

BACKGROUND STUDIES

The process of revising a Master Plan must first begin with a thorough background examination of the community. This involves a complete analysis of the people, the physical structure of the community, and all the factors which are related to land and people, such as, existing development, the natural environment, community facilities and services, population, transportation and the financial structure. This section considers each of these basic background elements and updates the data in the present Master Plan and the 1989 Master Plan Report except where this information is included in individual Master Plan Elements.

REGIONAL EVALUATION

Careful attention to regional trends and forces is essential to a meaningful analysis of the various physical, social and economic characteristics of a community. Although a municipality is a separate and distinct political entity, it is not isolated from a sphere of influence which extends far beyond the immediate local area. This reality is recognized by the Municipal Land Use Law which requires that the Master Plan include a specific policy statement indicating the relationship of the proposed development of the municipality as developed in the master plan to (1) the master plans of contiguous municipalities, (2) the master plan of the county in which the municipality is located (3) the State Development and Redevelopment Plan adopted pursuant to the "State Planning Act", P.L. 1985, c.398 (C.52:18A-196 et al.), and (4) the district solid waste management plan required pursuant to the provisions of the "Solid Waste Management Act", P.L. 1970, c.39 (C.13:1E-1 et seq.) of the County in which the municipality is located. For these reasons, regional considerations, as they apply to Chatham Township, have been given attention where appropriate in various sections of this report.

Identifying the Region

Few, if any, municipalities are part of a single region that can be defined in precise terms. The mobility and communication of society today associates a given municipality with many regions of various sizes and overlapping influence. For municipal planning purposes, defining a precise region would probably have little value. For such purposes,

the major concerns should be the activities in the more immediate area surrounding the municipality and the major state, metropolitan and County trends and activities which are likely to have a direct impact on the municipality and the more immediate area.

The Metropolitan Region

Chatham Township lies within the extremely complex Tri-State Metropolitan Area consisting of parts of New York, New Jersey and Connecticut. In addition, the Township is located in Morris County and situated at the County's southeasterly border adjoining part of Union County and very near part of Essex County. Therefore, the Township's more immediate sphere of influence is tri-county in nature, being oriented to southwestern Essex and northwestern Union as well as to parts of Morris. The feature most common to and characteristic of this area is a pattern of residential development created by the population growth pressures in the metropolitan area. Essentially, most of the municipalities involved are bedroom communities with a large population commuting to employment in the tri-county and tri-state urban areas.

State Planning

Responding to the need for statewide regional planning, the State Legislature, in January, 1986, adopted legislation establishing a State Planning Commission and an Office of State Planning. A major feature of this legislation is that the State Planning Commission prepare and adopt a State Development and Redevelopment Plan. The law requires that the plan provide a coordinated, integrated and comprehensive plan for the growth, development, renewal and conservation of the State and its regions and which shall identify areas for growth, agriculture, open space conservation and other appropriate designations.

The State Development and Redevelopment Plan (SDRP) was adopted by the State Planning Commission in June, 1992. In meeting the mandates of the law, the State Plan establishes a system of planning policies translated into planning areas intended to guide the development of the State into a manageable system based on available and projected utility and highway infrastructure, at the same time recognizing and respecting environmentally sensitive conditions. Additionally, the intent of the Plan is to guide growth into centers where it can efficiently and economically be managed with the environs remaining open and undeveloped. The State Plan was adopted following a

lengthy cross acceptance process in which Chatham Township actively participated.

For purposes of fulfilling the State's long range planning goals and objectives, the SDRP creates a system or series of six (6) Planning Areas, with each planning area designed to accomplish specific objectives and certain development intensity. Two of these planning areas apply to Chatham Township and are described below.

The Metropolitan Area (PA 1).

The more developed areas of the Township lying northerly of Southern Boulevard and adjacent to Chatham, Madison and Summit and including the established area along the ridge on either side of Fairmount Avenue and Meyersville Road are included in PA 1. The Giralda Farms property is also included. The Township is at the easterly edge of a massive PA 1 that covers a large part of the New Jersey portion of the New York Metropolitan Area. This planning area extends from the New York border on the North through Middlesex County on the south.

The communities in PA 1 form a part of the metropolitan mass where municipal boundaries tend to blur. The characteristics of this settlement pattern can undermine efforts to address a host of functional problems on a municipal basis. It is increasingly impractical, for instance, to manage traffic congestion, solid waste disposal and air and water pollution locally. These and other concerns spill over from one municipality to the next, often requiring a regional perspective on potential solutions.

Communities in PA 1 have many things in common: mature settlement patterns resulting in a diminished supply of vacant land; infrastructure systems that generally are beyond their reasonable life expectancy; recognition that redevelopment is, or will be in the not-to-distant future, the predominant form of growth; and a growing realization of the need to regionalize an increasing number of services and systems in light of growing fiscal constraints.

Areas in Chatham Township designated PA 1 do not fall entirely within the above descriptions and, in fact, the Township is at the fringe of the metropolitan development pattern. The descriptions are broadly stated and intended to encompass every variety of the urban and suburban pattern which may exist.

Environmentally Sensitive Planning Area (PA 5).

The balance of the Township, excepting The Great Swamp which is identified as Park & Recreation Area, is included in PA 5. More specifically, it includes all of the southerly leg of Green Village Road and areas north thereof, except Giralda Farms, areas bordering the southerly edge of the Great Swamp, and the steep hillside along River Road and extending to the Passaic River. The SDRP describes PA 5 as being "characterized by watersheds of pristine waters, trout streams and drinking water supply reservoirs; recharge areas for potable water aquifers; habitats of endangered and threatened plant and animal species; coastal and freshwater wetlands; prime forested areas; scenic vistas; and other significant topographical, geological or ecological features, particularly coastal barrier spits and islands." In general, PA 5 areas in Chatham Township fall within this description.

Revised Plan/Cross Acceptance.

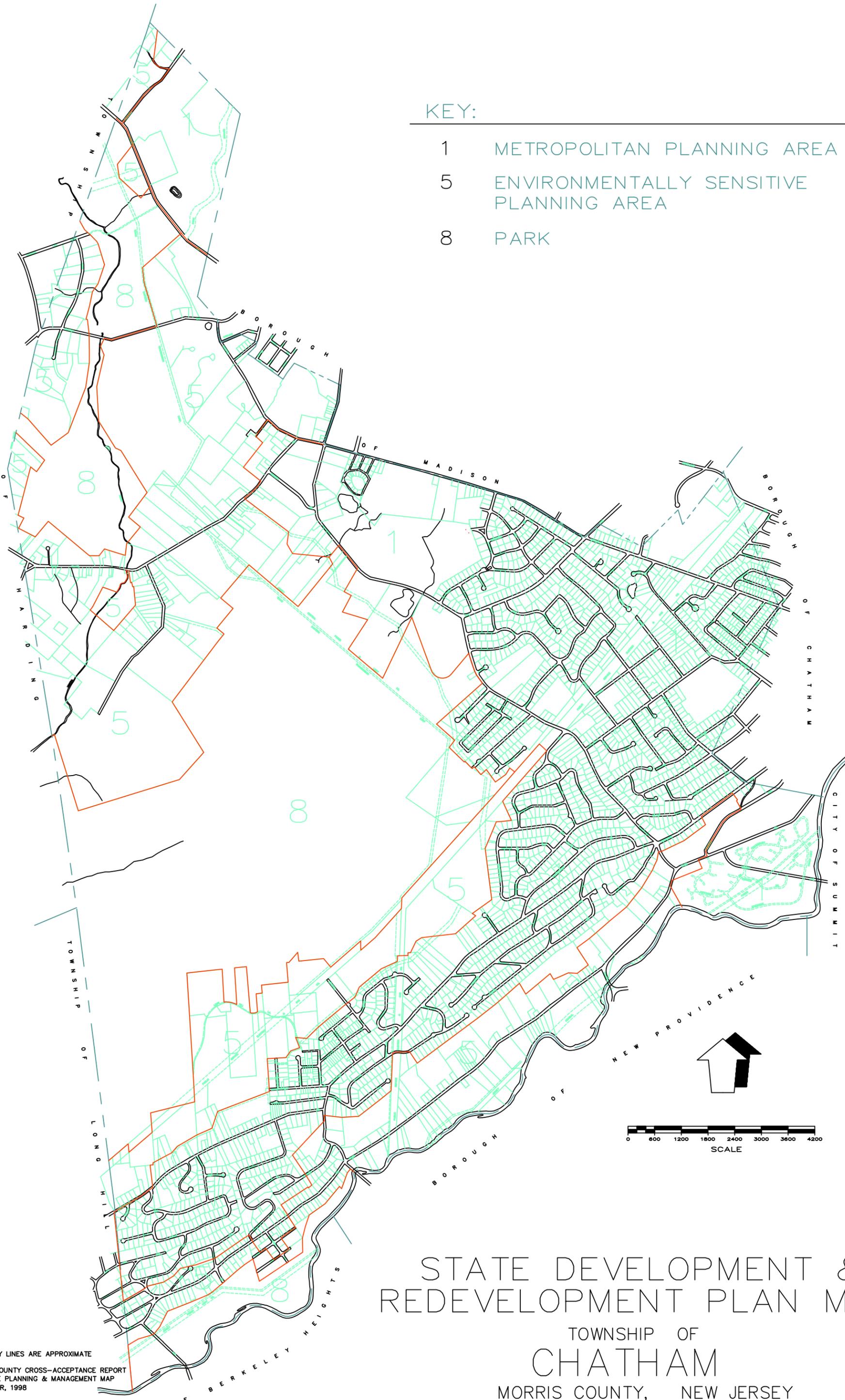
The State Planning Act requires periodic review of the SDRP and, to that end, the State Planning Commission has issued a preliminary, revised plan and, further, has initiated a new Cross-Acceptance process with the State's 21 counties and 566 municipalities. The County Planning Board is the designated negotiating agency responsible for the comparison of local master plans and policies with those of the State. Chatham Township is again participating in that process and has established a cross acceptance committee which has prepared a comparison phase report.

County Planning

At the present time, there is no overall, comprehensive County Master Plan, it being the policy of the County to prepare and adopt individual plan elements as priorities dictate and funding permits. The Land Use Element of the County Master Plan was adopted in 1975 and probably has little validity today in specific terms.

The development of a new County Land Use Element was recently initiated by the County Planning Board.

The current Land Use Element is intended to serve as a general guide to the County



KEY:

- 1 METROPOLITAN PLANNING AREA
- 5 ENVIRONMENTALLY SENSITIVE PLANNING AREA
- 8 PARK

NOTE: BOUNDARY LINES ARE APPROXIMATE
 SOURCE: MORRIS COUNTY CROSS-ACCEPTANCE REPORT
 RESOURCE PLANNING & MANAGEMENT MAP
 SEPTEMBER, 1998

MAP PREPARED: AUGUST 16, 1999
 BASE MAP REVISED PER TAX MAP: OCTOBER 1, 1997



STATE DEVELOPMENT &
 REDEVELOPMENT PLAN MAP
 TOWNSHIP OF
CHATHAM
 MORRIS COUNTY, NEW JERSEY

PREPARED BY ROBERT CATLIN AND ASSOCIATES
 CITY PLANNING CONSULTANTS DENVER, NEW JERSEY

and its 39 municipalities for sound and orderly future development throughout the County. It is built on two basic principles which anticipates broad policies of the State Plan:

1. That all future development proceed only after careful analysis of environmental considerations, and within any limitations imposed by such an analysis.
2. That future growth be clustered, in order to preserve open land, and to render utility services and public transportation feasible and economical.

The County Land Use Element goes on to state various goals and objectives based on these principles and recommends a population-employment center approach to development in order to achieve the desired purposes. Various traditional, growth, local and village type centers are identified generally as areas in and about which future development should be concentrated. The major traditional center closest to Chatham Township is Morristown. In closer proximity are the traditional centers of the Borough's of Chatham and Madison. The Land Use Element further stresses that high density housing should be concentrated in these centers, with increasingly less dense development radiating outward into adjoining areas, of which Chatham Township would be part.

An Open Space Element was completed in 1988 by the Morris County Planning Board. The plan identifies the following proposals for parks and open space in Chatham Township:

1. On-going acquisition by the federal government of additional land for the Great Swamp Refuge.
2. On-going extension of the Passaic River Park northward along the River.
3. Inclusion of the Loantaka Moraine, an area off of Woodland Avenue, in the adjacent Loantaka Park.

Other County Master Plan Elements and their relevance to Chatham Township are as follows:

Circulation Element (adopted in 1992). The only specific proposals involve improvement of the intersection of Shunpike Road and Loantaka Way and reconstruction of Shunpike Road between Green Village Road and Loantaka Way.

Water Supply Element (adopted in 1994). For the most part, this element recognizes the existing service to the Township by the N.J. American Water Company and the Southeast Morris County Municipal Utilities Authority SMCMUA and provides estimates for future water demand. It contains useful information regarding local geologic formations, aquifers and recharge areas.

Wastewater Management Element (adopted in 1985). Like most other County Master Plan elements, the Wastewater Management Element is somewhat out-of-date. Its primary relevance to Chatham Township is an indication of the need of plant expansion for growth before the year 2000. This has been accomplished.

Bicycle and Pedestrian Element (adopted in 1998). This element of the County Plan replaces the Bicycle Element adopted in 1977. The focus of the previous plan was the construction of integrated bikeways throughout the County. The latest plan addresses both bicycle and pedestrian routes and also takes into consideration the use of existing network.

Surrounding Planning and Zoning

From a practical planning standpoint, municipal boundary lines are often imaginary lines with no observable separation between communities unless by some physical feature, such as a river. Very often existing conditions in one community can have considerable impact on the bordering community, particularly near the common

municipal boundary line. Therefore, it is important that planning and zoning policies in the surrounding municipalities be carefully studied before any planning proposals are formulated or any planning action taken.

Seven municipalities adjoin Chatham Township. They are the Boroughs of Chatham and Madison and the Townships of Harding and Long Hill in Morris County and the City of Summit, the Borough of New Providence and the Township of Berkeley Heights in Union County. Factors relating to planning, zoning and development in nearby areas of each of these municipalities are discussed below.

Borough of Chatham

The Borough of Chatham adjoins the Township's northeasterly boundary. The more immediate nearby area in the Borough consists of built up residential development similar to that in the Township. There are three different single-family residential zones in this area with minimum lot sizes of 7,500 square feet, 9,300 square feet and 15,000 square feet. The Borough's Master Plan was adopted in 1967 and revised in 1979 and 1990. There are no proposed changes in the zoning next to the Township.

Borough of Madison

Most of the Township's northerly boundary is common with Madison Borough. East of Loantaka Way the Borough is largely developed. Excepting office building development at Hickory Tree Corner, existing land use in the adjoining area of the Borough is predominantly single-family residential. Present zoning in this area of the Borough is single-family residential. An exception to this is a professional zone on Shunpike Road between Green Village Road and Green Avenue. The professional zone and an adjoining townhouse zone are opposite a neighborhood business zone and an R-4 residential zone in the Township.

The townhouse zone immediately east of Green Avenue should have no adverse impact on the Township from a land use perspective since most of the area opposite the zone is Township recreation land; however, that townhouse development has created drainage problems in Chatham Township.

The area in Madison along the northwesterly boundary consists largely of Giralda

Farms, an official park located on the former Dodge Estate property. The Borough amended its zoning ordinance to create a Planned Commercial Development-Office (PCDO) District in 1978 and substantial office park development has taken place since. The impacts of traffic and stormwater runoff produced by this development are of continuing concern to Chatham Township.

Approximately 25 acres in Madison, adjacent to Chatham Township and part of the locally known "Loantaka Moraine", was purchased by Madison and donated to the Morris County Park Commission. This tract is adjacent to a 24 acre tract in Chatham Township that the Planning Board, the Environmental Commission and the Morris County Planning Board has recommended be preserved as open space.

Harding Township

Harding Township adjoins the northerly half of Chatham Township's westerly boundary. Development characteristics here are compatible with those in the Township and consist of low- density residential use, County parkland and The Great Swamp Wildlife Refuge. Master Plan proposals and current zoning, revised in 1995, continue these characteristics. With the exception of small areas at Green Village, the minimum lot size is 3 acres.

Long Hill Township

Long Hill Township makes up the balance of the Township's westerly boundary. The Master Plan of Long Hill Township designates the entire bordering area for conservation, natural area or flood plain preservation. Most of the bordering area is in a Conservation Zone, with a minimum lot size of 5 acres. The remaining area is zoned single-family residential, with a minimum lot size of 45,000 sq. ft. Long Hill's Master Plan was last revised in 1995.

Morris Township

Although Morris Township does not abut Chatham Township, it lies upstream to the Township on Loantaka Brook. Many activities in that municipality have as much impact on the Township as some of its more immediate neighbors. Among the concerns to the Township are traffic and stormwater runoff, the latter impacting Loantaka Brook Reservation and the Great Swamp.

The area of primary concern is the southeasterly portion of Morris Township which contains Route 287 and an interchange at Blackberry Lane. The latter road connects Spring Valley Road which intersects Loantaka Way. Large office development occurred in this section of Morris Township and additional traffic was generated in Chatham Township. Substantial residential development, including multi-family development, has also taken place on Woodland Avenue in the Loantaka Brook watershed.

Union County Municipalities

Zoning in the three Union County municipalities (Summit, Berkeley Heights, and New Providence) remains compatible with the Township. The Passaic River forms the common boundary and serves as a buffer. On the Union County side of the boundary, most of the land is county park. Zoning is for single-family residential, except in Berkeley Heights which designates the river front area as open land, recognizing the permanent nature of the County Park.

THE NATURAL ENVIRONMENT

The 1978 Master Plan placed major emphasis on the physical and environmental characteristics of the Township and the proposals in the Plan were based on an analysis of various environmental information available at the time. As noted in the Plan, one of the dominant considerations in the development of long-range future planning policy is the basic physical and environmental make-up of the municipality. Today, throughout the country, many municipalities are realizing too late the results of failure to recognize the limitations imposed by the physical characteristics of the land. These results appear in the form of flooding and drainage problems, soil erosion, destruction of natural vegetation and wildlife, air and water pollution and harm to other features of the natural environment. Therefore, an assessment of those features of the natural environment which are related to land use and intensity of land use becomes an essential part of the planning function.

Included in the 1978 Plan is an assessment of the following information and data, which remains useful to the planning process:

1. Natural Resources Inventory. This document was prepared in 1974 and has been updated under the direction of the Township Environmental Commission.
2. Physiography and Geology. Physiological and geological information relating to the Township available from the New Jersey Bureau of Geology and Rutgers University was examined and described in terms of its impact on land use proposals.
3. Surface Relief and Drainage. Topographic information from U.S.G.S and Township topographic map sources was examined and major drainage patterns assessed. In addition, the extent of flood hazard areas was determined.
4. Soils. The Morris County Soil Survey (U.S.D.A., Soil Conservation Service) provided abundant information relating to soil types and characteristics and the limitations they impose on land development.

Since the preparation of the 1978 Master Plan, additional environmental data has become available and there has been important legislation in the environmental area enacted. Most significant are the following:

- A. Hydric Soils. Hydric soils are soils which are associated with wetlands. These soils are grouped according to the degree or extent of hydric conditions or moisture content. The Fish and Wildlife Service identifies three general groups of hydric soils, based on the U.S.D.A., Soil Conservation Service mapping, as follows:

Group I - Soils that nearly always display consistent hydric conditions.

Group II - Soils displaying consistent hydric conditions in most places, but additional verification is needed.

Group III - Soils displaying consistent hydric conditions in few places and additional verification is needed.

The three soil groups are reflected in the "Hydric Soils" map. Comparison to the "Freshwater Wetlands" map reveals substantial consistency.

- B. Freshwater Wetlands Protection Act (N.J.S.A. 13:9B). On July 1, 1987, the Freshwater Wetlands Protection Act was signed by Gov. Kean and it became effective on July 1, 1988. This legislation is intended to preserve the purity and integrity of wetlands from random, unnecessary or undesirable alterations or disturbances. Freshwater wetlands perform many biological and physical functions and, in doing so, provide many benefits to the citizens of our state.

The Act has had a dramatic impact on development activities in freshwater wetland areas and adjacent transition areas. Until adoption of the Act, dredging and filling activities in wetlands were regulated by the U.S. Army Corps of Engineers whose inspection and enforcement capabilities were limited. The State law places wetland enforcement responsibilities under the jurisdiction of the Department of Environmental Protection and expands the types of activities that are regulated as well as increasing fines and penalties for violators.

Enforcement of wetlands regulations places heavy reliance on municipalities to be the watchdog of development activities and development applications and to make sure that applicants for development seek and obtain necessary approvals from the D.E.P.

The New Jersey Department of Environmental Protection (NJDEP) has prepared the mapping of freshwater wetlands throughout the State. This information provides the general location, extent, and classification of wetland areas. This information for Chatham Township is reflected on the map entitled "Freshwater Wetlands" contained herein. Although this data is not as specific as an on-site survey, this inventory provides reliable information for planning purposes and is more detailed than the previously available National Wetlands Inventory maps.

As indicated on the map, wetlands in Chatham Township are extensive in the more rural portions of the municipality. In addition to the Great Swamp, wetlands in the Township cover large areas along Green Village Road and areas along the Passaic River. Much of the remaining private vacant land in the Township is

constrained by wetlands and their associated transition areas.

- C. Recharge Areas. Also included herein is a map reflecting recharge areas identified by the New Jersey Geological Survey utilizing studies of glacial sediment deposits which comprise the terminal moraine. In Chatham Township the recharge areas cover a wide band generally lying north of Southern Boulevard, Shunpike Road and Woodland Road and extending in a northwesterly direction from Fairmount Avenue into Madison, Convent Station and Morristown. Protection of recharge areas is vital to maintaining ground water supply and quality. Local planning policy should, where possible, promote open space and low density development in these areas.

Recent environmental information, especially that related to wetlands, reinforces Township zoning and development policies and even suggests that, in some areas, zoning regulations may be too liberal.

POPULATION/DEMOGRAPHICS

Any revision or up-dating of a Master Plan must take into consideration population growth and other demographic characteristics. A community is the people and local planning requirements are directly related to the number of persons residing and working in the municipality and the characteristics of those people. As those numbers and characteristics change, so do community requirements. Thus, plans must be altered or adjusted to meet these changing needs.

Regional Growth

Significant changes have been taking place in terms of regional population trends. Since all communities are regionally oriented and, owe their character to regional influences, a review of related population considerations in the region is the initial step in determining potential future conditions locally.

The outward development pressures in the northern New Jersey area can best be demonstrated by a review of population growth trends in recent decades. In Table 1, growth trends since 1950 in selected northern New Jersey counties are summarized. The figures in this table reflect declining populations in built-up counties closer to New

KEY TO SOIL SYMBOLS



GROUP 1 SOILS THAT NEARLY ALWAYS DISPLAY CONSISTENT HYDRIC CONDITIONS

SYMBOL	MAPPING UNIT
Ad	Adrian muck
Ae	Alluvial land
Bd	Biddeford silt loam



GROUP 2 SOILS DISPLAYING CONSISTENT HYDRIC CONDITIONS IN MOST PLACES, BUT ADDITIONAL VERIFICATION IS NEEDED

SYMBOL	MAPPING UNIT
HaB	Haledon silt loam, 3-8% slope
HaC	Haledon silt loam, 8-15% slope
Ph	Parsippany silt loam
Pk	Parsippany silt loam, sandy loam substratum
ReB	Reaville shaly silt loam, deep variant, 0-5% slope

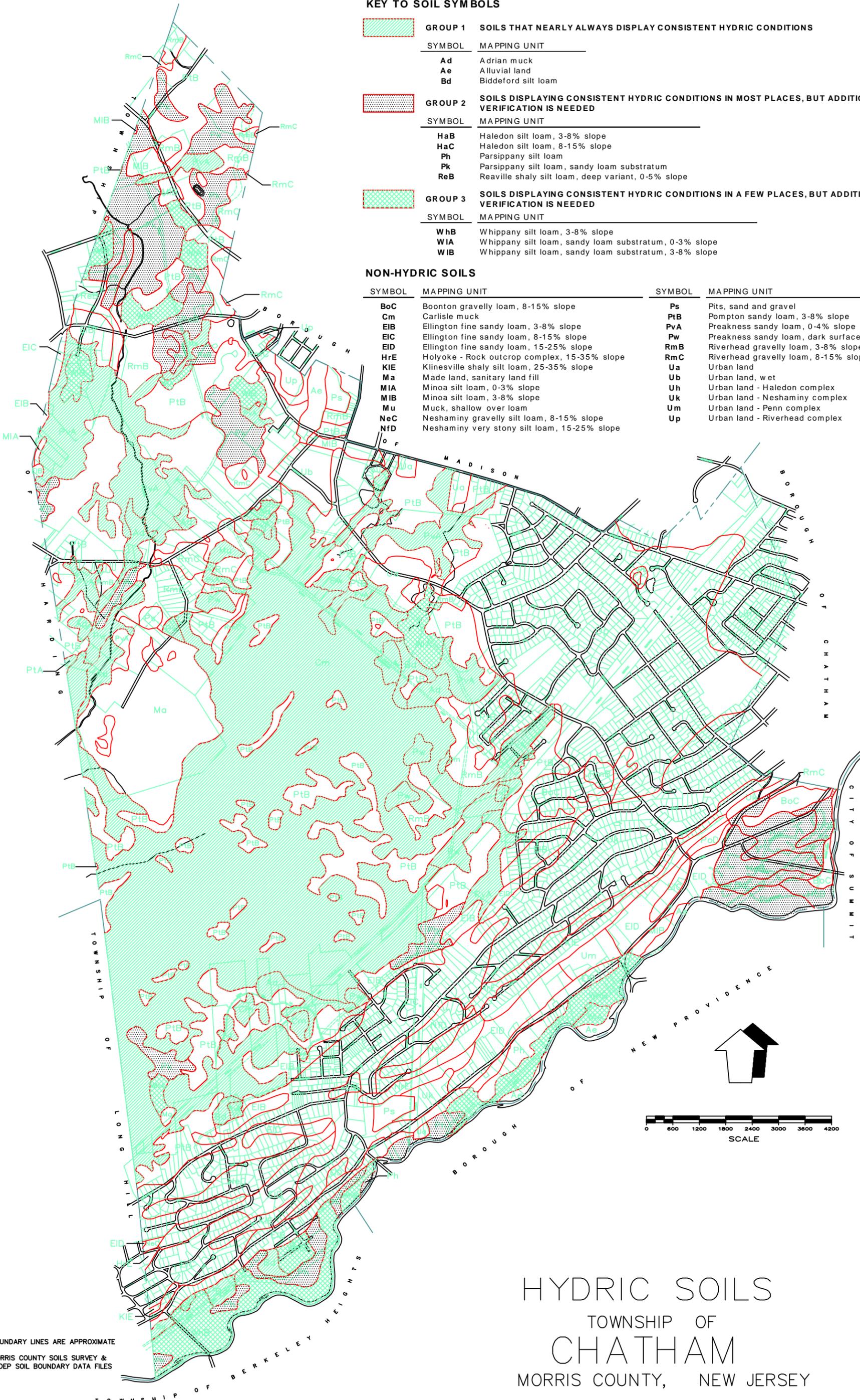


GROUP 3 SOILS DISPLAYING CONSISTENT HYDRIC CONDITIONS IN A FEW PLACES, BUT ADDITIONAL VERIFICATION IS NEEDED

SYMBOL	MAPPING UNIT
WhB	Whippany silt loam, 3-8% slope
WIA	Whippany silt loam, sandy loam substratum, 0-3% slope
WIB	Whippany silt loam, sandy loam substratum, 3-8% slope

NON-HYDRIC SOILS

SYMBOL	MAPPING UNIT	SYMBOL	MAPPING UNIT
BoC	Boonton gravelly loam, 8-15% slope	Ps	Pits, sand and gravel
Cm	Carlisle muck	PtB	Pompton sandy loam, 3-8% slope
EIB	Ellington fine sandy loam, 3-8% slope	PvA	Preakness sandy loam, 0-4% slope
EIC	Ellington fine sandy loam, 8-15% slope	Pw	Preakness sandy loam, dark surface variant
EID	Ellington fine sandy loam, 15-25% slope	RmB	Riverhead gravelly loam, 3-8% slope
HrE	Holyoke - Rock outcrop complex, 15-35% slope	RmC	Riverhead gravelly loam, 8-15% slope
KIE	Klinesville shaly silt loam, 25-35% slope	Ua	Urban land
Ma	Made land, sanitary land fill	Ub	Urban land, wet
MIA	Minoa silt loam, 0-3% slope	Uh	Urban land - Haledon complex
MIB	Minoa silt loam, 3-8% slope	Uk	Urban land - Neshaminy complex
Mu	Muck, shallow over loam	Um	Urban land - Penn complex
NeC	Neshaminy gravelly silt loam, 8-15% slope	Up	Urban land - Riverhead complex
NfD	Neshaminy very stony silt loam, 15-25% slope		

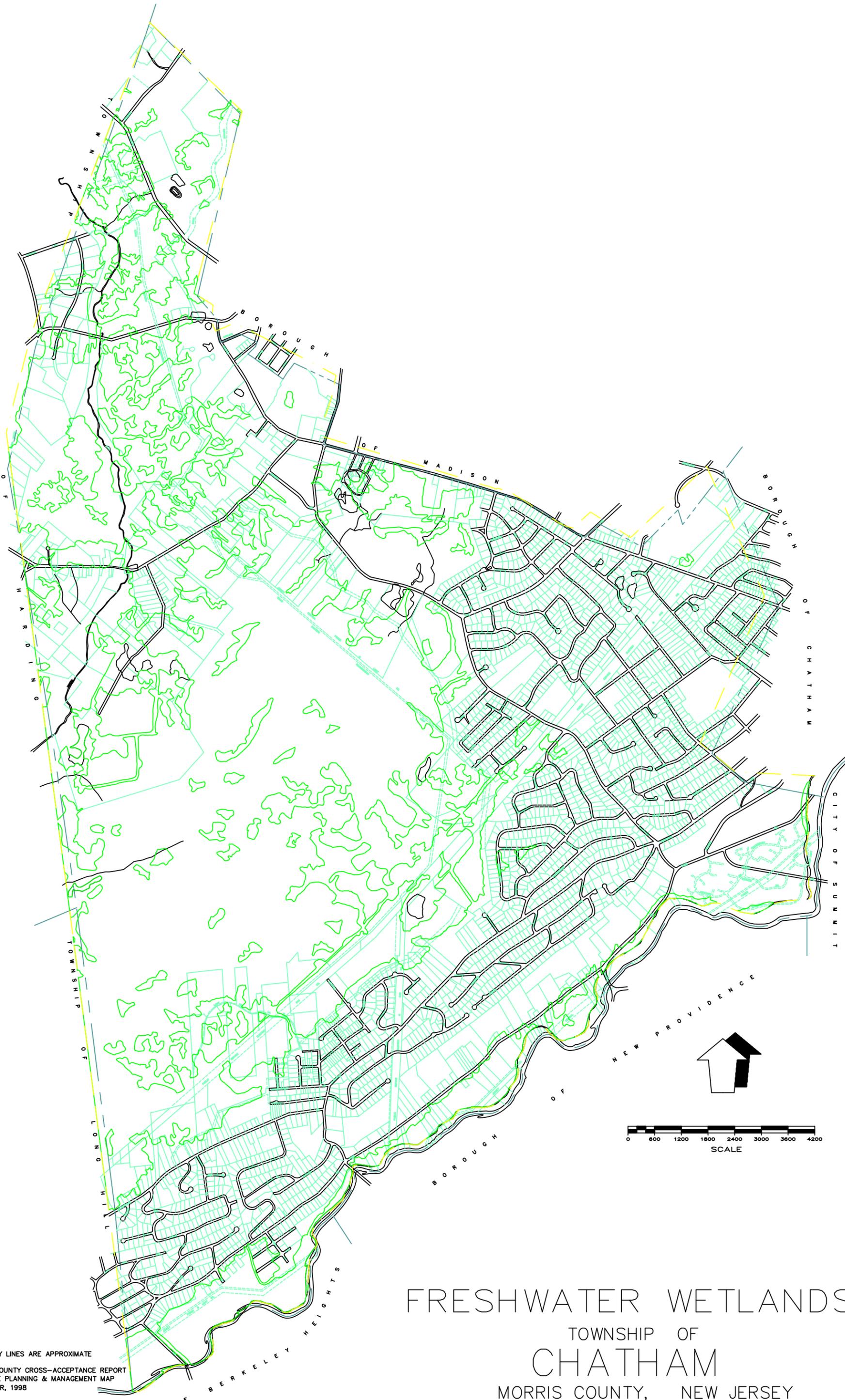


NOTE: BOUNDARY LINES ARE APPROXIMATE
 SOURCE: MORRIS COUNTY SOILS SURVEY & NJDEP SOIL BOUNDARY DATA FILES

HYDRIC SOILS
 TOWNSHIP OF
CHATHAM
 MORRIS COUNTY, NEW JERSEY

PREPARED BY ROBERT CATLIN AND ASSOCIATES
 CITY PLANNING CONSULTANTS DENVER, NEW JERSEY

MAP PREPARED: SEPTEMBER 22, 1999
 BASE MAP REVISED PER TAX MAP: OCTOBER 1, 1997



NOTE: BOUNDARY LINES ARE APPROXIMATE
 SOURCE: MORRIS COUNTY CROSS-ACCEPTANCE REPORT
 RESOURCE PLANNING & MANAGEMENT MAP
 SEPTEMBER, 1998

MAP PREPARED: AUGUST 16, 1999
 BASE MAP REVISED PER TAX MAP: OCTOBER 1, 1997

FRESHWATER WETLANDS

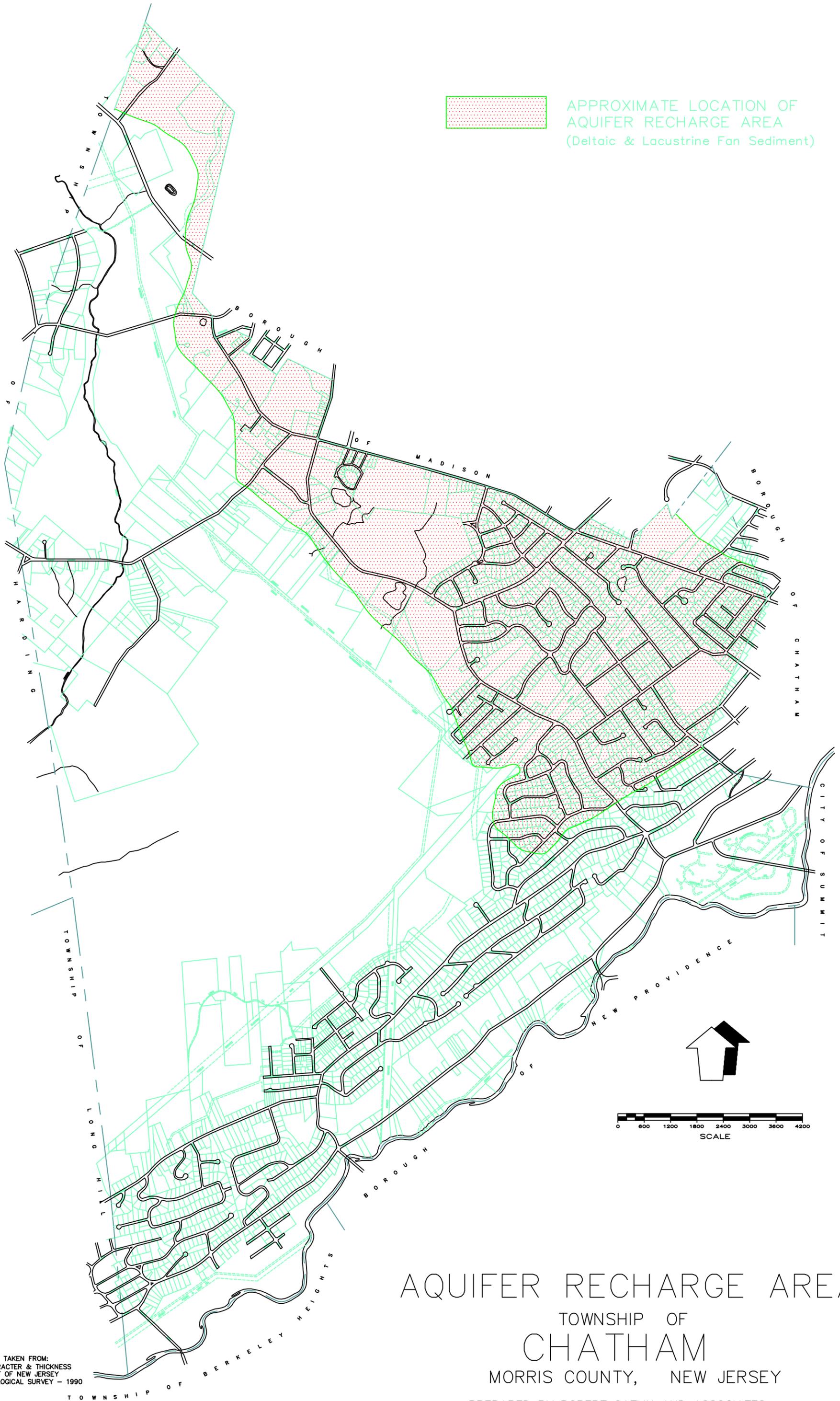
TOWNSHIP OF CHATHAM

MORRIS COUNTY, NEW JERSEY

PREPARED BY ROBERT CATLIN AND ASSOCIATES
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APPROXIMATE LOCATION OF
AQUIFER RECHARGE AREA
(Deltaic & Lacustrine Fan Sediment)



AQUIFER RECHARGE AREA

TOWNSHIP OF
CHATHAM
MORRIS COUNTY, NEW JERSEY

SOURCE INFORMATION TAKEN FROM:
HYDROLOGIC CHARACTER & THICKNESS
GLACIAL SEDIMENT OF NEW JERSEY
NEW JERSEY GEOLOGICAL SURVEY - 1990

MAP PREPARED: JULY 28, 1999
BASE MAP REVISED PER TAX MAP: OCTOBER 1, 1997

PREPARED BY ROBERT CATLIN AND ASSOCIATES
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York City, the core of the Region, such as Bergen, Essex and Union, while growth in the counties farther from the core has been increasing. As inner counties have become more heavily developed, development pressures have been transferred to outer area counties such as Sussex, Warren and Hunterdon. Estimates since 1990 indicate that Somerset County has the highest numerical and rate of growth.

Morris County experienced substantial growth between 1950 and 1970, but the rate of growth declined to 6.3% during the 1970's. Its growth rate continued to decline in the 1980's, but picked up somewhat through the 1990's. Based on estimates by the N.J. Department of Labor, the population of Morris as of July 1, 1996, was 449,218, an increase of 27,865 or 6.6 percent since 1990. This was the second highest numerical growth of the nine surveyed counties.

Estimates by the Morris County Planning Board indicate a 1997 population 453,048 which is very close to the State estimates. Concerning future growth, estimates by the N.J. Department of Labor and the Morris County Planning Board reveal the following estimates for the year 2010.

State Estimate - 477,600
County Estimate - 487,440

Growth in Chatham Township

Growth in Chatham Township and surrounding municipalities slowed from the explosive growth of the 1950's. From 1970 to 1980, the Township gained 1,268 persons, an increase of 15.7%, during that period (see Table 2).

Estimates by the Morris County Planning Board placed the Township's 1997 population at 9,887, an increase of 526 persons or 5.6% since 1990. As to future growth, the County Planning Board has estimated that the Township's population

TABLE 1
REGIONAL POPULATION COMPARISONS
SELECTED COUNTIES
1950-1996

County	1950 Persons	1960 Persons	Change Number	1950-60 Percent	1970 Persons	1960-70 Percent	1980 Persons	Change Number	1970-80 Percent	1990 Persons	Change Number	1980-90 Percent	1996* Persons	Change Number	1990-96 Percent
Bergen	539,139	780,255	241,116	44.7	898,012	15.1	845,385	(52627)	(5.9)	825,380	(20005)	(2.4)	846,498	21118	2.6
Essex	905,949	923,545	17,596	1.9	929,986	0.7	850,451	(79535)	(8.6)	778,206	(72245)	(8.5)	755,089	(23117)	(3.0)
Hunterdon	42,736	54,107	11,371	26.6	69,718	28.9	87,361	17643	25.3	107,776	20415	23.4	118,737	10961	10.2
Morris	164,371	261,620	97,249	59.2	383,454	46.6	407,630	24176	6.3	421,353	13723	3.4	449,218	27865	6.6
Passaic	337,093	406,618	69,525	20.6	460,782	13.3	447,585	(13197)	(2.9)	453,060	5475	1.2	464,833	11773	2.6
Somerset	99,052	143,913	44,861	45.3	198,372	37.8	203,129	4757	2.4	240,279	37150	18.3	269,902	29623	12.3
Sussex	34,423	49,255	14,832	43.1	77,528	57.4	116,119	38591	49.8	130,943	14824	12.8	141,308	10365	7.9
Union	398,138	504,255	106,117	26.7	543,116	7.7	504,094	(39022)	(7.2)	493,819	(10275)	(2.0)	497,281	3462	0.7
Warren	54,374	63,220	8,846	16.3	73,879	16.9	84,429	10550	14.3	91,607	7178	8.5	97,574	5967	6.5
TOTALS	2,575,275	3,186,788	611,513	23.8	3,634,847	14.1	3,546,183	(88,664)	(2.4)	3,542,423	(3,760)	(0.1)	3,640,440	98,017	2.8

Note: Negative numbers are in parentheses (thus).

Source: U.S. Census of Population, 1950-1990.

* Estimates for July 1, 1996, by N.J. Dept. of Labor.

TABLE 2
POPULATION CHANGE
CHATHAM TOWNSHIP & SELECTED MUNICIPALITIES
1950 - 1990

Municipality	Pop. 1950	Pop. 1960	1950 - 1960		Pop. 1970	1960 - 1970		Pop. 1980	1970 - 1980		Pop. 1990	1980 - 1990		Area Sq.Mi.	1990 Pop. Per Sq.Mi.
			Number Change	% Change											
Berkeley Heights	3,466	8,721	5,255	151.62	13,078	4,357	49.96	12,549	-529	-4.04	11,980	-569	-4.54	6.3	1,902
Chatham	7,391	9,517	2,126	28.76	9,566	49	0.51	8,537	-1,029	-10.76	8,007	-530	-6.21	2.3	3,481
Chatham Township	2,825	5,931	3,106	109.95	8,093	2,162	36.45	8,883	790	9.76	9,361	478	5.39	9	1,040
Florham Park	2,385	7,222	4,837	202.81	8,094	872	12.07	9,359	1,265	15.63	8,521	-838	-8.96	7.6	1,121
Harding Township	1,970	2,683	713	36.19	3,249	566	21.1	3,236	-13	-0.40	3,640	404	12.49	16.7	218
Madison	10,417	15,122	4,705	45.17	16,710	1,588	10.5	15,357	-1,353	-8.10	15,850	493	3.22	4	3,963
Morris Township	7,432	12,092	4,660	62.7	19,414	7,322	60.55	18,486	-928	-4.78	19,952	1,466	7.94	15.8	1,263
New Providence	3,380	10,243	6,863	203.05	13,796	3,553	34.69	12,426	-1,370	-9.93	11,439	-987	-7.95	3.7	3,092
Long Hill	3,429	5,537	2,108	61.48	7,393	1,856	33.52	7,275	-118	-1.60	7,826	551	7.58	16.5	474
Summit	17,929	23,677	5,748	32.06	23,620	-57	-0.24	21,071	-2,549	-10.79	19,757	-1,314	-6.24	6	3,293

Source: U.S. Census of Population.

will reach 9,902 in the year 2000 and 9,975 in the year 2010. These estimates acknowledge the limited new development capacity of the Township.

Building activity in the Township is helpful in forecasting future growth. Based on data from the Construction Office, housing development in Chatham Township in recent years has been modest. Since 1990 and through June 1999, 459 new housing units, of which 77 were single family homes, have been constructed. (See Table 3).

Components of Population Change

The two basic components of population change are natural increase (births minus deaths) and net migration (in-migration minus out-migration). Trends relating to these components for Chatham Township and Morris County are shown in Table 4. One significant trend is that net migration has accounted for about 80% of Chatham's population increase from 1950 to 1980. In Morris County, net migration fell from 70.9% in the 1950's to 1.2% of the population increase in the 1970's. A marked recovery occurred, however, between 1980 and 1990 when net migration reached 68.14%.

The birth rates in both jurisdictions declined from 1970 to 1980. In Chatham Township, the death rate increased to 5.1 per 1,000 population, higher than its birth rate of 4.6 per 1,000. Thus, in 1980 there was a natural decrease in the population, while Morris County experienced a natural increase. Differences in the age composition, discussed later, would account for these population changes.

More recently, both the County and the Township have experienced a significant increase in the birth rate. As shown in Table 4, the County rate in 1990 reached 13.6 and the Township reached 13.0. There is evidence that the rate at the County level increased through 1995 when the last data was reported. At the Township level, it appears that 1990 rate fell slightly through 1993, but recovered in 1994 and 1995.

Household Size

In Chatham Township, the dominant household size is the 2- person household. Over

BUILDING PERMITS, 1990 - June, 1999
Township of Chatham

Table 3

<u>Year</u>	<u>Total Units</u>	<u>Single-Family</u>	<u>Multi-Family</u>
1990	56	4	52
1991	1	1	0
1992	197	1	196
1993	139	5	134
1994	7	7	0
1995	12	12	0
1996	15	15	0
1997	15	15	0
1998	13	13	0
1999 (thru June)	<u>4</u>	<u>4</u>	<u>0</u>
	459	77	382

Source: Residential Building Permits, NJ Department of Labor and
Township Construction Official

**NATURAL INCREASE AND MIGRATION, 1950-1990
Chatham Township & Morris County**

Table 4

	Births	Deaths	Natural* Increase	Number Increase	Net** Migration	% Net Migration
Chatham Township						
1950 - 1959	840	263	577	3,106	2,529	81.42
1960 - 1969	842	363	479	2,162	1,683	77.84
1970 - 1979	653	497	156	790	634	80.25
1980 - 1989	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Morris County						
1950 - 1959	46,291	18,009	28,282	97,249	68,967	70.92
1960 - 1969	61,174	23,621	37,553	121,834	84,281	69.18
1970 - 1979	50,200	26,300	23,900	24,180	280	1.16
1980 - 1989	52,138	29,073	23,065	13,723	9,342	68.08
Chatham Township			Morris County			
	Birth Rate+	Death Rate+		Birth Rate+	Death Rate+	
1950	16.6	3.9		20.1	9.6	
1960	16.4	4.2		22.3	8.1	
1970	11.2	4.7		17.1	6.9	
1980	4.6	5.1		11.6	6.8	
1990	13.0	N.A.		13.6	N.A.	

* Natural Increase = Births minus Deaths

** Net Migration = In-migration minus Out-migration

+ Rate = Number per 1,000 population

N.A. Not Available

Source: New Jersey Bureau of Vital Statistics

HOUSEHOLD SIZE - 1990
Chatham Township & Morris County

Table 5

	Chatham Township		Morris County	
	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>
1 Person	764	21.4	28,312	19.0
2 Persons	1,268	35.5	46,395	31.2
3 Persons	624	17.5	28,721	19.3
4 Persons	605	16.9	28,043	18.9
5 Persons	215	6.0	11,966	8.0
6 or more Persons	<u>95</u>	<u>2.6</u>	<u>5,314</u>	<u>3.6</u>
TOTAL	3,571	100.0	148,751	100.0
Mean persons per unit	2.59		2.78	

Source: U.S. Census of Population

one-third (35.5%) of the households are in this category compared to 31.2% for all of Morris County (see Table 5). The Township had slightly lower percentages than the County in the 3-, 4-, 5- and 6 or more person households and a slightly higher percentage in the 1-person households. These figures somewhat explain the smaller household size in the Township vs. the County. These conditions, to a large degree, can be attributed to the construction of a large number of multi-family housing units during the 1980's. The household size data does not reflect the new, young families moving into the Township in the past 6 to 8 years and it is believed that the 2000 Census will reveal some significant changes in household composition.

Age Composition

Basic to any discussion of population are the changes which occur within the various age groups. Analysis of age group characteristics will provide insight into the actual changes in population composition, which, in turn, may be helpful when assessing what impacts they may have on community facilities and services. For example, increases or decreases in the school age population in a given area invariably prompts a reevaluation of school expansion programs and educational facilities. Similarly, increasing life expectancy and improved medical techniques have resulted in an increasing number of elderly citizens, bringing along with it an increased community awareness for their specific needs in the area of health care, housing and transportation.

Population by age groups in the Township for 1980 and 1990 is shown in Table 6 which indicates interesting changes in that 10-year period. For example, although the under 5 age group increased, other younger age groups (5-19) declined both numerically and as a percentage of the population. In 1980, these groups represented 25.5% of the population vs. 17.1% in 1990. In contrast, the 20-54 age groups all increased numerically and percentagewise as did the 65 and over age groups. The increase in the under 5 group can be attributed to the increases in the 25-44 age groups which represent the family forming groups.

Age group populations on a percentage basis for the Township and County in 1990 are compared in Table 7. The data here reveals some significant differences between the two jurisdictions. Most significant is the fact that all groups under age 35 in the Township represented a smaller percentage of the population than in the County and,

AGE DISTRIBUTION, 1980-1990
Township of Chatham

Table 6

	1980 Population	% Of Total	1990 Population	% Of Total	Numerical Change 1980-1990	Percentage Change 1980-1990
Under 5	401	4.5	576	6.2	175	11.6
5 - 9	567	6.4	535	5.7	-32	-30.4
10 - 14	845	9.5	555	5.9	-290	-34.3
15 - 19	853	9.6	517	5.5	-336	-39.4
20 - 24	430	4.8	488	5.2	58	13.5
25 - 34	969	10.9	1,372	14.7	403	41.5
35 - 44	1,411	15.9	1,613	17.2	202	14.3
45 - 54	1,286	14.5	1,420	15.2	134	10.41
55 - 64	1,084	12.2	1,035	11.1	-49	-4.5
65 - 74	625	7	714	7.6	89	14.2
75 & Over	412	4.6	536	5.7	124	30.1
TOTAL	8,883	100.0	9,361	100.0	478	5.4

Source: U.S. Census of Population

POPULATION BY AGE - 1990
Chatham Township & Morris County

Table 7

	Chatham Township			%	Morris County	
	Male	Female	Total		Total	%
Under 5	275	301	576	6.2	27,637	6.6
5 - 9	276	259	535	5.7	25,941	6.2
10 - 14	296	259	555	5.9	26,040	6.2
15 - 19	282	235	517	5.5	27,735	6.6
20 - 24	259	229	488	5.2	30,046	7.1
25 - 34	663	709	1,372	14.7	71,457	17.0
35 - 44	635	878	1,613	17.2	72,240	17.1
45 - 54	684	736	1,420	15.2	55,965	13.3
55 - 64	515	520	1,035	11.1	39,870	9.5
65 - 74	342	372	714	7.6	26,064	6.2
75 & over	202	334	536	5.7	18,358	4.4
TOTAL	4,429	4,850	9,361	100.0	421,353	100.0
 Median Age	 38.3	 40.0	 39.3		 35.3	

Source: U.S. Census of Population

conversely, all groups 35 years and older represented a greater percentage. On the other hand, the difference in any one age group is not very great, the largest difference occurring in the 25-34 age group, which in Chatham Township was 14.7% compared to 17.0% in the County.

Income

Household incomes in the community are a further reflection of the community character and the nature of its population. In Table 8, 1989 household incomes for Chatham Township and Morris County are compared. Both the median and mean incomes of households in the Township were substantially greater than in the County. This is the result of the fact that the Township generally has higher percentages of its households in income categories of \$100,000 or more. For example, 36.2% of Township households earned \$100,000 or more compared to only 17.4% of the County's households.

Also shown in Table 8 is a summary of family and individual incomes as related to the poverty level. Percentagewise, the two jurisdictions were quite close, the Township being slightly less than the County.

Employment Characteristics

Among the more important demographic factors related to housing needs are employment characteristics. Various labor force and employment data for the Township and the County are summarized in Table 9. The labor force data show that the Township and the County both had low unemployment rates, although the Township was lower than the County. The Township had a larger portion of its population not in the labor force indicating greater affluence. The occupational profiles of the two jurisdictions were quite different, with the Township exhibiting a higher degree of white collar occupations.

Perhaps more important than the employment characteristics of the municipality's labor force are local employment opportunities and growth in local employment. A customary source used in determining local employment characteristics and local employment trends is covered employment data reported by the New Jersey Department of Labor.

INCOME DATA - 1989
Chatham Township & Morris County

Table 8

Household Income	CHATHAM		COUNTY	
	No.	%	No.	%
\$ 0 - 4,999	52	1.5	2,014	1.4
\$ 5,000 - 9,999	85	2.4	4,579	3.1
\$ 10,000 - 12,499	21	0.6	2,696	1.8
\$ 12,500 - 14,999	33	0.9	2,010	1.4
\$ 15,000 - 17,499	46	1.3	2,342	1.6
\$ 17,500 - 19,999	25	0.7	2,520	1.7
\$ 20,000 - 22,499	68	1.6	3,472	2.3
\$ 22,500 - 24,999	70	2.0	2,848	1.9
\$ 25,000 - 27,499	76	2.1	4,185	2.8
\$ 27,500 - 29,999	46	1.3	3,208	2.2
\$ 30,000 - 34,499	105	2.9	8,393	5.7
\$ 35,000 - 39,999	140	3.9	7,926	5.3
\$ 40,000 - 49,999	232	6.5	16,881	11.4
\$ 50,000 - 74,999	777	21.7	37,645	25.3
\$ 75,000 - 99,999	512	14.3	22,044	14.8
\$100,000 - 149,999	703	19.6	16,335	11.0
\$150,000 - or more	594	16.6	9,529	6.4
TOTAL	3,585	100.0	148,627	100.0
Median Income	\$ 75,597		\$56,273	
Mean Income	\$101,180		\$ 70,918	
Per Capita Income	38,773		\$25,177	
Poverty Status				
Income Above				
Age				
0 - 17	1,964	21.2	92,695	22.4
18 - 64	5,913	63.7	270,484	65.4
65 +	1,164	12.5	39,223	0.3
TOTAL	9,041	97.4	402,402	97.2
Income Below				
Age				
0 - 17	70	0.8	3,108	0.8
18 - 64	140	1.5	6,196	1.5
65 +	28	0.3	12,155	0.5
TOTAL	238	2.6	11,459	2.8
Total				
Age				
0 - 17	2,034	21.9	95,803	23.2
18 - 64	6,053	65.2	276,680	66.9
65 +	1,192	12.9	41,378	10.0
TOTAL	9,279	100.0	413,861	100.0

Source: 1990 U.S. Census

LABOR FORCE & EMPLOYMENT DATA - 1989
Chatham Township & Morris County

Table 9

	Chatham Twp				County		
	Male	Female	Total	%	Total	%	
Labor Force*							
Armed Forces	----	----	----	----	----	----	
Civilian Labor Force							
Employed	2,779	2,069	4,848	63.9	234,721	69.9	
Unemployed	50	87	137	1.8	8,388	2.8	
Not in Labor Force	<u>777</u>	<u>1,829</u>	<u>2,606</u>	<u>34.3</u>	<u>92,858</u>	<u>27.6</u>	
TOTAL	3,606	3,985	7,591	100.0	335,967	100.0	
Unemployment Rate			2.8%		3.5%		
				Chatham Twp.		County	
				<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>
Occupations							
Managerial & Professional Speciality							
Executive, Administrative, Managerial			1,366	28.2	46,895	20.0	
Professional Speciality			1,135	23.4	41,696	17.8	
Technical, Sales Administrative Support:							
Technicians and Related Support			187	3.9	9,091	3.9	
Sales			850	17.5	30,836	13.1	
Administrative Support including Clerical			648	13.4	42,784	18.2	
Service:							
Private Household			48	0.9	711	0.3	
Protective Service			48	1.0	3,380	1.4	
Service, Except Protective & Household			168	3.5	16,009	6.8	
Farming, Forestry and Fishing			35	0.7	2,284	1.0	
Precision Production, Craft & Repair			231	4.8	21,328	9.1	
Operators, Fabricators, and Laborers:							
Machine Operator, Assemblers, Inspectors			61	1.3	7,755	3.3	
Transportation & Material Moving Handlers			42	0.9	6,391	2.7	
Equipment Cleaners, Helpers, Laborers			29	0.6	5,561	2.4	
TOTAL			4,848	100.0	234,721	100.0	

* Labor Force - Persons 16 years of age and older

Source: 1990 U.S. Census

New Jersey unemployment covered jobs reported by the Department of Labor for Chatham Township from 1980 through 1995 are listed in Table 10. The data presented here indicates that local employment in the Township has been increasing at a fluctuating but steady pace. Employer units have grown by 71 units since 1980 and jobs have increased by 309 or 38% since 1980.

The data in Table 10 is not necessarily accurate as indicated by the Department of Labor. Despite the probable existence of error in the reported figures, they are believed to represent an accurate indication of trends in the Township since growth in commercial development has been minimal.

Summary

The many variable and unknown factors and influences make a projection of future growth difficult and complicated. At best, a "guesstimate" of future population can be offered based on recent trends and available vacant land. Such a guesstimate is subject to modification depending upon potential changes in future land use policy.

FINANCIAL CONDITIONS

A review and analysis of local fiscal conditions will often point to areas in the financial structure that can be strengthened through planning policy. Additionally, a study of this nature can be helpful in establishing the necessary background for later development of a capital improvement program as a means of implementing various features of the Township's Master Plan.

Municipal Revenues and Expenditures

A basic objective of every community is to keep the local tax rate as low as possible while at the same time provide its citizens with a high degree of municipal services. Despite such efforts, most communities continue to experience increasing operating

**PRIVATE SECTOR COVERED JOBS
Chatham Township & Morris County**

Table 10

Chatham Twp.

	Employer Units*	Covered Jobs*
1980	N.A.	1,025
1981	109	1,084
1982	111	1,105
1983	120	1,118
1984	136	1,165
1985	127	1,164
1986	121	1,158
1987	123	1,222
1988	122	1,134
1989	130	1,500
1990	121	1,258
1991	134	1,265
1992	139	1,507
1993	148	1,341
1994	157	1,274
1995	180	1,415

Morris County

1980	N.A.	149,902
1981	8,501	161,189
1982	8,651	163,240
1983	9,104	173,141
1984	9,530	187,697
1985	10,100	196,813
1986	10,609	205,299
1987	11,245	210,861
1988	11,550	214,625
1989	11,857	214,916
1990	12,059	208,635
1991	13,320	199,312
1992	13,458	201,024
1993	14,315	202,642
1994	14,706	208,446
1995	15,160	213,398

* Third Quarter Only

Source: Division of Planning & Research, New Jersey Department of Labor.

expenses and a parallel difficulty in maintaining a stable tax rate. A common yardstick used to measure these trends is the local budget which contains a breakdown of municipal revenues and expenditures.

A broad picture of growth in municipal revenues and expenditures over the past 20 years is indicated in Table 11 and in Exhibit 1. The table and the exhibit illustrate the comparisons between the 1978, 1988 and 1997 budgets. They show that the budget increased by an average of 1.5% annually between 1988 and 1997, but an average of 5.5% annually since 1978. The rate of increase has slowed considerably. While the budget increased 157% since 1978, home values increased slightly more than 200%. As a result, during that same time, 1978-1997, a typical homeowner's property taxes went from \$2,800 to \$5,325. It should be noted that most of these increases are due to inflation, not increased services or projects.

Based on figures in the 1978 Master Plan, the average annual increase in the budget between 1970 and 1978 was 11 percent which is about what it was between 1978 and 1989. Between 1989 and 1997, budget increases occurred at a much slower rate (1.44 percent annually). Budget increases emphasize the importance of employing the greatest economy and efficiency in municipal operation, at least in those areas under Township control.

Municipal, School and County Taxes

Since municipal expenditures represent only part of the tax picture, it is important to consider other activities which local property taxes support. A comparison of taxes required to support municipal, school and County functions for the years 1978, 1989 and 1997 are presented in Table 12 and Exhibit 2. These figures indicate that taxes as a whole between 1978 and 1997 have increased \$16,204,000 or almost 260 percent. The largest increase occurred between the 1978 and 1988 decade which increased \$7,229,000 or almost 116 percent. With

MUNICIPAL BUDGETS, 1978, 1988 & 1997 (Actual Dollars)
Township of Chatham

Table 11

REVENUES	1978		1988		Change, 1978-1988		1997		Change, 1988-1997	
	\$000's	%	\$000's	%	\$000's	%	\$000's	%	\$000's	%
Surplus Expected	548	19.3%	1,100	17.0%	552	19.5%	350	4.8%	(750)	-68.2%
Miscellaneous*	1,035	36.5%	1,275	19.7%	240	8.5%	1,620	22.2%	345	27.1%
Delinquent Taxes	60	2.1%	260	4.0%	200	7.1%	370	5.1%	110	42.3%
Property Taxes	1,193	42.1%	3,822	59.2%	2,629	92.7%	4,957	67.9%	1,135	29.7%
Total:	2,836	100.0%	6,457	100.0%	3,621	127.7%	7,297	100.0%	840	13.0%
EXPENDITURES										
Operations & Contingent	1,917	67.6%	4,652	72.0%	2,735	142.7%	6,001	82.2%	1,349	29.0%
Capital Improvement	100	3.5%	204	3.2%	104	104.0%	59	0.8%	(145)	-71.1%
Debt Service	182	6.4%	428	6.6%	246	135.2%	440	6.0%	12	2.8%
Deferred & Statutory	213	7.5%	308	4.8%	95	44.6%	64	0.9%	(244)	-79.2%
Reserve for Uncollected Taxes	424	15.0%	865	13.4%	441	104.0%	733	10.0%	(132)	-15.3%
Total:	2,836	100.0%	6,457	100.0%	3,621	127.7%	7,297	100.0%	840	13.0%

* 1997 Miscellaneous category includes State Aid Revenues
Source: Chatham Twp. Budget Summary

MUNICIPAL, SCHOOL & COUNTY TAXES, 1978, 1988 & 1997 (Actual Dollars)
Township of Chatham

Table 12

Tax Rate	1978		1988		Change, 1978-1988		1997		Change, 1988-1997	
	\$000's	%	\$000's	%	\$000's	%	\$000's	%	\$000's	%
Municipal	1,193	19.1%	3,504	26.0%	2,311	193.7%	5,211	23.2%	1,707	48.7%
School	4,050	64.9%	7,562	56.1%	3,512	86.7%	13,581	60.5%	6,019	79.6%
County	996	16.0%	2,402	17.8%	1,406	141.2%	3,651	16.3%	1,249	52.0%
Total:	6,239	100.0%	13,468	100.0%	7,229	115.9%	22,443	100.0%	8,975	66.6%

Source: Chatham Township Tax Assessor

Exhibit 1

	1978	1988	1997
Surplus Expected	548	1100	350
Miscellaneous*	1035	1275	1620
Delinquent Taxes	60	260	370
Property Taxes	1193	3822	4857
<hr/>			
Operations & Contingent	1917	4652	6001
Capital Improvement	100	204	59
Debt Service	182	428	440
Deferred & Statutory	213	308	64
Reserve for Uncollected Taxes	424	865	733

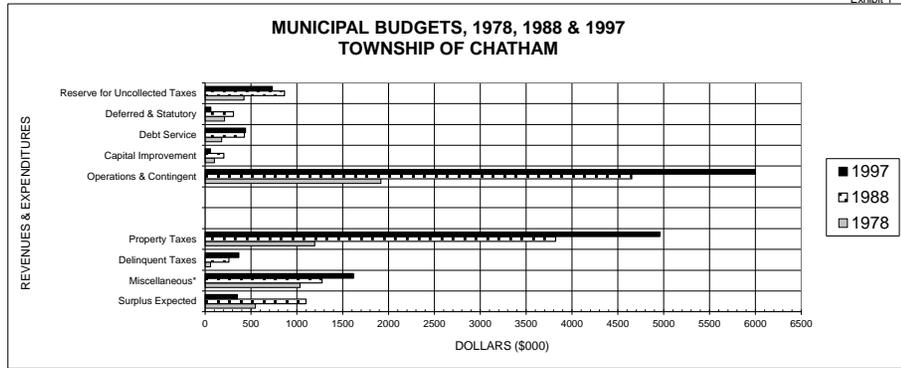
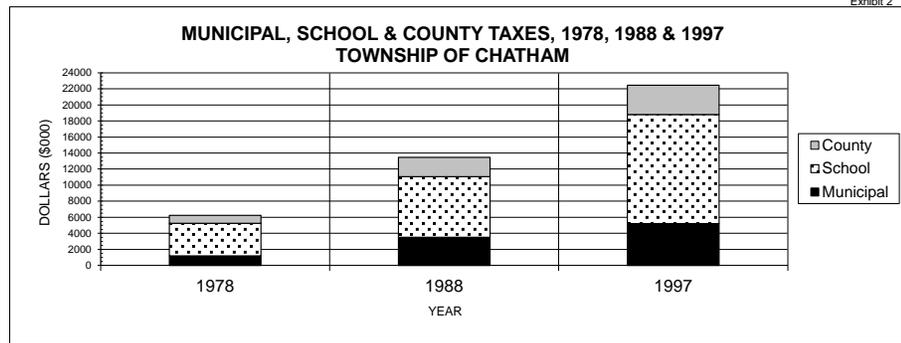


Exhibit 2

	1978	1988	1997
Municipal	1193	3504	5211
School	4050	7562	13581
County	996	2402	3651



regard to the various units of Government, school taxes showed the greatest numerical increase and represented a \$6,019,000 or a 79.6 percent increase between 1988 and 1997. County taxes increased \$1,249,000 or 52.0 percent during the same time period.

The percentage distributions of taxes among the units of government since 1978 have also shown marked changes. The municipal share of taxes have increased from 19 percent in 1978, to 26 percent in 1989 but have decreased to 23.2 percent of the total in 1997. During the same time, the County share has increased from 16 percent to 18 percent, but also decreased to 16.3 of the whole in 1997. The school share, however, decreased from 65 percent in 1978 to 56 percent in 1989, but increased to almost 61 percent in 1997.

Taxable Valuations and Tax Rates

Taxable valuation and tax rates in Chatham Township for the years 1978, 1989 and 1997 are shown in Table 13. Because the ratio of assessed value to true value has not been constant during the period, the figures for 1978 and 1989 have been adjusted using the County equalization ratio in order to present a more realistic indication of recent trends. In 1997, the Township performed a property revaluation which in theory, represented a realistic view of property values. Even using the equalization ratio, a true comparison is difficult because of revaluation, inflation and other factors.

For comparison purposes, tax rates in Chatham Township in 1997 are compared to rates in nine neighboring municipalities in Table 14. According to this data, the Township had the fourth lowest tax rate among the ten towns following adjustment based on estimated true market value.

Adjusted valuations between 1978 and 1997 have increased over 1,315 percent or almost 13 times in the past 20 years. In comparison, the adjusted tax rate has been reduced by 32.1 percent. The average home in the Township, however, has still experienced a substantial increase in taxes during this same period, again, emphasizing the impact of inflation.

Real Property Valuations

TAXABLE VALUATIONS & TAX RATES - 1978, 1988 & 1997

Table 13

Township of Chatham

<u>Year</u>	<u>Taxable Valuations (\$000)</u>	<u>Tax Rate (\$)</u>	<u>County Equalization Ratio*</u>	<u>Adjusted Valuations** (\$000)</u>	<u>Adjusted Tax Rate** (\$)</u>
1978	92,425	6.76	39.71	232,749	2.68
1988	417,063	3.23	40.81	1,021,963	1.31
1997	1,307,849	1.82	100.00	1,307,849	1.82

* Revaluation completed in 1997

** 100 percent value based on County Equalization Ratio

Source: Chatham Township

NET TAXABLE VALUATIONS - 1997

Table 15

Township of Chatham

<u>Classification</u>	<u>Taxable Valuations (\$000)</u>	<u>Percent of Total</u>
Vacant	\$ 22,399	1.7%
Residential	\$ 1,105,257	84.5%
Farm	\$ 5,955	0.5%
Commercial	\$ 61,211	4.7%
Industrial	\$ 672	0.1%
Apartment	\$ 36,431	2.8%
Public Utility	\$ 1,963	0.2%
Exempt Properties	\$ 73,961	5.7%
Total:	\$ 1,307,849	100.0%

Source: Chatham Twp. Tax Assessor

TAX RATES - ADJACENT MUNICIPALITIES, 1997

Table 14

Township of Chatham

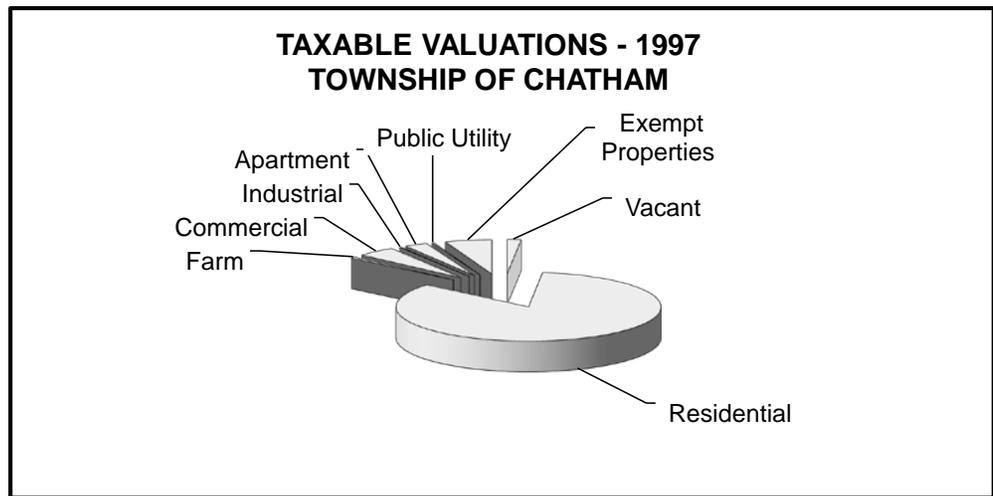
<u>MUNICIPALITY</u>	<u>Tax Rate* (/ \$100)</u>	<u>Effective Tax Rate** (/ \$100)</u>	<u>Rank</u>
Twp. of Harding (Morris)	\$ 1.34	\$ 0.92	1
Boro of Florham Park (Morris)	\$ 1.62	\$ 1.40	2
Twp. of Morris (Morris)	\$ 1.72	\$ 1.66	3
Twp of Chatham (Morris)	\$ 2.08	\$ 1.70	4
Boro of Chatham (Morris)	\$ 2.20	\$ 1.77	5
City of Summit (Union)	\$ 1.82	\$ 1.78	6
Twp of Berkely Heights (Union)	\$ 4.30	\$ 1.91	7
Boro of Madison (Morris)	\$ 3.30	\$ 1.91	8
Twp of Long Hill (Morris)	\$ 3.14	\$ 2.02	9
Boro of New Providence (Union)	\$ 3.90	\$ 2.11	10

* Applied to local assessment values

** Applied to propert's estimated true market value

Source: State of New Jersey Division of Taxation: Annual Report-1997

Classification	
Vacant	1.7
Residential	84.5
Farm	0.5
Commercial	4.7
Industrial	0.1
Apartment	2.8
Public Utility	0.2
Exempt Properties	5.7



In Table 15 and Exhibit 3, the distribution of real property valuations of Chatham Township is compared. As indicated, residential properties constitute almost 85 percent of the total tax valuation in the Township.

Municipal Debt

A municipality's ability to finance capital improvements can be affected by its legal debt incurring capacity established by State statute and by the current amount of debt for municipal and school purposes. According to State law, a municipality's borrowing power is limited to 3.5 percent of its equalized value basis (average of total valuations for the past three years).

According to the Township's Supplemental Debt Statement of January 1, 1999, the Township's equalized basis was \$1,314,192,073 which would allow a municipal debt of approximately \$45,996,722.00. The current net debt as of that date was only \$4,921,080.00 or .37 percent of the equalization basis. A maximum of 3.5 percent is permitted so the Township has used only 10.7 percent of its legally authorized borrowing power. Present debt consists of \$7,596,350.00 in self-liquidating bonds and notes and \$3,305,396.00 in general obligation bonds and notes.

Summary

The foregoing review and update of basic financial conditions indicates relatively little change in the overall trends and outlook which prevailed at the time of the 1978 Master Plan and subsequent reexaminations. Property taxes, i.e., the burden on local homeowners, have decreased considerably when compared with market valuations of residential properties.

As previously, Chatham Township will continue to face additional financial responsibilities if it is to maintain a high level of service to its citizens. Therefore, the Township should exercise the greatest economy in municipal operations.

The above shows that prudent fiscal management has not made it necessary for the Township to seek additional commercial rates at the expense of quality of life issues. Appropriate zoning is in place now and is being gradually refined to ensure that only the most attractive, environmentally sensitive kinds of development are possible. This planning strategy can remain so long as Chatham's attractiveness to the upscale New York City business executives and educated work force continues.