a living option that does not exist in Sussex County. The lack of younger workers was also identified as a major potential issue in the County's Vision 2020 plan. The report found that a decline in the number of younger workers could be a negative for many firms, especially for the "cutting edge" technology businesses that the Vision 2020 Plan hoped to attract. The age shift also has an impact on the nature and types of services that the government can or should provide, as well as altering the County's market for goods and services. The combination of declining and ageing population coupled with an inability to attract young workers, younger families, and foreign born individuals is likely to continue well into the future and will likely affect the future growth prospects of the County.

Sussex County appears to be under-represented in its percentage of employment in higher-paying industries such as Information, Financial Activities, and Business and Professional Services. These industries are typically considered export-based industries that bring money into the region and have a wealth creating impact on the local economy. The County's employment profile is further distinguished by its low percentage of private sector employment relative to the 13-county NJTPA region and the state as a whole. This provides a greater relative presence in the County to public sector employment. This is evident by the fact that Sussex County is one of the larger employers in the County. In addition, five of the thirty largest employers in the County are public school districts, which are affected by declines in enrollment such as those experienced in recent years.

Leading up to the Great Recession, the County had enjoyed a strong employment growth trajectory, outpacing the state and region in most years. However, while the employment picture in the North Jersey Region, the State of New Jersey, and the US has begun to improve (as indicated by the upward sloping line in Figure 4.6 from 2010 forward), the recovery in Sussex County has been much slower. It is not clear if this represents a new-

post recession normal for the County or a temporary shift that will default to the “old normal” in the near future¹².

This updated Strategic Growth Plan reflects these new realities. The Vision 2020 Plan acknowledged that the proposed course of action stood in contrast with the existing economic trends that were occurring at the time the plan was developed. The same trends that were in effect then are still in force now and are unlikely to reverse in the near future. Furthermore, since the Vision 2020 Plan was completed, the County has further lost ground in many of the key sectors that the report had identified to strengthen – including Business & Professional Services and Manufacturing. This suggests the need to reevaluate the conclusions of the Vision 2020 Plan, and develop a strategic growth plan that capitalizes on the unique strengths of the County.

A key asset to the County is its rural character in proximity to the urban core and the work that has been done by the County and state government to promote the recreational and tourism potential of Sussex County. The County’s high-quality natural assets are year-round attractions with the potential to bring in significant expenditures from out-of-county tourists. They can also attract significant investment and employment opportunities to provide upper-end year-round leisure and recreational activities. The Leisure & Hospitality industries have the potential to become a true basic industry for the Sussex County economy by selling goods and services to out-of-county buyers and bringing in economic activity that would not have otherwise been generated in the County.

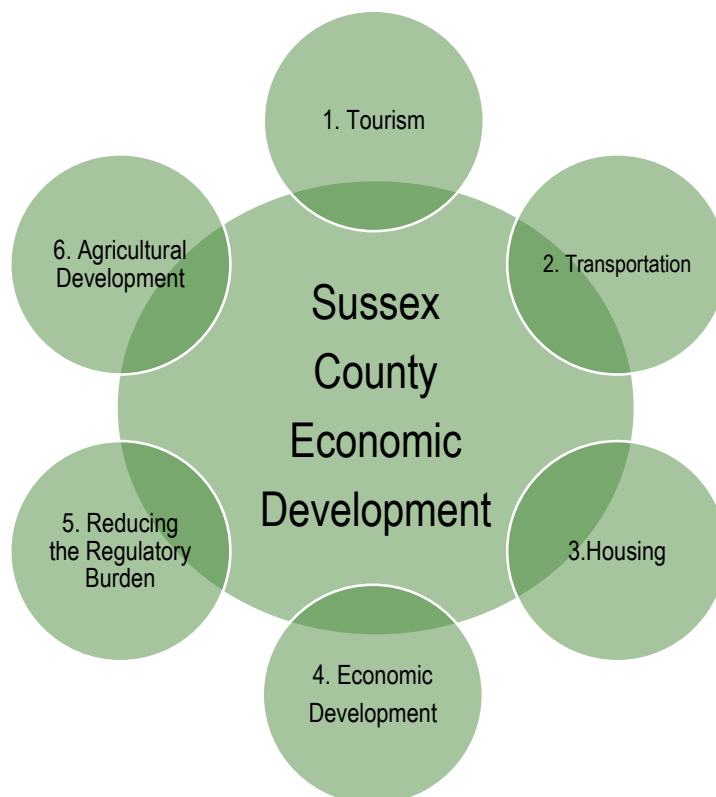
¹² Hughes, J. W. and Seneca, J. J. 2014. Sussex County Economic and Demographic Profile: Framework for Future Development. Edward J. Bloustein School of Planning and Public Policy. January 2014.

6.0 PLAN OF ACTION

The preceding analysis shows that Sussex County faces a host of challenges. As discussed in Section 4, Sussex County is facing a declining and aging population as well as decreased employment, and has seen relatively little economic development in recent years. Broad demographic and economic trends favor development in areas more urban than Sussex County. Increased development is occurring where there is a larger population of people ages 30 and younger -- a population that in Sussex County is not growing. Based on the input received during the cluster workshop and from the steering committee, the project team developed six priority focus areas (Figure 6.1):

1. Tourism
2. Transportation
3. Housing
4. Industrial and Commercial Development
5. Reducing the Regulatory Burden
6. Agricultural Development

FIGURE 6.1: SIX PRIORITY FOCUS AREAS



While all six focus areas are important, it is critical to recognize that this is an era of constrained fiscal resources at the state, county and municipal levels and there is a need for prioritization. The recommendations in the Update have been prioritized so that actions with potentially large influence are identified as high priority. In general, the recommendations are focused on policy and private partnerships, as well as small scale projects, and not large scale investments. Though the recommendations often point to public entities, most changes to the private economy are implemented by private entities and are generally beyond the ability of the government to implement. Government has a role, however, as it sets the rules and the development conditions that can influence private actions. It can prepare a community for the development it would like to see and, where appropriate, reduce the administrative burden placed on private development. Further work done today can help promote investment and entrepreneurial risk-taking should fiscal constraints ease in the future.

Changing an economy takes decades, but the process begins with smaller steps that can produce tangible outcomes over the short- and medium- term. While the state, county, municipal partners and private stakeholders may not be able to achieve all of their goals immediately, they provide direction and have a strong interest in the County's economic stability. Further, just because a specific policy is not listed or discussed does not mean it is inappropriate. The spirit of these recommendations is to help Sussex County recognize the changing world, adapt to it, and benefit from it. Additionally, it is important to note that no level of government acting alone can accomplish these goals. They can only be achieved through working with the County's private businesses and residents, cooperation between the three levels of government— municipal (local), county, and state, and a collaborative effort with neighboring counties, municipalities, and businesses that border Sussex County.

Ultimately, policy is about choice. The policy recommendations contained herein reflect the best information available about current and future trends. The recommended policy actions are essentially choices to align Sussex County's direction to outside economic, demographic and social forces.

One overall recommendation is to use the New Jersey Draft Final State Strategic Plan's (SSP) Criteria-Based Investment Strategy and Priority Investment Framework as a framework in the planning and implementation of any recommendations. Somerset County has used this approach in their efforts to encourage economic growth through targeted investment within their County.

6.1 PRIMARY FOCUS AREA #1 – TOURISM (HIGH PRIORITY)

Sussex County is frequently described as “picturesque,” or “rural,” with “rolling hills” and “natural beauty”. Sussex County has the potential to leverage its natural assets to increase tourism and to have a positive impact on the economy. State, county, municipal, and private businesses offer a variety of different types of tourism activities including ecotourism/outdoor recreation, agritourism, arts and culture and other activities.

However, not much is known about who comes to Sussex, where they come from, and why they come. Those in the tourism industry in Sussex County need to know the answers to these questions to better market the county as well as their facilities to current visitors and potential visitors. This Strategic Growth Plan recommends conducting a limited study to answer these questions. For example, the study could involve intercept surveys at tourist attractions, website tracking, interviews with management of tourist destinations, or other methods. The study need not be expensive or time consuming, and could even be conducted as part of a course at Sussex County Community College or Rutgers University if a suitable professor can be found to guide it. The results of the study will help ensure that the limited marketing resources of the County and business partnerships are used effectively.

Given the importance of tourism to the County's economy, the County could take a more active role in promoting tourism and helping to grow and expand the industry. One way to do that would be for the Freeholders to designate an existing County staff member to act as a liaison between County government, the State, the Chamber of Commerce, local municipalities, and the tourism industry for all things related to travel and tourism. This will help better coordinate marketing activities and help ensure that all municipalities benefit from travel and tourism. The staff member will also be able to help educate local municipalities and non-profits about the benefits of the tourism industry and help ensure that the overall tourism-related goals of the County are being advanced. Including State Parks staff responsible for Forest and State Parks management in County level tourism initiatives would be beneficial as well.

The Sussex County Chamber of Commerce is the Destination Marketing Organization (DMO) for the County and spends \$150,000 to \$200,000 per year promoting the County, including tourism. For comparison, one of Sussex County's main competitors for tourism dollars is the Pocono Mountain region in Pennsylvania, which includes four counties. The Pocono Mountain's Visitor Bureau (PMVB) is solely focused on promoting the Pocono Mountain Region. The PMVB has an annual budget of over \$5.6 million of which over 70% (\$4.0 million), is spent on marketing and promoting the Region as a tourism destination.¹³

While it is most fiscally efficient for the County to rely on private sector tourism interests to market the County, private interests steer potential customers to their destinations. Tourism in Sussex County is unique and multifaceted and comprised of a large number of small entities (e.g. agritourism and ecotourism operators). Many of these smaller tourism operators do not have marketing budgets, and without an entity with a broader scope involved in the marketing process, there will be minimal county-wide marketing.

Funds for Marketing

Sussex County's Destination Marketing Organization is currently funded by the NJ Division of Travel and Tourism to pay for tourism marketing. This funding comes through

¹³ <http://issuu.com/800poconos/docs/annualreportfinal>

a competitive grant process that requires the County's DMO to compete with other DMOs across the state for a limited pool of funding every other year. This burden makes it difficult for the Chamber to establish multi-year sustained marketing campaigns as well as to undertake other long-term efforts.

Moving forward, the Chamber should continue to identify private or external funding and/or resources to provide support for marketing Sussex County businesses, including tourism. A funding source for these efforts is difficult to come by in this increasingly competitive market but is worth noting. In Morris County, the County Freeholders provide the Morris County Tourism Bureau (MCTB) with an annual appropriation that covers the salaries of the Tourism Bureau's staff. This funding then allows the money that MCTB receives from NJ Division of Travel and Tourism to be put towards marketing Morris County and not administrative functions.

In neighboring Pennsylvania, the Pocono Mountain's Visitor Bureau is funded by a countywide hotel tax – a source of revenues not available to Sussex County. Each of the four counties that comprise the PMVB levies a 3% countywide hotel tax, which comprises over 80% of PMVB's budget. In New Jersey only the State and municipalities are allowed to collect hotel taxes – not counties. In 2013, Sussex County generated \$1.78 million in State hotel taxes, which implies that taxable hotel revenue was approximately \$35.5 million in 2013.

As part of a regional effort, suggesting a higher percentage of statewide hotel occupancy tax revenue to be directed towards travel and tourism promotion at the County level is recommended. From 2009 to 2013, revenue generated from the state hotel occupancy tax has increased from \$102.5 million to \$133.2 million, an increase of 30%. However, since the passage of the hotel occupancy tax legislation, the amount of funding for DMOs across the state through the NJ Division of Travel and Tourism has remained constant, while the number of official DMOs eligible for grants from the program has increased. New Jersey's DMOs are currently working together to seek additional funding from the hotel tax.

Social Media

Today the Internet and social media are the first place that many potential visitors go when trying to decide where to go on vacation, whether it is for a day trip, long weekend, or longer vacation. Compared to its main competitor, PMVB, the website and social media presence of Sussex's County's DMO is lacking. For example, the Chamber could enhance their current website at low additional cost to make it easier to find their Facebook, Twitter, and Instagram connections. After undertaking improvements to their website, the PMVB saw an 11% increase in web traffic to their site.¹⁴ Facebook, Twitter, Instagram and other social media sites offer a way to promote the County and to interact with potential visitors. Social media has become a very effective and cost-effective way to help Counties promote a "Four Season" tourism destination. For example, a recent

¹⁴ <http://issuu.com/800poconos/docs/annualreportfinal>

Facebook campaign undertaken by the PMVB generated nearly 11,000 new fans and reached nearly 5.7 million people. It is recommended that, as the County's official DMO, the Sussex County Chamber expand its social media presence as a low additional cost solution.

With budgetary constraints, attention needs to be given to the relative cost-effectiveness of owned and earned rather than paid media.¹⁵ The County may want to consider social media as a cheaper approach to marketing tourism. The first place that most 20- and 30-year olds go for information is their smartphone, whether it is through the "app" or the Internet itself. Currently the Sussex County Chamber does not have a mobile-friendly tourism website or an "app." In addition to helping promote the County to potential visitors, the "app" and mobile-friendly website would also be useful for individuals who are visiting the County to find restaurants, hotels, and attractions.

Local Destination

Despite its recreational opportunities, natural features and Main Street-focused small towns, Sussex County is primarily a day-trip destination for tourists. Nonetheless, the County enjoys relative proximity to New York City and Philadelphia and their surrounding populated areas, making it a possible weekend getaway destination which would increase spending on hotels, restaurants, retail stores, and other attractions. Sussex County is just far enough from these places that an overnight stay may be desirable. If tourism to the County increases, there will be private investment in hotels and motels. Municipalities should work with private business, and the County can advise if needed, to identify suitable locations for new lodging and make sure that the sites are appropriately zoned.

Workforce Development

Training Sussex County residents for jobs in the tourism industry is a key way to retain residents by preparing them for local employment opportunities. Both the Sussex County Technical School and Sussex County Community College should incorporate eco- and agri- tourism curriculum into their offerings. Further, to attract non-residents and to prepare students for managerial and executive positions, the County should work with a New Jersey secondary education institution and the NJ legislature to explore establishing a satellite college campus in Sussex County that offers a 4-year degree in tourism and hospitality, specializing in eco- and agri- tourism.

6.2 PRIMARY FOCUS AREA #2 – TRANSPORTATION (HIGH PRIORITY)

Recommendations fall into three areas: 1) roads and automobile transportation, 2) complete streets, and 3) public transportation.

¹⁵ "Owned" media are the websites and other internet presences controlled by the County, "Earned" media is mention of the county in publications, such as newspapers, that are free for the County, and "Paid" media are advertisements and other media requiring a direct expenditure

Roads and Automobile Transportation

The private automobile will be the dominant mode of transportation in Sussex County for the foreseeable future. Development in Sussex County is dispersed at low density, and no other transportation mode is practical for most trips. Most trips occur on uncongested roadways, though there are instances of congestion and slow traffic. Sussex County only has jurisdiction over County roadways. Municipal and state roadways are in separate ownership and the County is not involved in maintenance or improvements on these roadways. The County can continue to identify county intersections and road segments that most frequently lead to congestion, and increase capacity through relatively inexpensive means, such as retiming lights, adding a passing lane, center left-turn lane, or minor reconfigurations of intersections. The County has done this in the past and can continue to make these improvements. In addition, the County should continue to work with the New Jersey Department of Transportation (NJDOT) to identify necessary maintenance and roadway improvements on state roadways, as needed. Municipalities and Sussex County can also continue to work with the NJDOT for local aid funding and assistance with applications to competitive grants for vehicular, pedestrian, and bicycle amenity improvements, such as the Transportation Alternatives Program and Safe Routes to School Program, where needed. The County should also continue to work with the North Jersey Transportation Planning Authority to secure funding from the NJTPA's Local Safety and High Risk Rural Roads Program, which supports high impact safety improvements on county, municipal, and rural roads. The County has been successful at completing projects as part of this Program and it is recommended they continue to utilize this funding source.

Complete Streets

A Sussex County Complete Streets Policy and Implementation Plan was developed in response to the need to provide mobility for all County residents and visitors, of all ages and abilities. Complete Streets policy encourages that, when roads are rebuilt, road owners should consider improved standards, including adding trails, wide shoulders, sidewalks, or other non-auto amenities. In addition to engineering recommendations, the Plan also encourages local municipalities to adopt complete streets policies and use the Sussex County Complete Streets Policy and Implementation Plan as a resource.

Trails

The current trail network follows former railroad rights-of-way, which may or may not connect to desired destinations such as schools, shopping center, and housing. The trails can be used by pedestrians, cyclists, and equestrians for mobility because they are level and straight. Sussex County should consider developing a "last mile" program to connect the trails to origin and destination points, so that trail users can access their destinations safely. In many cases there is existing infrastructure in place, such as sidewalks. Trails should be clearly marked and provide way-finding information. The County should also publicize the family-friendly nature of the trail network and support marketing of bike rental opportunities on County social media outlets if demand exists. These key trail recommendations are outlined below:

- Prioritize trail development efforts that connect high-demand origins and destinations. The existing trail network provides recreational benefits, but does not necessarily provide connections for everyday trips. Practical connections help increase resident usage and will benefit tourists as well.
- Develop a prioritized list of transportation investments, including automobile and trail investments. Identify grant programs, such as the federal TIGER grants (Transportation Investments Generating Economic Recovery) or state grants and apply where appropriate.

Public Transportation

Passenger rail has not been available in Sussex County since 1966. However the Erie-Lackawanna Cutoff in the southern corner of the County forms part of a line to provide planned restoration of passenger rail service between Scranton and New York City. The initial segment of the line, currently under construction, will feature a passenger station at Andover Township with service slated to start in late 2016. Twelve daily trains, six each way, will run between Hoboken and Andover daily, or to New York Penn Station via transfer to Midtown Direct Service, by connecting to the existing NJ TRANSIT Montclair-Boonton and Morris & Essex Line. The Andover Train Station will be the terminus for the line. Rail travel from Andover to New York Penn Station will take about two hours. This presents a new opportunity for Sussex County residents to make leisure and commuter trips into New York City. The closest current rail option is the Netcong Train Station, which is about ten miles south of Andover Borough.

To maximize the effectiveness of the service, the municipality should work with NJTRANSIT to ensure sufficient parking is provided at this station. Consideration of a shuttle service that runs from Newton, Sparta, and other population centers to Andover, and serves other demand generators if appropriate, should be explored, including nearby tourist destinations such as the Sussex County Fairgrounds. This service could be supported by a private entity or an existing shuttle service provider within the County. The shuttle service could start on a trial basis, to determine the level of demand.

The shuttle should be as easy to ride as possible and information about the service should be widely available. Every shuttle stop should be clearly marked with prominent signs, and signs at each stop should indicate the route, schedule, fare, how to ride, and other relevant information. Flyers with shuttle information should be placed at locations where potential riders are likely to go, such as senior centers, libraries, schools, large workplaces, tourism destinations, and the like.

Sussex County's low density makes it unsuitable for high frequency public transportation. Land use policies that support denser development in centers may, in time, increase demand enough to justify additional service.

6.3 PRIMARY FOCUS AREA #3 – HOUSING (HIGH PRIORITY)

Sussex County has one of the highest median household incomes in the country, and its housing stock reflects this fact. As the county faces the next thirty years and beyond, its housing stock needs to reflect its role in the region. As identified in earlier sections, demand for the type of housing currently in Sussex County has shifted, from a housing market dominated by single-family owner-occupied housing, to a market that seeks a mix of owner-occupied and rental housing in a variety of sizes and price points. Further, if Sussex County wants to take advantage of non-auto travel and reduce traffic congestion by encouraging walking and cycling trips from home to destinations, the County's municipalities should encourage new housing types similar to those found elsewhere in the region. Lack of substantial central waste water treatment facilities, environmental constraints such as steep slopes and Highlands preservation constraints, and current municipal zoning codes restricts denser development. The market has reacted by providing single family, owner occupied market rate housing. The suggestions laid out earlier in this update regarding smart growth principles could result in some increase in the stock of alternatives, particularly in the rental and multi-family sectors.

Affordable Housing

Inexpensive housing can be found in relative abundance in Pike and Monroe counties in Pennsylvania, just to the west of Sussex County. These counties have suffered from the same change in preferences and demand that have affected Sussex County, except that the housing stock in those counties is both newer and less expensive. In many ways the Pennsylvania housing serves as workforce housing.

Sussex County municipalities will of course have to comply with COAH regulations. COAH's draft regulations call for the development of more than 1,700 new affordable units countywide in the next ten years, implying that Sussex County municipalities need to develop affordable housing plans. However, the COAH regulations are in flux, and Sussex County municipalities' ultimate obligations are unknown.

Sussex County is not a favorable place for transit-dependent working families, because there is very limited non-auto access to employment. In addition, during the visioning process for this Study, housing for individuals with developmental disabilities such as group homes, was discussed. Some participants discussed the need for more housing options in regards to special needs individuals. State funding options and the County's supply of vacant large lot, as well as large home foreclosures, were mentioned as an opportunity to increase the supply of this kind of housing.

Market Rate Rental Housing

High-end rentals can be attractive to high-skilled millennials who may be reluctant to buy housing. These workers sometimes work where other high income families work or they work at home. High-end rentals would be suited for existing urbanized areas such as Newton, Andover, Sparta, Hopatcong and other towns in the southern section of the County that border Morris County, and have relatively easy access to higher wage jobs in Morris County and elsewhere.

Sussex County provides few options for empty nesters who want to downsize. Some want smaller single family houses, or to live in mixed-use apartment or condominium complexes that also offer retail or other services close by, while others want high-end rentals. Sussex County municipalities should make this type of housing possible through appropriate regulations.

Regulatory Obstacles

High-end multi-family rental housing and affordable rental housing face two major regulatory constraints: sewer connections and zoning.

- It is recommended that Sussex County and its municipalities continue to collaborate with the New Jersey Department of Environmental Protection to allow sewer permits in already developed areas. There are suitable areas in and near towns for multi-family development. Adequate sewer capacity or the ability to add simple incremental capacity is recommended.
- It is also recommended that the municipalities review their zoning codes to support mixed-use development. Mixed use development can contribute to economic vitality, reduce land consumption, and decrease the need for auto trips relative to separate use environments. One way to realize mixed use is to adopt a form-based zoning code, as in Newton. The municipality focuses on the performance of the built environment, such as appearance, traffic and bulk, rather than a specific use (e.g. retail, office, etc.).

The low density of Sussex County development and lack of alternative transportation options means that most trips must be motor vehicle trips. By focusing new development on existing towns or new centers, transportation options may become viable, and new residents will be located closer to their daily needs. It is recommended that municipalities permit higher densities in appropriate (e.g. areas with central sewer service) areas. For example, Newton, Andover, and Stanhope are sensible locations for new development. Concentrating new development in existing areas also preserves open space, helping to maintain part of what makes Sussex County attractive in the first place.

Policy / Fiscal Considerations at the Municipal Level

As with other New Jersey communities, property taxes are high in many Sussex County communities, with effective tax rates of up to 3.4 percent of assessed value, which both reduces housing values and discourages investment.¹⁶ Sussex County falls in the mid-range of New Jersey Counties for effective real estate tax rates, and on par with Hunterdon, Warren and Passaic Counties, and slightly higher than Morris County.¹⁷ Though obviously a complex and politically charged topic, property taxes are needed to support municipal services, county and municipal governments and boards of education. Some municipal and county governments have taken significant steps to lower tax rates

¹⁶ <http://www.state.nj.us/treasury/taxation/lpt/taxrate.shtml>

¹⁷ <http://www.nahb.org/generic.aspx?sectionID=734&genericContentID=163494&channelID=311>

and in keeping with the 2% cap on property tax increases through shared services and staff cuts. Efforts should continue to reduce costs through sharing services and reducing or eliminating unnecessary services. Hardyston, in Sussex County, is an example of a municipality that has reduced costs considerably by sharing services with neighboring municipalities.

6.4 PRIMARY FOCUS AREA #4 – ECONOMIC DEVELOPMENT (MEDIUM PRIORITY)

The Update to the Strategic Growth Plan recognizes that, while the County is fortunate to have a strong recreation and tourism industry, the County's economy cannot rely upon this industry alone for long-term economic sustainability, family-supporting jobs, and economic diversity and strength. The County's economic stability must rest on a diverse business base.

Based on this Plan's analysis, this update recommends efforts to increase economic activity that focus on high-wage jobs that appeal to people who like the Sussex County lifestyle and maintain the County's high quality of life. However, others want the County to see significant industrial development. While the process of updating the Strategic Growth Plan took a step towards establishing a unified vision for economic development in the County, there still appears to be disagreement on what the County can and should be economically. The County should consider continuing the visioning process to arrive at a consensus vision for economic development in the County. Once established, the vision can then drive the County's economic development activities.

However, regardless of whether or not the County continues the visioning process, the County should consider a broad awareness campaign, in partnership with local businesses, municipal leaders, County residents and the Chamber of Commerce that stresses the value and importance of economic growth and development within Sussex County. The goal would be to increase understanding among local officials and residents about how strategic economic development can contribute to a healthy economy.

The Sussex County Chamber of Commerce and Sussex County Economic Development Partnership (SCEDP) should continue to develop and expand a list of industries and sectors that will be targeted for recruitment and expansion. It is important that the SCEDP be actively engaged in this since they work on a daily basis with business retention. The list should take into consideration the strengths of the County as well as the economic development goals of New Jersey and the Region. TOGETHER North Jersey is in the process of developing a Regional Comprehensive Economic Development Strategy for the North Jersey Region, including Sussex County. That effort recommends public-private partnerships as the means to diversify and strengthen the regional economy, with support from the U.S. Economic Development Administration. The County and its municipalities should participate in this effort and use the final Plan as a resource. In addition, the recent 2012 Final Draft New Jersey State Strategic Plan provides

information on industries and sectors throughout the state.¹⁸ This should be considered as a resource as well when discussing the industries and sectors that the Chamber should emphasize (Appendix G). Some potential clusters for targeting include: agribusiness industry; healthcare; and advanced manufacturing. For each identified industry, the Chamber can establish a task force to assist with business retention.

Link to Morris County

Sussex County is primarily a residential community, has limited highway transportation infrastructure, and has relatively few jobs compared to its population. Consequently, much of the income from Sussex County residents is earned outside the County, often in Morris County. Approximately 24 percent of Sussex County residents work in Morris County, which is the single largest employment location for Sussex County residents other than Sussex County itself. Thus Sussex County has economic dependencies to Morris County. The reverse is not true, as relatively few of Morris County's residents work in Sussex County.

Sussex County and its municipalities, especially along the southern edge of Sussex County, should work with Morris County entities to integrate development efforts. New businesses in Morris County can provide jobs for Sussex County residents, and employment opportunities in Morris County contribute to Sussex County's attractiveness as a place to live.

Sites and Infrastructure

It is recommended that the Chamber of Commerce and County develop a list of potential vacant or redevelopment sites for the targeted industries that align with New Jersey's Draft Final State Strategic Plan (SSP) and the County's 2020 Vision Plan. The sites to be included in the list need to take into consideration the specific requirements of the targeted industries. Once the candidate sites are identified, the County would work with the local municipalities to gather support from the municipality and its residents. The County, in coordination with state agencies and the municipality, should seek to remove any land use or other regulatory hurdles associated with the sites and ensure that the sites have the necessary infrastructure. The County should also work with the municipalities to develop programs that provide these sites with an expedited permitting and plan review process. The County should then work with the Chamber of Commerce to help market the sites.

It is recommended that the County identify infrastructure gaps that inhibit competitive advantages for the key industry targets. These gaps include transportation, water and sewer needs, and telecommunications infrastructure. Specifically with regards to telecommunications, the County should partner with private stakeholders to urge existing and potential telecommunication technology providers to expand high-speed internet service throughout the County. The availability of high-speed internet will benefit

¹⁸ Please see Appendix G for a list of key sectors targeted by New Jersey.

residents as well as businesses. This includes exploring ways to best leverage new fiber optic networks under construction.

In addition to leveraging existing fiber optic projects, a comprehensive needs assessment should be considered to identify underserved areas and the infrastructure needed to support expanded services along with a phased plan to build the necessary infrastructure. This will likely entail a significant capital investment and it is unclear how that investment would be best financed.

Supporting Existing Businesses

While attracting new industries and jobs is important, the County and the SCEDP also need to focus on retaining jobs, helping existing business grow and prosper and encouraging local entrepreneurs. Because governments are not good at predicting which kind of business is likely to be successful, all entrepreneurs should be eligible for any county program. Recently the County has faced low rates of new business formation and low growth rates for newly established businesses. A competitive local economy is built on a dynamic and successful base of local entrepreneurs. New firms bring new ideas and dynamism to the local economy and as they grow they create jobs and support other local businesses. The County should solicit input directly from new business and entrepreneurs to learn what services they need from the County to be able to succeed long-term and also develop a comprehensive list of business assistance and incentive programs. These include regional, state, and federal programs.

The arts and creative business enterprises are highly desirable businesses that can locate anywhere. Some of these entrepreneurs may be attracted to the County due to the natural assets of the County and low rents. The County should work to cultivate and promote a thriving arts and creative sector. One way to do this is to develop a partnership between the travel and tourism sector and the creative businesses to expand the market for the County's creative goods and services. The Chamber should continue to develop a targeted marketing campaign with the Sussex County Arts and Heritage Council to highlight and market the County's cultural activities, creative products, and services produced locally. A more long-term goal would be for the County to explore the feasibility of establishing an arts and creative business incubator or arts district. For example, the Sussex County Arts and Heritage Council currently offers a location for artists to display and sell their art on Spring Street in Newton.

Workforce Preparedness

Workforce preparedness is a key economic development issue for Sussex County's private employers. Sussex County Community College and partner educational institutions within the County and throughout New Jersey have a role to play in helping to ensure that the skills of the County's workforce are relevant and targeted to meet the needs of current and potential employers. The SCEDP is currently partnering with Sussex County Community College to provide economic development and technical assistance to businesses through a USDA grant.

Improvements to workforce training is a powerful economic development tool. Additional support for workforce training and focus should be considered since it was discussed during the Study's cluster workshop with Sussex County Community College participation as well as a steering committee meeting. In addition, the Chamber's Education Committee has an established Superintendent roundtable. It currently meets monthly and has three standing committees that have an established intern/extern program, discusses current workforce needs, and has a speakers bureau and a "practical employment practices" committee to communicate the needs and expectations of employers. The Committees are a mix of school representatives and business owners/managers. Additional support and partnerships for the continued on-going success of this initiative is recommended.

The County's education partners should continue to identify needed skills and help employers identify private and public partners that can help them meet their training needs. These educational partners should also work with the targeted industries and the Sussex County Chamber of Commerce to identify the workforce needs of potential industries and identify any skill deficits. Lack of soft skills has been identified as one of the main workforce preparedness issues facing the County. The County's employers and higher-education institutions should continue to work with the County's Superintendent of Schools to encourage the County's schools to incorporate soft skills training programs into their curriculum. The SCEDP and County should consider linking this workforce preparedness initiative to Rutgers University's John J. Heldrich Center for Workforce Development as a resource for successfully approaching the County's workforce preparedness goals.

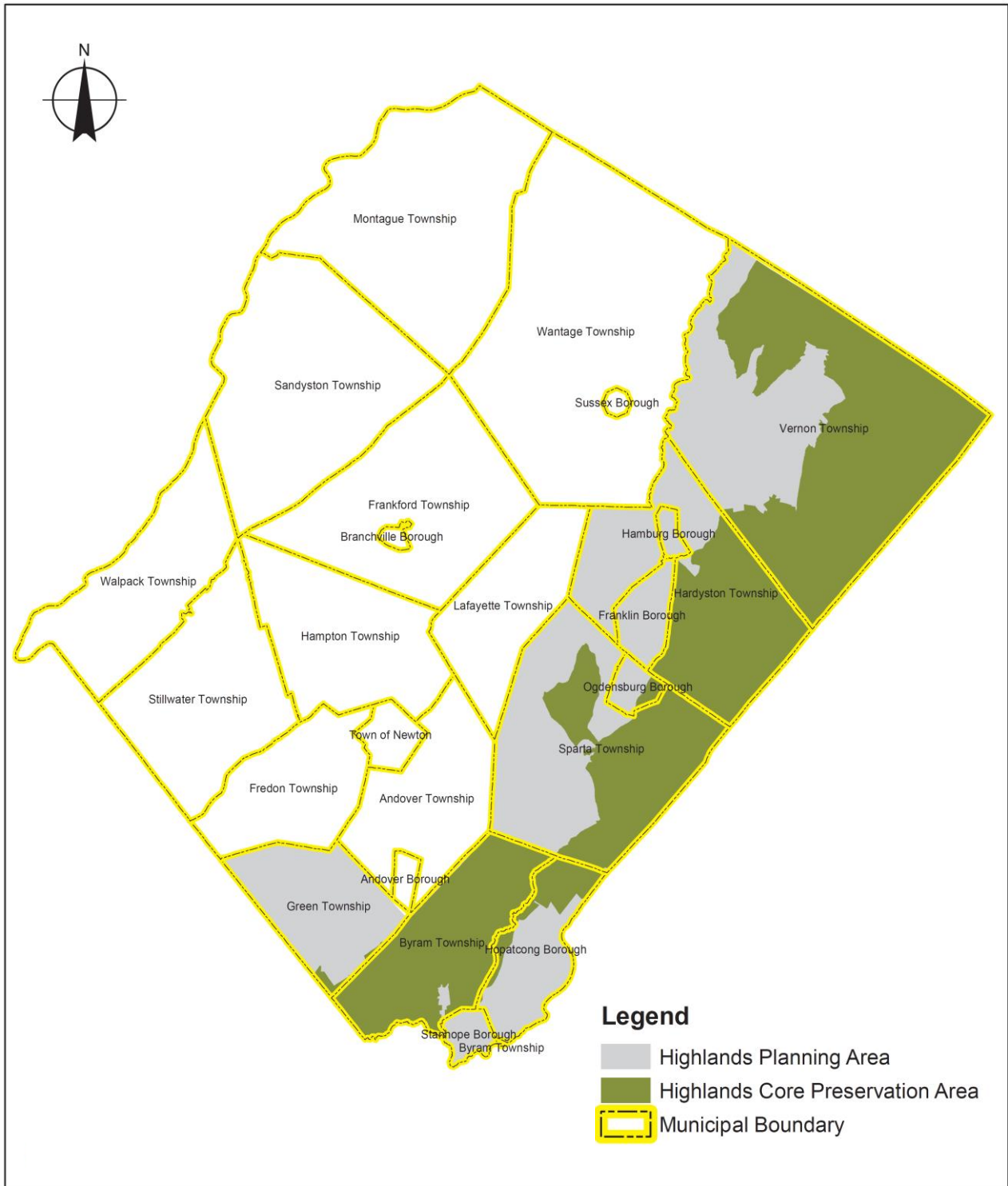
6.5 PRIMARY FOCUS AREA #5 – REDUCING THE REGULATORY BURDEN (MEDIUM PRIORITY)

The cluster workshop contained much discussion around permitting, approvals, and other regulatory challenges that businesses and individuals face in Sussex County. It is important to note that New Jersey is a home-rule state, and, as such, most of the regulatory power lies at the state and local level, not at the County level. This status limits the County's ability to directly reduce the regulatory burden on individuals and businesses.

Sussex County is unique in terms of the number of outside entities, including the Highlands Council and many State entities that heavily govern land use in Sussex County. The eastern third of Sussex County is included in the designated New Jersey Highlands region, with areas furthest east in the County that are part of the Preservation Area (Figure 6.2). Lands within the Preservation Area are governed by rules and regulations adopted by the New Jersey Department of Environmental Protection. To date, these rules limit development opportunities, including the ability to aggregate and concentrate development and results in an economic cost for the County. It is recommended that the County Planning Division collaborate with the Highlands Council,

NJDEP, and local municipalities to identify areas where development can occur that would not have an adverse impact on the environment.

FIGURE 6.2: HIGHLANDS PRESERVATION CORE AND PLANNING AREAS



Source: Office of GIS Management, County of Sussex Strategic Growth Plan, 2004

As a largely rural county, most of Sussex County is dependent on septic systems for wastewater disposal. This has led to severe limitations on the density of construction and the ability of the County and its municipalities to encourage cluster development, multi-family and mixed use development. Only a small fraction of the land in Sussex County has sewer service and NJDEP recently revised its sewer service area designations, which reduced this fraction further. Where central sewer systems are present, desirable center/mixed use growth may occur. Absent sewer service, the land cannot be compactly developed. Together with County and local planning policies that direct growth to centers (versus dispersed development), the provision of central sewer systems at selected locations is an essential tool to focus new growth to designated settings as well as to reduce future environmental risks. The County should work with local municipalities to identify potential locations for high-density development and then work with the NJDEP to reevaluate the current sewer-service boundaries.

In addition to sewer service, there are new septic system technologies that could potentially allow for higher density development. NJDEP has made efforts to keep pace with new septic system technologies and now permits these new systems, which use peat and aerobic methods. These systems may offer a short-term solution to help alleviate some of the development restrictions. In addition, improved communications between the NJDEP and Sussex County municipalities and private developers in regards to the degree to which these may be employed would benefit the County. The County should work with NJDEP to ensure that, if they are not currently permitted as initial systems, these systems may be broadly approved and also educate the public about these systems and how they might be used.

In addition to the regulatory burden created by state and regional entities, local governments add another layer of regulatory hurdles mainly in the areas of land use approvals, construction code permitting and approvals, and construction code enforcement. A focus on predictability, efficiencies, timeliness of permitting and the approval process would help all interested parties. The County should continue to work with local municipalities that are interested in growth, that request support, to streamline the plan review and permitting process. This should increase transparency and improve the development review and approval process.

Some municipalities in the County may have outdated regulations that are not compatible with today's economy and may be hindering economic growth. For example, there is a concern that some municipalities in the County have regulations prohibiting home occupations, though as a practical matter in many instances home offices can exist in spite of zoning to the contrary. The County should support municipalities, if requested, to undertake a review of local regulations to identify those that may be outdated and/or hindering economic growth and work with local municipalities to update and modify their regulations.

6.6 PRIMARY FOCUS AREA #6 – AGRICULTURAL DEVELOPMENT (LOW PRIORITY)

Even though its economic importance has been declining in recent years, agriculture remains one of the major industries in Sussex County and the viability and diversification of agriculture will always be important for the County. It is also one of the more defining elements in the character of the County. Preserving the natural and rural character of Sussex County is an important element of marketing the region. The unique character of the County attracts both visitors and residents, which is beneficial to quality of life goals and growth in the long-term. Some of the recommendations in this Plan of Action discuss opportunities for future land development. This should be balanced with conservation efforts in select areas. The County should encourage ecosystem health on private and public lands through conservation zoning techniques for non-development areas.

With the tremendous changes that have occurred in the agricultural sector in the County over the last several decades, the County should continue to encourage farmers to develop new agricultural markets. One such market is “value-added” products, such as milk that has been processed into cheese or berries that have been made into jams and jellies. These types of products are very popular with consumers, both inside and outside of the County, and provide the basis for the County’s burgeoning agritourism industry. However, manufacturing these products requires access to commercial kitchen facilities, something that most farms lack. The County has successfully developed a shared commercial kitchen facility as part of its original Strategic Growth Plan. The kitchen is located at the Sussex County Technical School and kicked-off with funding from the NJ Highlands Council in 2007. The kitchen has fostered new partnerships between Sussex County, the Sussex County Technical School, and farmers. The biggest challenge to farmers who want to make value added jams, jellies, salsas, etc. has been the cost of constructing a certified kitchen in which their products can be legally processed which would, in turn, allow for sale to the public. Providing a shared commercial kitchen reduces production costs for the farmer and lengthens a farmers selling season thereby increasing their potential profit margin. Continued support for the commercial kitchen by the County and its stakeholders is encouraged.

The County should encourage the County’s agricultural entrepreneurs to develop local and export retail and wholesale markets for their products by assessing the capital access, technical support services, and other business development needs of agriculture entrepreneurs in the County. The County should work with the NJ Department of Agriculture to develop a toolkit of services and programs to assist start-up and small-scale agriculture entrepreneurs. Finally, the County should encourage the Chamber’s efforts in “branding” of all Sussex County products for export.

6.7 SUMMARY

The above recommendations are summarized in the following table that identifies specific steps, analyzes the cost/feasibility of each recommendation, identifies partnerships, and

estimates a timeframe. The recommendations are in line with TOGETHER North Jersey's Regional Plan for Sustainable Development key focus areas, with examples of this highlighted for each recommendation. The entity with the most significant portion of the suggested responsibility is identified in bold. In regards to time frame, *Short-term* refers to within the next 12 months; *Medium-term* refers to within 1 to 3 years; and *Long-term* refers to more than 3 years.

PLAN OF ACTION TABLE

Recommendation		Description	Cost/Feasibility	Responsibility/ Partners	Timeframe	RPSD Topic Areas
All Areas						
	Use the New Jersey Draft Final State Strategic Plan's (SSP) Criteria-Based Investment Strategy and Priority Investment Framework	The Framework identified four types of investment areas, which should be considered in the planning and implementation of any recommendations.	No cost – staff time	All parties	All	
Primary Focus Area #1 – Tourism (High Priority)						
1	Undertake a Tourism Market Study	In order to be able to effectively market the County to potential tourists, consider a study that provides a better understanding of who comes to Sussex, why they come, and where they come from.	This project is highly feasible given the fact that it is a study that is routinely conducted by DMOs as part of their marketing efforts.	• County • Private Business Stakeholders • NJ Department of Travel and Tourism (NJDTT) • Sussex County Chamber of Commerce (Chamber)	Short-term	Business Environment & Entrepreneurial Support

2	Encourage the expanded use of the County DMO's low-cost social media tourism marketing	Continue to improve social media marketing to help educate local municipalities on the benefits of travel and tourism, and help ensure that the overall tourism-related goals of the County are being advanced.	If the tasks associated with this position can be assigned to an existing County staff member then the costs should be minimal for the County, depending on workload.	• County • Chamber	<i>Short-term</i>	Business Environment & Entrepreneurial Support
3	Advocate for increased tourism funding from the State	The State hotel occupancy tax revenue has increased approximately 30% from 2009-2013. The amount of funding provided to DMOs has remained constant, while the number of DMOs has increased. (NJ's DMOs are currently working together to seek additional funding from the hotel tax.)	Given current state budget issues, the political feasibility of this option is likely low.	• NJDTT • Travel and Tourism Industry • County • Chamber	<i>Medium-term</i>	Business Environment & Entrepreneurial Support
4	Update the County's Tourism website and improve social media presence	Refer to the County's nearest competitor, the Poconos of PA, for direction in improvements to the County DMO's website and social media presence.	This project is highly feasible and the cost is likely to be relatively low from the County's perspective.	• County • Chamber	<i>Short-term</i>	Business Environment and Entrepreneurial Support
5	Develop a mobile-friendly tourism website and an accompanying smartphone app	In addition to helping promote the County to potential visitors, the "app" and mobile-friendly website would also be useful for individuals who are visiting the County to find restaurants, hotels, and attractions.	This project is highly feasible and the cost is likely to be relatively low	• Chamber	<i>Short-term</i>	Business Environment and Entrepreneurial Support

6	Support local municipalities and business partners (if there is an interest) to identify locations that are suitable for new hotel development	Consider promoting private development of hotels, especially mid-level hotels, to better capitalize on tourism in the County.	The cost of this recommendation for the County is low. The primary challenge to implementation is convincing local municipalities to participate in the process.	• County • Chamber • Local Municipalities • Sussex County Economic Development Partnership	<i>Long-term</i>	Business Environment and Entrepreneurial Support
7	Include State Parks staff responsible for Forest and State Parks management in tourism initiatives at the County level	Including the County's State Parks staff in County tourism initiatives can help strengthen private business tourism and enhance marketing of the County to visitors.	The cost of this recommendation for the County is low. The challenge to implementation is getting both private and public partners to participate.	• NJDEP Division of Parks and Forestry • County	<i>Long-term</i>	Business Environment and Entrepreneurial Support
8	Expand eco- and agri-tourism curriculum.	The Sussex County Technical School and Sussex County Community College should incorporate robust eco- and agri-tourism curriculum into their offerings.	Holding initial conversations between the SCEDP and schools is a low-cost activity. Curriculum development and implementation will require a substantial effort on the part of the schools.	• SCEDP • Sussex County Technical School • SCCC	<i>Medium-term</i>	Workforce Preparedness & Training

9	Pursue creation of a 4-year degree program in tourism and hospitality to be located in Sussex County.	Capitalizing on the County's tourism assets and internship opportunities, the County should work with a NJ secondary education institution and the NJ legislature to establish a satellite college campus in Sussex County that offers a 4-year degree in tourism and hospitality, specializing in eco- and agri-tourism.	This effort will require significant negotiations between the County, State of NJ, and college institution. It will also require coordination of real estate interests to site the institution.	• Sussex County • SCEDP • NJ Legislature	<i>Long-term</i>	Workforce Preparedness & Training
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Primary Focus Area #2 – Transportation (High Priority)

1	Continue to identify municipal and County intersections and road segments that most frequently lead to congestion and work to increase capacity.	It is important to note that the County only has jurisdiction over County roadways. There are many inexpensive options that could be pursued to increase capacity including: retiming lights, adding a left-turn lane, or minor reconfigurations of intersections.	This strategy is technically feasible, but will likely require a significant capital investment. Funding is very limited.	• County • NJ Department of Transportation (NJDOT) • North Jersey Transportation Planning Authority (NJTPA)	<i>Long-term</i>	Transportation
2	Coordinate with NJDOT to identify critical maintenance and roadway improvements on state roads.	Collaborating with NJDOT on transportation projects within the County is important in regards to ensuring that the transportation needs of the County's residents and businesses are met.	This may require substantial outside funding from state and federal partners.	• NJDOT • County • Local Municipalities • NJTPA	<i>Long-term</i>	Transportation

3	Work with NJDOT, NJTPA, and local municipalities to secure funding for transportation improvements	There are a number of funding sources available from NJDOT for vehicular, pedestrian, and bicycle improvements such as the Transportation Alternatives Program and the Safe Routes to Schools Program. NJTPA also has funding available through its Local Safety and High Risk Rural Roads Program.	As this funding is already part of the County's strategy, it will be a matter of priorities and the effort required in relation to the funds available. Specifically, federal funding (TAP, SRTS) has substantial administrative costs associated with it.	• County • Local Municipalities • NJDOT • NJTPA	<i>Long-term</i>	Transportation
4	Better connect the County's extensive trail network to destinations and prioritize trail development efforts in connecting high-demand origins and destinations	The trails currently follow railroad rights-of-way and do not connect users to final destinations. Practical connections could help increase usage and benefit tourists as well. Refer to the Sussex County Complete Streets Policy and Implementation Plan as a resource.	Feasibility varies by segment. Most connections will require funding to construct sidewalks, install cross walks, signage and the like.	• County • Local Municipalities • NJTPA • NJDOT • Chamber's Rails and Trails Committee • Morris Canal Working Group	<i>Medium-term</i>	Transportation
5	Implement the recommendations from the Sussex County Complete Streets Policy and Implementation Plan pilot locations	When roads are rebuilt, they should follow the recommendations contained in the Sussex County Complete Streets Policy and Implementation Plan.	Feasibility and cost vary by recommendation.	• County • NJTPA • NJDOT	<i>Long-term</i>	Transportation

6	Encourage local municipalities to adopt the recommendations in the Sussex County Complete Streets Policy and Implementation Plan	When local governments undertake road construction projects they should incorporate the design recommendations from the Sussex County Complete Streets Policy and Implementation Plan.	Minor incremental costs during projects.	• County • NJTPA • Local Municipalities • NJDOT	<i>Medium-term</i>	Transportation
7	Ensure there is sufficient parking at the Andover train station	125 spaces are planned. Monitor to ensure that parking is sufficient. No action needed unless the lot is inadequate.	The feasibility of this project depends on the availability of land located near the Andover train station.	• County • NJTRANSIT • Andover	<i>Medium-term</i>	Transportation
8	Encourage municipalities to work with NJTRANSIT and Skylands Ride to make public transportation information more widely available	The existing public transit system should be as easy to ride as possible. Every bus stop should be clearly marked with prominent signs, and signs at each stop should indicate the route, schedule, fare, and other relevant information. NJTRANSIT has a “My Bus” service that improves service communication.	This strategy will have low to moderate upfront costs and low ongoing costs.	• County • NJTRANSIT • Skylands Ride • NJTPA	<i>Short-term</i>	Transportation

9	Consider feasibility of enhancing current shuttle service that connects population centers (Newton, Hopatcong, Sparta, etc.) to the Andover Station	To maximize the effectiveness of the new Andover train service in reducing local congestion, a public transit connection between population centers and the new train station is recommended.	This strategy is likely to have a large upfront cost as well as on-going operating expenses.	• County • NJTRANSIT • Skylands Ride • TransOptions TMA • Private Partnership	<i>Medium-term</i>	Transportation
10	Continue to develop prioritized lists of transportation investments	Continue to prioritize projects for federal and state transportation funding where feasible. The County is successful with the federally funded High Risk Rural Roads program and should continue to use this funding stream pending availability.	Feasible	• County • NJTPA • NJDOT	<i>Short-term</i>	Transportation
11	Support transit service options for people with developmental disabilities, mental illness, physical disabilities, and the elderly	To benefit all roadway users, increase availability and frequency of County transit service, as well as improvements to bus stop configuration and placement, shelters, and ADA compliance.	The feasibility of this initiative depends on ability to receive funding. This may require substantial outside funding from state and public-private partnerships.	• Skylands Ride • County • TransOptions TMA • NJTRANSIT	<i>Medium-term</i>	Transportation

Primary Focus Area #3 – Housing (High Priority)

1	Work with municipalities to reconsider their zoning to better allow mixed-use developments in town	Mixed-use development contributes to economic vitality, reduces land consumption, and also reduces the need for auto trips. One way to realize mixed use is to adopt form based zoning.	Inexpensive, but feasibility depends on municipalities' willingness.	• County • Local Municipalities • NJOPA¹⁹	<i>Short-term</i>	Land Use and Urban Design
2	Encourage local municipalities to permit higher-density development in appropriate areas	Concentrating development in existing areas will help preserve open space and maintain Sussex County's rural character.	Inexpensive, but feasibility depends on municipalities' willingness.	• County • Local Municipalities	<i>Short-term</i>	Land Use and Urban Design
3	Coordinate with municipalities as they prepare affordable housing plans	COAH's draft regulations call for the development of 1,700 new affordable housing units in the County over the next ten years.	Feasible and a low to moderate expense for each municipality. Wait until regulations are clear.	• NJCOAH²⁰ • Local Municipalities	<i>Short-term</i>	Housing
4	Continue to support municipalities in reducing costs through sharing of services or other means	High taxes and high government costs have been identified as a deterrent to economic competitiveness. Expanding the practice of shared service agreements at the municipal-level could help to reduce government costs as well as property taxes.	This is likely to meet substantial resistance from local municipalities.	• County • NJDCA²¹ • LUARCC²² • Local Municipalities	<i>Long-term</i>	Business Environment and Entrepreneurial Support

¹⁹ New Jersey Office of Planning Advocacy²⁰ New Jersey Council on Affordable Housing²¹ New Jersey Department of Community Affairs²² Local Unit Alignment, Reorganization, and Consolidation Commission

5	Support additional housing options for people with developmental disabilities, mental illness, physical disabilities, and the elderly	Supporting additional options can be encouraged through the streamlining of funding rules for group housing. The oversupply of vacant large lots that have received development approvals and infrastructure investment can be used for group housing.	Feasible, based on public and private partnerships.	• County • Local Municipalities • SCArc	<i>Long-term</i>	Housing
Primary Focus Area #4 – Economic Development (Medium Priority)						
1	Expand upon the SCEDP's diversified board and investors group to incorporate broader County participation among working groups in key economic development areas	These working groups will serve as an advisory council to the Economic Development Partnership and the Freeholders. The working groups should focus on the following areas: • Travel and tourism • Community engagement / education • Key industry clusters • Sites and infrastructure • Business retention.	The costs associated with this strategy will be minimal as the working groups will be comprised of volunteers. However, there is likely to be some logistical support that will be needed from the County.	• County • Chamber • SCEDP²³	<i>Short-term</i>	Business Environment and Entrepreneurial Support

²³ Sussex County Economic Development Partnership

2	Consider continuing the County's economic development visioning process	While the process of updating the SGP took a step towards establishing a unified vision for economic development in the County, there still appears to be disagreement on what the County can and should be economically. The County should consider continuing the visioning process to arrive at a consensus vision for economic development in the County.	Feasible and low cost.	• County • Chamber • SCEDPEDP • NJLWD	<i>Short-term</i>	Business Environment and Entrepreneurial Support
3	Develop an educational tool (i.e. Power Point) that outlines the importance of coordinated economic development, with regional support, and speak at various existing meetings within the County to raise awareness about the topic	It is important to educate municipalities about the value and importance of coordinated, smart economic growth and development within Sussex County.	Feasible and low cost	• County • Chamber • SCEDP • TNJ	<i>Short-term</i>	Business Environment and Entrepreneurial Support

4	Develop a list of industries and sectors municipalities can target for recruitment and expansion if there is interest at the local level. This should be coordinated with the Sussex County Economic Development Partnership since they work on a daily basis with business retention.	The industries and sectors should build on the occupational advantages of the County (see Section 10.3) as well as the industry clusters identified as priorities by the State²⁴. Potential clusters include: • Agribusiness industry • Healthcare • Advanced manufacturing The County should establish a task force to assist with business retention with representation from each targeted industry.	Feasible and low cost	• County • Chamber • SCEDP	<i>Medium-term</i>	Industry Sector Development
5	Develop a list of potential sites for targeted industries based on the Priority Growth Investment Areas	Identify sites with few or no zoning restrictions.	Low cost. Feasibility depends on towns' willingness.	• County • Chamber • SCEDP • NJEDA²⁵ • Choose NJ • Local Municipalities • Private Developers	<i>Long-term</i>	Industry Sector Development

²⁴ Please see Appendix G for key Industry Clusters identified by the State of New Jersey.

²⁵ New Jersey Economic Development Authority

6	Continue to reach out to new businesses and entrepreneurs to learn what resources are needed at the municipal level to be able to succeed long-term	Business churn is inevitable. Helping new firms brings new ideas and dynamism to the local economy. As businesses grow, they create jobs and support other local businesses.	Low cost and feasible	• County • Chamber • SCEDP • NJBAC²⁶ • NJSBDC²⁷ • Local Businesses	<i>Medium-term</i>	Business Environment and Entrepreneurial Support
7	Develop a partnership between the arts and creative sector and the travel and tourism sector	The arts and creative business enterprises are highly desirable business that can locate anywhere. Some of these entrepreneurs may be attracted to the County due to the natural assets of the County, and the sector can also draw new visitors to the County.	Feasible and low cost. The primary cost is staff time	• County • Chamber • SCEDP • Creative Skylands	<i>Medium-term</i>	Arts and Culture
8	Explore the feasibility of establishing an arts/creative business incubator and/or arts district in the County	An arts incubator is a next step in helping grow art businesses. The Sussex County Arts and Heritage Council currently offers local artists a location to display and sell their art on Spring Street in Newton.	Incubators are politically sellable. The cost is moderate but can be a sticking point.	• County • Chamber • SCEDP • Sussex County Arts and Heritage Council • Creative Skylands	<i>Long-term</i>	Arts and Culture

²⁶ New Jersey Business Action Center

²⁷ New Jersey Small Business Development Center

9	Continue to promote and improve collaboration (including County Planning Department participation) among existing and potential businesses to identify any workforce training needs between the Community Colleges and business community.	A well trained workforce is a powerful economic development tool. The SCEDP is currently partnering with the SCCC to provide economic development and technical assistance to businesses through a USDA grant. Additional support and focus should be considered since it was a discussion during the Study's cluster workshop with SCCC participation as well as a Steering Committee meeting. The SCEDP and County should consider linking this workforce preparedness initiative to Rutgers University's John J. Heldrich Center for Workforce Development department as a resource for successfully approaching the County's workforce preparedness goals.	Identifying needs is feasible and low cost. Adding courses or training is potentially expensive	• County • Chamber • SCEDP • WIB²⁸ • NJDOL²⁹ • SCCC³⁰	<i>Medium-term</i>	Workforce Preparedness and Training
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²⁸ Morris Sussex Warren Workforce Investment Board

²⁹ New Jersey Department of Labor

³⁰ Sussex County Community College

10	Encourage schools in Sussex County to incorporate soft skills into the curriculum.	Lack of soft skills has been identified as a workforce preparedness issue facing the County. The Chamber's Education Committee has an established Superintendent roundtable. It currently meets monthly and has three standing committees that have an established intern/extern program, discusses current workforce needs, and has a speakers bureau and a "practical employment practices" committee to communicate needs and expectations of employers. The Committees are a mix of school representatives and business owners/managers. Additional support and partnerships for the continued on-going success of this initiative is recommended.	Feasible if approached correctly. Low cost if instruction is integrated into the existing curriculum.	• County • School Districts • SCCC • WIB • NJDOL • NJDOE³¹	<i>Medium-term</i>	Workforce Preparedness and Training
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³¹ New Jersey Department of Education

Primary Focus Area #5 – Reducing the Regulatory Burden (Medium Priority)

1	Coordinate with the Highlands Council, NJDEP, and local municipalities to identify areas where development can occur that meet mutually agreed upon goals and would not have an adverse impact on the environment	Broad limits on development, that are not strategically broached, can prevent smart-growth style dense development in favor of dispersed, land consuming development	Low cost, but requires significant political capital because of resistance to development, or dense development.	• County • NJ Department of Environmental Protection (NJDEP) • NJ Highlands Council • Local Municipalities	<i>Medium-term</i>	Land Use and Urban Design
2	Work with local municipalities who are interested in identifying potential locations for density development and collaborate with the NJDEP to reevaluate the current sewer service boundaries in those locations in anticipation of possible changes to the NJDEP's Water Quality Management Plan rules.	Broad limits on development, that are not strategically broached, can prevent smart-growth style dense development in favor of dispersed, land consuming development	Low cost, but requires significant political capital.	• County • NJDEP • Local Municipalities • TNJ	<i>Medium-term</i>	Land Use and Urban Design
3	Coordinate with NJDEP to confirm that alternative septic systems are approved for use in the County	New septic system technologies could potentially allow for higher density development. Refer to NJDEP's information on Alternative Treatment Systems and Onsite Wastewater Management Program.	Low cost but feasibility depends on willingness to be flexible	• County • NJDEP • Local Municipalities	<i>Medium-term</i>	Land Use and Urban Design

4	Work with municipalities that are interested in revising their regulations to identify those that are outdated and/or hindering economic growth	Some municipalities in the County, that desire growth, may have outdated regulations that are not compatible with today's economy and may be hindering economic growth.	Low cost. Feasibility depends on individual towns	- County Local Municipalities TNJ SCEDP	<i>Short-term</i>	Land Use and Urban Design
Primary Focus Area #6 – Agricultural Development (Low Priority)						
1	Continue to support the County's shared commercial kitchen facility for use by the agricultural sector to develop "value-added" products	A local kitchen will help keep activity in the County.	The kitchen has some ongoing costs. Currently funded through the Highlands Council.	County - NJ Department of Agriculture (NJDA) - Chamber - SCEDP	<i>Long-term</i>	Business Environment and Entrepreneurial Support
2	Assess the capital assets, technical support, and other business development needs of agricultural entrepreneurs	Provides support to large agricultural sector.	Preliminary assessment is low cost and feasible. Thorough study is more expensive. Action on the assessment may be expensive	- County - NJDA - Chamber - SCEDP	<i>Short-term</i>	Business Environment and Entrepreneurial Support
3	Suggest that the NJ Department of Agriculture develop a "toolkit" of service programs to assist start-up and small-scale agricultural entrepreneurs	Provides support to large agricultural sector.	There may be ongoing program costs, especially if additional staff are hired	- County NJDA - Chamber - SCEDP - TNJ	<i>Medium-term</i>	Business Environment and Entrepreneurial Support

4	Continue to encourage the “branding” of Sussex County products for export and expand awareness of the brand among the County and beyond.	Branding raises awareness of Sussex County’s agribusinesses and drives tourism and development. The Chamber currently attends an avg. of 5 travel shows a year promoting agricultural products and services through the Sussex Skylands brand. Agritourism is popular among both domestic and international travelers. The brand is known by tour operators, state tourism representatives and the public. Continued marketability is recommended.	Feasible and low cost. However, branding is not always successful.	• County • NJDA • Chamber • SCEDP	Short-term	Business Environment and Entrepreneurial Support
5	Encourage ecosystem health on private and public lands through conservation zoning techniques for non-development areas.	Preserving the natural and rural character of Sussex County is key. The unique character of the County attracts both visitors and residents, which is beneficial to quality of life goals and growth in the long-term.	Low cost, but requires significant political capital.	• County • Local Municipalities • NJDA • NJDEP	Long-term	Land Use and Urban Design

7.0 REGIONAL CONNECTIONS, IMPLEMENTATION, AND NEXT STEPS

TOGETHER North Jersey (TNJ) established the Local Government Capacity Grant Program (LGCGP) to provide financial and technical assistance to County and municipal members to conduct planning activities in Northern New Jersey. The funding source for the LGCGP is a combination of funds from the United States Department of Housing and Urban Development (US HUD) and from the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) passed through the North Jersey Transportation Planning Authority (NJTPA). In order to facilitate the interagency review process, guidance has been provided regarding key elements that must be addressed in the final report. This section of the Plan summarizes the key elements that are required to be addressed by the funding agencies.

7.1 GENERAL REQUIREMENTS

The report makes recommendations in the following categories:

- Policy or legislative changes
- Additional planning studies needed
- Implementation strategies or actions
- Specific project(s)

The full list of recommendations is contained in Chapter 6.0 Plan of Action and includes suggestions for policy changes at the local and state level, identifies specific studies that should be completed or augmented to fill in missing data, identifies several implementation strategies, and recommends specific projects. The recommendations are sensitive to fiscal resource limitations. Most recommendations focus on policy or small scale projects.

The recommendations identify a responsible entity and partners if appropriate. The cost section assesses feasibility and identifies a timeframe for completion. In many cases the cost is already built into existing agency staff budgets. Policy changes and county efforts often consume staff time and have opportunity costs, but do not actually involve outlays of funds. The recommendations were developed under the assumption that the County would be fiscally constrained, and that external resources may be available.

7.2 SPECIFIC REQUIREMENTS

Inclusion and engagement of traditionally under-represented communities:

The steering committee represented a broad cross section of Sussex County residents and businesses. Committee members included representation from the real estate

development, educational, agricultural, and government sectors. In addition, the invitation list for the all-day May 12, 2014 Cluster Workshop had a broad spectrum of participants. The invitations were sent to a wide variety of organizations, including those that work with traditionally under-represented communities. Attendees included representatives from Project Self-Sufficiency of Sussex County, Sussex County Arc, Sussex County Community College, the Morris Sussex Warren Workforce Investment Board, PlanSmart NJ, and others, all of which directly or indirectly serve the interests of traditionally under-represented communities. Project Self-Sufficiency of Sussex County supports and empowers low-income individuals and families. The Morris Sussex Warren Workforce Investment Board provides workforce development, education and social services to residents and businesses of the three counties. Sussex County Arc is an organization serving people with developmental disabilities.

Consideration and inclusion of data about traditionally under-represented communities:

The report addresses issues of concern to traditionally under-represented communities throughout. Without listing every instance, some examples of consideration and inclusion of data include an analysis of affordable housing, workforce development, public transportation, income distribution, and others.

Recommendations within the TOGETHER North Jersey regional context:

The study addresses several issues of regional interest, including transportation, education, economic development, and tourism. These topics, though discussed in the context of Sussex County, have significant regional components to them. For example, tourists will often visit multiple restaurants, attractions and other destinations in a visit, and are not constrained by county boundaries. In addition, the accompanying Appendix A, Sussex County Economic and Demographic Profile by the Edward J. Bloustein School of Planning and Public Policy, provides a thorough review of the County in relation to regional and state trends.

Sussex County is largely rural. The recommendations apply mostly to the rural environment, to the extent that recommendations are place-type specific. There are numerous recommendations regarding increased density, and these are in the context of population clusters (towns) in a rural region.

Many of the findings come from sources that can be easily revisited by other communities. The data tables contain information on neighboring communities and could be reused as well. In addition, the study process implies that a sufficient budget and time-frame are important for a full study. A smaller budget and an accelerated time frame are suitable for a more constrained study.

Nearby counties and communities confront many of the same underlying economic conditions as Sussex County: static population and anemic economic growth. Many of the strategies recommended here are applicable to communities in similar circumstances. Implementation details will vary by jurisdiction.

The summary of recommendations in “Section 6.0 Plan of Action” is organized by six focus areas for Sussex County, as follows:

- Agricultural Development
- Housing
- Economic Development
- Reducing the Regulatory Burden
- Tourism
- Transportation

The table of recommendations in Section 6.0 identifies the RPSD topic area associated with each recommendation.
