

STATE HOUSE COMMISSION
PROPOSED MEETING AGENDA

~~ December 16, 2013 - 9:00 AM ~~

Conference Room 103, First Floor
State House, Trenton, New Jersey

CALL TO ORDER:

- ~ Amy E. Melick, Special Counsel, Governor's Office
(on behalf of Governor Chris Christie)
- ~ Robert A. Romano, Deputy State Treasurer
(on behalf of State Treasurer Andrew P. Sidamon-Eristoff)
- ~ Charlene M. Holzbaur, Director, Office of Management & Budget
- ~ Senator Gerald Cardinale
- ~ Senator Bob Smith
- ~ Assemblyman Paul D. Moriarty
- ~ Assemblyman David P. Rible

OLD BUSINESS:

1. Approval of the June 27, 2013 State House Commission Meeting (SHC) Minutes -- The verbatim record of the June 27, 2013 SHC meeting will serve as the official minutes.
2. Stafford Appeal Remand Order

In November 2010, the Department of Environmental Protection and the State House Commission approved a request by Stafford Township to enter into a 30 year lease with Walters Development Group for the installation of solar panels on top of a closed landfill that had been restricted with a conservation easement. In January 2011, several environmental groups appealed the approval. The Green Acres Program, in consultation with the Division of Law, has determined it is necessary to order the Township to address certain issues raised in the appeal by way of filing an amended diversion application. The proposed Stafford Appeal Remand Order contains a schedule of actions to be taken by the Township in order to amend its diversion application and specifies the consequences of non-compliance with the schedule. Once the application is amended, reviewed by the Green Acres Program, and approved by the NJ DEP Commissioner, the amended application will be placed on the agenda of a future State House Commission meeting for approval.

3. RPR #13-22, Ancora Psychiatric Hospital, Block 6801, Part of Lot 1, Winslow Township, Camden County

Requesting Party: The NJ Department of the Treasury, on behalf of the Department of Human Services

Terms: AT&T Wireless PCS, LLC has a current lease at this site. However, AT&T has changed its name from AT&T Wireless PCS, LLC to New Cingular Wireless PCS, LLC. The State House Commission previously approved AT&T's lease at its meetings of December 21, 1992 and June 27, 2013. The terms of the lease will remain the same. This is a name change only. The lease is for a term of five years, commencing as of October 8, 2013, with three, five year renewal options, with annual rent increases of 3.5%, expiring as of October 7, 2033.

NEW BUSINESS:

DEPARTMENT OF TREASURY REQUESTS:

4. RPR #14-07, Parking Lot Located between Delaware Avenue, Front and Elm Streets, Block 46, Lot 51 & Block 47, Lot 3, Camden City, Camden County

Requesting Party: The NJ Department of the Treasury, requests approval to sell by direct sale an existing parking lot located adjacent to and under the Benjamin Franklin Bridge to the Parking Authority of the City of Camden for the appraised value of \$300,000.

Terms: Real Property Review clearance was completed with no Department or Agency expressing formal interest or possible conflict with the proposed action.

5. RPR #14-09, Marie H. Katzenbach School for the Deaf, Block 341, Part of Lot 1, Ewing Township, Mercer County

Requesting Party: The NJ Department of the Treasury, on behalf of the Department of Education in conjunction with the Department of Children & Families, requests approval to lease 6,000 square feet of space located on the grounds of the Marie H. Katzenbach School for the Deaf, Cottage #2 to St. Joseph Healthcare System, a non-profit provider, to be used as residential housing at an annual rent of \$30,000 + utilities.

Terms: The lease will be for a term of one year with the mutual option to renew annually. Real Property Review clearance will be completed if no Department or Agency expresses formal interest or possible conflict with the proposed action.

DEPARTMENT OF TRANSPORTATION (DOT) REQUESTS:

6. Project: Route 30, Section 6, Parcel VXR21B, Block 529, Part of Lots 10 & 12, Galloway Township, Atlantic County

Requesting Party: The NJ DOT, Division of Right of Way, Property Management Unit, requests approval to sell a parcel of vacant land that formerly had the Pomona Fire Company Fire House on it. The parcel contains approximately 0.627 acres (27,312 square feet). The property has been owned by the DOT for less than ten years and will be sold back to the former property owner, Pomona Volunteer Fire Association No. 3, who expressed an interest to acquire the property back,

which is now vacant land and does not meet minimum size requirements for an independent lot.

Terms: The recommended sale price is \$88,000, appraised value.

7. Project: Route 206 Bypass, Section 14, Part of Parcel 24, Block 200.10, Part of Lot 3, Hillsborough Township, Somerset County

Requesting Party: The NJ DOT, Division of Right of Way, Property Management Unit, requests approval to lease a vacant rectangular shaped lot consisting of approximately 6.9 acres for the sole purpose of constructing and operating a commuter Park & Ride.

Terms: The property is to be auctioned for lease only and only for the construction and operation of a Park & Ride. The lease will be for a five year period with a minimum monthly starting rental of \$4,000 plus \$1,300 a month for the municipal service charge (in lieu of taxes).

8. Project: Route 42, Section 12, Parcels VX8A2, V8C, VX93B2, VXR12H, VX91 & VX92, Block 270, Part of Lot 12, Gloucester City, Camden County

Requesting Party: The NJ DOT, Division of Right of Way, Property Management Unit, requests approval to sell a 106,086 square foot (2.44 acres) parcel of land by auction. Parcels VX8A2 & V8C are zoned Highway Commercial. Parcels VX93B2, VXR12H, VX91 & VX92 are zoned Residential Low Density. The stand-alone recommended appraised value for the combined parcels is \$393,000.

Terms: The property will be sold at auction to the highest bidder. The parcels could be commercially developed with a variance. The recommended appraised sale price is \$393,000.

9. Project: Route 42, Section 12, Parcel VX93B1, Block 270, Part of Lot 12, Gloucester City, Camden County

Requesting Party: The NJ DOT, Division of Right of Way, Property Management Unit, requests approval to sell an 18,137 square foot (0.416 acres) parcel of land by auction. Parcel VX93B1 is zoned Residential Low Density. The stand-alone recommended appraised value for the parcel is \$46,000.

Terms: The property will be sold at auction to the highest bidder. The parcel could be subdivided and developed into two residential building lots. The recommended appraised sale price is \$46,000.

10. Project: Acquired as Route 42, Section 12, Parcel VXR76, Block 223, Lot 1, Gloucester City, Camden County

Requesting Party: The NJ DOT, Division of Right of Way, Property Management

Unit, requests approval to sell a 1.920 acres or 83,635 square feet of vacant land, currently in the Highway Commercial zone.

Terms: The property will be sold at auction to the highest bidder. The recommended sale price is \$502,000, appraised value.

11. Project: Route 78, Section 5E, Parcels VX105B, VX106B, VX107B, VX108B, VX109B, VX110B, VX111B, VX112B & VX113B, Block 3732, Lots 65, 66, 67, 69, 70, 72, 74 & 76, Newark City, Essex County

Requesting Party: The NJ DOT, Division of Right of Way, Property Management Unit, requests approval to sell several parcels combined to a 16,430 square foot area. The parcels are in the Second Residential Zone. The parcels could be developed according to current zoning. The stand-alone value for the parcels is \$25,000.

Terms: The property will be sold at auction to the highest bidder. The recommended sale price is \$25,000, appraised value.

12. Project: Route 21 Freeway, Section 4, Parcel VX202B2, Block 1086, Adjacent to Lot 9, Passaic City, Passaic County

Requesting Party: The NJ DOT, Division of Right of Way and Access Management, Property Management Unit, requests approval to sell an excess surplus lot consisting of 1,975+/- square feet located within the M-2 "General Industrial" zone to the only interested adjacent property owners, Felix & Carmen Sanchez to be used to assemble to their commercial property with the intent to use as storage.

Terms: The property will be sold for fair market value purchase price of \$40,000.

13. Project: FAI 108-2 (5), AKA Route 295, Parcel VX77C, Block 411.01, Adjacent to Lots 1, 2 & 3, Cherry Hill Township, Camden County

Requesting Party: The NJ DOT, Division of Right of Way and Access Management, Property Management Unit, requests approval to sell vacant land with asphalt paving consisting of approximately 25,265+/- square feet to the only interested adjoining property owner, 603 Kresson Road, LLC (Neal Mermelstein, President and Eric Gorsen, Secretary), for the intended use of commercial redevelopment.

Terms: The property will be sold for fair market value purchase price of \$53,000.

14. Project: Route 280, Section 7, Parcel VX122B & VX123B, Block 1886, Lot 22, Newark City, Essex County

Requesting Party: The NJ DOT, Division of Right of Way, Property Management Unit, requests approval to sell a 3,050 +/- square foot combined parcel in the R-3 Residential Zone. The site can accommodate a residential building for a 2 family dwelling.

Terms: The property will be sold at auction to the highest bidder. The recommended sale price is \$20,000, appraised value.

15. Project: Route 70, Section 2, Parcel VX254, (Acquired as Route 40, Section 7, Part of Parcels 74D-R and 84R), Cherry Hill Township, Camden County

Requesting Party: The NJ DOT, Division of Right of Way, Property Management Unit, requests approval to sell an irregular shaped lot having an area of approximately 6,713 square feet located in the B-2 Highway Business Commercial zone to the adjoining property owner for assemblage to its adjoining commercial property, which has a CVS drug store on the property.

Terms: The property will be sold for \$27,000, appraised value, to the only adjoining property owner, Cole CV Cherry Hill NJ, LLC, for assemblage. This will allow CVS to move its store ID sign closer to the State highway and thus make it more visible to the traveling public.

16. Project: Route 6, (Current Route 159), Section 11, Parcel VXR1B, Block 401, Adjoining Lot 1.01, Fairfield Township, Essex County

Requesting Party: The NJ DOT, Division of Right of Way, Property Management Unit, requests approval to sell a rectangular shaped lot of approximately 9,278 square feet located in the C-3 Commercial Industrial Mixed Use Zone to the only adjoining property owner (Pio Costa Enterprises, LP, Carmen Pio Costa, President) for assemblage to their adjoining commercial property and allow it to take ownership of those parts of parking spaces that currently are on the DOT property.

Terms: The property will be sold for \$48,000, appraised value. The property will be used to extend adjacent existing commercial property which currently has several commercial establishments, including The Cutting Board Diner.

17. Project: Route 41 (Current Route 70), Section 2, Parcel VX1C2, Block 426.01, Adjoining Lot 20, Cherry Hill Township, Camden County

Requesting Party: The NJ DOT, Division of Right of Way, Property Management Unit, requests approval to sell an irregular shaped lot having an area of approximately 3,528 square feet located in the B-1 Neighborhood Business Commercial zone to the only adjoining property owner for assemblage to its adjoining commercial property, and allow it to take ownership of the parts of parking that it currently leased from the DOT.

Terms: The property will be sold for \$36,000, appraised value, to the only adjoining property owner, Kim Enterprise, LLC, (Joon Kim and Soo Jin Kim, Principal Managing Members) for assemblage.

DEPARTMENT OF ENVIRONMENTAL PROTECTION (DEP) REQUESTS:

18. Project: Wawayanda State Park, Block 91, Part of Lot 6, Vernon Township, Sussex County

Requesting Party: The NJ DEP, Division of Parks and Forestry, requests approval to enter into a farm lease agreement with Robert Baldwin for five years, with an option to renew for an additional five years. Twenty three new leases were competitively bid at live public auctions held in the northern, southern and central regions of the State in November 2012. The auctions were advertised in eight newspapers throughout the State, as well as posted on the websites of the DEP and the State Agriculture Development Committee. No bids were received on this parcel. The successful bidder on another parcel on the same Block and Lot approached the DEP and expressed a willingness to enter into a farm lease agreement for the minimum bid. The Attorney General's Office has advised that it is acceptable to enter into a lease with this individual if no farmers expressed an interest in farming the land.

Terms: The property to be leased is approximately 19.93 acre of a parcel of land with an annual rental of \$745. The rental rate is the minimum bid established using soil rental rates set by the Farm Service Agency (FSA) of the U. S. Department of Agriculture. The rental rate will be increased at the beginning of the renewal term by the same percentage that the FSA has increased the soil rental rates for the soil classifications applicable to each leased parcel. If the soil rental rates have decreased or remain stable, the rent shall remain the same.

19. Project: Delaware & Raritan Canal State Park, Hanover Street Canal House, Block 3706, Lots 8 and 10, Trenton City, Mercer County

Requesting Party: The NJ DEP, Division of Parks and Forestry, requests approval to enter into a lease agreement with Thomas Edison College on the historic Hanover Street Canal House and the surrounding land for five years, with an option to renew for an additional five years for use as office space for academic and administrative staff.

Terms: The rental rate shall be \$11,718 for the first year of the lease and shall increase annually by 2.5% beginning on the first anniversary of the effective date. The rental value was established in a property rental analysis conducted in 2009 by an appraiser in the Green Acres Program. The College will also be responsible for the upkeep and maintenance of the property and pay all utility services.

20. Project: Hopatcong State Park, Block 10710, Lot 4, Block 1106, Part of Lot 1, Stanhope Borough, Sussex County

Requesting Party: The NJ DEP, Division of Parks and Forestry, requests approval to enter into a ten year lease agreement with the Borough of Stanhope for the development, maintenance and operation of outdoor recreational facilities for the benefit of the public. The tenant has leased the premises until the recent expiration of their lease in July 2013.

Terms: The leased premises consist of 2.64 acres. As compensation, a one-time payment of \$20 and the investment being made by the Borough of Stanhope for the maintenance, improvement, equipment replacement and insurance coverage on the property and recreational facilities.

21. Project: Delaware & Raritan Canal State Park, Block 1043, Lot 6, Lambertville City, Hunterdon County

Requesting Party: The NJ DEP, Division of Parks and Forestry, requests approval to enter into a ten year lease agreement with the City of Lambertville for the continued development, maintenance and operation of outdoor recreational facilities for the benefit of the public. The tenant has leased the premises since October 1982.

Terms: As compensation, a one-time payment of \$20 and the investment being made by the City of Lambertville in the maintenance, improvement, equipment replacement and insurance coverage on the property and recreational facilities.

22. Project: Clarks Pond Wildlife Management Area, Block 31, Lot 28, Fairfield Township, Cumberland County

Requesting Party: The NJ DEP, Division of Fish and Wildlife, requests approval to enter into a five year lease agreement with the option to renew for an additional five years with Ozkan Akilli. The tenant has leased the premises since 2011 as a hold over tenant when he assumed the lease with the purchase of Capps Picnic Park. The DEP had leased the premises to the previous owner of Capps Picnic Park since 1962 when the DEP acquired Clarks Pond.

Terms: The lease is for the land under the waters of Clarks Pond. The leased premises is irregularly shaped and generally centered on a small dock extending from the adjacent lot. The leased premises shall extend 12' from the outside of the dock. The lease premises contain approximately 0.23 acres. The annual rent is \$1,002 per year with 2.5% annual increases. The rental rate of \$0.10 per square foot per lease year was established by the NJ Interagency Land Lease Valuation Project for tidelands' leases that includes structures in the water.

23. Project: Delaware & Raritan Canal State Park, Stavola Estate/Holcombe House, Block 59, Part of Lot 11, Delaware Township, Hunterdon County

Requesting Party: The NJ DEP, Division of Parks and Forestry, requests approval to sell at public auction a historic farmhouse and associated outbuildings, known locally as either the Stavola Estate or the Holcombe House, along with 7+/- acres of land. The parcel to be sold is part of an overall acquisition of 64 acres purchased in 2007 as an addition to the Delaware and Raritan Canal State Park. (The DEP has included numerous conditions to this sale which are detailed in the State House Commission members briefing materials - pages 3 and 4.)

Terms: Auctioning off the surplus parcel and its structures will save the State money by avoiding maintenance, security and/or demolition costs. The fair market value of

a six to seven acre lot and associated structures will be determined for auction purposes by an appraisal commissioned by the Department of Treasury. The Treasury Department's Real Property Review process has determined that no other State agency or local governmental entity is interested in using or acquiring these buildings. All proceeds from the sale will be returned to the Garden State Preservation Trust Fund for use in future acquisition of property by the DEP. Public hearings were held on February 21, 2013 in Delaware Township and March 8, 2013 in Trenton with no public opposition to the proposed sale.

24. Project: Barnegat Light State Park, Block 4, Lots 9 & 10, Barnegat Light Borough, Ocean County

Requesting Party: The NJ DEP, Division of Parks and Forestry, requests approval to enter into a five year ground lease with three, five year renewal options with Ryan Kelly (Ry-Kris Corporation), for the operation of a seasonal restaurant known as Kelly's Old Barney Restaurant, directly adjacent to the Barnegat Lighthouse. In 1988, the DEP purchased the land but not the restaurant structure. DEP acquired the lease when it purchased the property in 1988. Frank and Michele Kelly have been leasing the property since 1979 and recently sold the restaurant structure and Ry-Kris Corporation to their son, Ryan Kelly. That lease expired and the DEP seeks approval for a new lease.

Terms: DEP commissioned an appraisal in 2011 to determine the fair market rental value of the ground lease. Based on the appraisal, the DEP certified an annual fair market rental value of \$20,300 with 3% escalations each year, for a five year lease.

25. Project: Washington Avenue Open Space, Block 60, Part of Lot 5.06, Milltown Borough, Middlesex County

Requesting Party: The NJ DEP, on behalf of the County of Middlesex, requests approval to allow the County to dispose of approximately 1.325+/- acres of the Washington Avenue Open Space property to the Borough of Milltown for the construction of a new electrical substation to replace the existing substation that is located within the Lawrence Brook floodplain.

Terms: In order to compensate for the loss of 1.325 acres of County parkland in the Borough of Milltown, the Borough shall acquire 2.653 acres of privately owned property adjacent to existing parkland (Albert Avenue Park) as an addition to the existing Borough park. The Borough will retain 0.034 acre for future right of way purposes associated with Kuhlthau Avenue. Milltown Borough shall pay a sum of \$90,000 to the County of Middlesex to compensate for the difference in value between the area of parkland disposal and the replacement property. This amount will be deposited into the Middlesex County Open Space account to be used solely for parkland acquisition purposes.

The relocation of the electrical substation will require the taking of approximately 22 trees with a 6" DBH or greater from the parkland to be impacted. The Borough of Milltown will have 283 replacement trees (3" caliper), equal to approximately \$475

per tree, or, \$134,425 to be furnished and installed by the contractor completing the electric utility relocation project. Any trees that are not planted on the Washington Avenue Open Space will be planted in other Middlesex County parks and open space. Any of the new trees that do not survive for at least two years will be replaced by the Borough.

Public hearings were held on September 19, 2012 (scoping hearing) and August 28, 2013 (final hearing). At both public hearings, a number of residents raised various questions and comments concerning the relocation of the electrical substation onto County open space. There was no objection to the reason and need for the relocation to another location with a higher elevation. The objection was that the Washington Avenue property should be protected and remain as preserved parkland in perpetuity. The County responded that Green Acres rules do allow for a disposal/diversion of parkland from its intended recreation and conservation use only when there is a compelling public need and benefit. The County and Borough assert that this project meets this criterion by protecting a critical public facility from the threat of disaster, eliminating the repetitive damage to and repair costs for the electric substation which have been borne by Borough residents and businesses and providing for a more productive use of Borough resources, including police, fire, utility and administration, during a natural disaster. Several members of the public had concerns about electromagnetic radiation. The Borough Engineer responded that the overhead wires conveying 26kV power will be no closer to residents than they are currently installed. (The DEP has included additional public hearing comments which are more detailed in the State House Commission members briefing materials.)

26. Project: Coursens Meadows, Block 1602, Part of Lots 8 & 10, Fredon Township, Sussex County

Requesting Party: The NJ DEP, on behalf of the Township of Fredon, requests approval to allow the diversion of additional electric utility right of way easement rights in the Coursens Meadows Tract, through the amendment of existing easements held by PSE&G. The existing right of way contains a single 230kV overhead electric transmission line. The additional easement rights would be conveyed to PSE&G to accommodate an upgrade of the transmission capacity and allow for the construction, installation, operation and maintenance of one 230kV overhead electric transmission line and one 500kV overhead electric transmission line within the existing right of way as part of PSE&G's Susquehanna to Roseland Project. Although PSE&G originally proposed to route the new 500kV transmission within the right of way of the existing 230kV line, the Fredon Township Board of Education has requested PSE&G relocate a portion of the line within Fredon Township farther from the Elementary School. This shift will impact two Green Acres and County open space tax funded parcels within which additional easement area is needed by PSE&G (Block 1602, Lot 8 and Block 1602, Lot 10).

Terms: To compensate for the diversion of the additional easement rights, the Township shall accept \$30,500 in cash compensation (ten times the appraised value of the diverted area) from PSE&G and donate it directly to the Garden State

Preservation Trust Fund for parkland acquisition purposes. PSE&G will vacate its existing right of way within these two parcels.

At the July 20, 2010 scoping hearing, 23 members of the public testified. Most of the commenters testified in opposition to the overall project and many questioned the need. Some thought discussion of the proposed diversion was premature since many of the approvals for the project had not yet been issued. None of the commenters questioned the need to move the utility line away from the school or the parkland impacts that would result. At the November 13, 2013 final hearing, three members of the public attended. One attendee was a representative of the County who had questions related to the County's participation in the purchase of Block 1602, Lots 8 and 10. None of the attendees raised objections to the project or the proposed diversion.

27. Project: Stockton Street Park, Block 11305, Part of Lot 11.09, Piscataway Township, Middlesex County

Requesting Party: The NJ DEP, on behalf of the Township of Piscataway, requests approval to allow the DOT to extend Stockton Street, a municipal roadway, through a 0.64 acre portion of Stockton Street Park as part of its continuing enhancements and safety improvements along the Route 18 Extension, Section 3A Project in Middlesex County. The proposed diversion involves the construction of Stockton Street, sidewalks, subsurface drainage and side slopes.

Terms: As compensation, the Township of Piscataway will dedicate 1.28 acres of vacant land (Block 10513, Lot 1.03) for recreation and conservation purposes. The proposed road project will require the taking of a total of 29 trees with a 6" or greater DBH from Stockton Street Park. Most of the trees to be lost are between 7 to 9" in diameter. The replacement parcel contains over 200 species of trees that have a DBH of 6" or greater, with the majority of these trees being in the 12" to 24" DBH range. Therefore, the DEP has determined the preservation of Block 10513, Lot 1.03, adequately compensates for the loss of approximately 29 trees.

The required two public hearings were held on January 24, 2011 (scoping hearing) and August 5, 2013 (final hearing) by Piscataway Township. At both public hearings, a number of residents raised various questions and comments concerning the new traffic pattern. Overall, there were no objections voiced at the public hearings to the proposed extension of Stockton Street through parkland. The DEP did receive a letter from an individual representing the NJ Chapter of the Sierra Club questioning the proposed replacement parcel. (More detailed comments are included in the State House Commission members' briefing materials.)

DIVISION OF PENSIONS AND BENEFITS' REQUESTS:

28. Judicial Retirement System -
Requesting Party: The NJ Department of the Treasury, Division of Pensions & Benefits

Terms: The SHC shall sit as the Board of Trustees for the Judicial Retirement System to approve the following:

1. Approval of the Minutes of the Meeting Held on June 27, 2013
2. Confirmation of Death Claims, Retirements & Survivor Benefits
3. Receive Financial Statements from April, 2013 to September, 2013

EXECUTIVE SESSION *(as necessary)*

OTHER BUSINESS *(as necessary)*

ADJOURNMENT