

STATE AGRICULTURE DEVELOPMENT COMMITTEE (SADC)

Department of Agriculture

Market and Warren Streets, 1st Floor Auditorium

Trenton, NJ 08625

REGULAR MEETING

May 23, 2019

Chairman Fisher called the meeting to order at 9:12 A.M. The flag salute was conducted.

Ms. Payne read the notice indicating the meeting was held in compliance with the Open Public Meetings Act.

Roll call indicated the following:

Members Present

Chairman Fisher

Cecile Murphy (Rep. NJDEP Commissioner Catherine R. McCabe)

Gina Fischetti (Rep. DCA Commissioner Sheila Oliver)

Jane Brodhecker

Pete Johnson

Scott Ellis

Alan Danser

Brian Schilling

James Waltman

Members Absent

Ralph Siegel

Denis Germano

Susan E. Payne, Executive Director

Jason Stypinski, Esq., Deputy Attorney General

Others present as recorded on the attendance sheet: Donna Rue, Public; Bob Hornby, Hunterdon County Agriculture Development Board (CADB); Emily Blackman, Mercer CADB; Brian Wilson, Burlington CADB; and Katherine Fullerton, Hunterdon County.

Minutes

A. SADC Regular Meeting of April 26, 2019 (Open and Closed Sessions)

It was moved by Mr. Danser and seconded by Mr. Schilling to approve the Open and Closed Session minutes of the SADC regular meeting of April 26, 2019. Mr. Johnson, Ms. Fischetti and Ms. Murphy abstained. The motion was approved.

Report of the Chairman

Chairman Fisher stated that farmers in New Jersey (NJ) are in high gear this year and have lots of work to do. He thanked the farmers that are on the Committee for their continuous efforts working with the SADC in addition to their regular farming duties.

Chairman Fisher stated that there was an event in South Jersey yesterday at Landisville Produce Co-Operative Association and noted that it is the oldest co-op in the United States and that it produces several million dollars' worth of product annually. The co-op produces romaine lettuce and its entire year's leafy-green business was wiped out due to last year's romaine scare in California. The event yesterday was to highlight the return of the co-op's leafy green business.

Chairman Fisher also stated that he has been out for the last three days attending conventions to promote farming and the sale of new agricultural products that are for sale. He encouraged everyone to continue to support farmers and he thanked the staff for their continuous efforts in farmland preservation.

Report of the Executive Director

Ms. Payne introduced Gina Fischetti from the Department of Community Affairs (DCA) who is taking over for Tom Stanuikynas. Ms. Fischetti stated that she is representing the

Lieutenant Governor who is also the Commissioner of the DCA. Ms. Fischetti stated that she has worked for the DCA since 2005 at the Office of Local Planning Services where she is a land use planner and an attorney. She is excited to be a member of the SADC as she is very supportive of the farming community in NJ.

Ms. Payne stated that staff is still waiting on the passage of the Corporate Business Tax (CBT) deduction which is still with the Senate Assembly. Staff is hoping that the passage of this bill will fix the allocations to the programs and extend the dual appraisal provision in the Highlands which expires at the end of June. Staff is in contact with the Governor's Office to make sure that they are clearly aware of the repercussions of the dual appraisal not being extended.

Ms. Payne stated noted that for FY2020, if the SADC's share of the CBT allocation holds steady at 31%, there will be \$35 to \$38 million available for our funding partners, the direct easement program and stewardship. Staff is preparing preliminary appropriation requests for the Committee's consideration later in the summer.

Ms. Payne stated that the Special Occasion Events (SOE) working group has been on hiatus and is scheduled to reconvene early next month. Staff will present the Committee with the working group's recommendations for the working group are as it relates to SOEs on farms.

Ms. Payne stated that Ms. Deborah Post gave two presentations to the Committee regarding the dual appraisal in the Highlands. The Highlands Development Credit Bank has moved up its August meeting to June, so it seems the bank understands the importance of addressing this issue and staff looks forward to that meeting.

Ms. Payne discussed Assembly Bill 809 dealing with alternate SADC members. A bill got passed previously which allows for the creation of a farmer alternate member and a public alternate member to be appointed by the Governor with the consent of the Senate. An amendment to that bill was recently introduced that would eliminate the gubernatorial appointment and Senate consent for the farmer member. The Governor vetoed the bill and stated that SADC members and alternates shall be subject to the Governor's approval and Senate consent process.

Chairman Fisher and Ms. Payne talked about soil protection and SOEs, with Chairman Fisher observing that the legislature unsuccessfully tried to enact an SOE pilot program, and Ms. Payne stating that a report is due on the preserved farm winery pilot program this Fall.

Communications

Ms. Payne requested that the Committee take the communications, copies of which are in the meeting binders, with them.

Public Comment

There was no public comment.

New Business

A. Term Farmland Preservation Program – Enrollments, Renewals, Terminations, Withdrawals

Mr. Clapp referred the Committee to one request for enrollment in the Term Farmland Preservation Program. He reviewed the specifics of the application with the Committee and stated that staff recommendation is to grant final approval.

It was moved by Mr. Danser and seconded by Mr. Waltman to approve Resolution FY2019R5(1), granting approval to the following enrollment application under the Term Farmland Preservation Program, as presented, subject to any conditions of said resolution.

1. Enrollments

John & Krystal Hall, SADC ID #03-0041-TF, Block 2002, Lot 11.01, and Block 2001, Lot 22, Tabernacle Township, Burlington County, 116.31 Acres.

The motion was unanimously approved. A copy of Resolution FY2019R5(1) is attached to and is a part of these minutes.

B. Resolutions of Final Approval: County PIG

Ms. Miller and Ms. Mazzella referred the Committee to four requests for final approval under the County PIG Program. They reviewed the specifics of the applications with the Committee and stated that staff recommendation is to grant final approval.

It was moved by Mr. Schilling and seconded by Mr. Danser to approve Resolutions FY2019R5(2) through FY2019R5(5), granting final approval to the following applications under the County PIG Program, as presented, subject to any conditions of said resolution:

1. Hoffman-LaRoche (Owner), SADC ID #210604-PG, Resolution FY2019R5(2), Block 46, Lot 37, White Township, Warren County, 93.73 Acres.
2. Kristopher Anema (Owner), SADC ID #21-0612-PG, Resolution FY2019R5(3), Block 66, Lot 1.06, Washington Township, Warren County, 23.9 Acres.
3. Thomas and Michelle, SADC ID #10-0414-PG, Resolution FY2019R5(4), Block 11, Lots 1, 2, 2.2, Hampton Borough and Block 1, Lot 1.01, Glen Gardner Borough and Block 46, Lot 2, Bethlehem Township, 86.3 Acres.
4. Anthony Jr. and Anthony III Sparacio, SADC ID #06-0190-PG, Resolution FY2019R5(5), Block 49, Lot 1, Deerfield Township, Cumberland County, 19.5 Net Acres.

The motion was unanimously approved. A copy of Resolutions FY2019R5(2) through FY2019R5(5), are attached to and a part of these minutes.

C. Resolutions of Approval: FY 2020 PIG Program

Mr. Bruder stated that there are two resolutions before the Committee today for annual approvals of County and Municipal PIG plan updates. These resolutions give an opportunity for counties and municipalities to apply for PIG grant funding. The affected counties and municipalities have provided reports on any recent acquisitions, updated their PIG plans, targeted farm lists, project areas and cost projections, and have submitted a variety of other information.

There are 18 counties that have approved plans and 15 counties have applied this year for re-approval for the 2020 cycle (Bergen, Ocean and Passaic did not reapply). On the county side, these plans and applications reflect 122 individual project areas, over 4,900 target farms with a 10-year goal of 133,000 acres.

Forty-five (45) municipalities were in the PIG program. Of those 45, forty-two (42) have are recommended for re-approval (the three that did not apply this year are Pohatcong, Alexandria and Raritan townships). The municipalities have 98 project areas, 2,300 target farms and a 10- year goal of 58,000 acres.

Not too much changed this year in terms of plans to project areas. Mr. Bruder thanked Ms. Stanley for overseeing the process this year and for her hard work. Ms. Payne mentioned that with the draft revisions to the PIG rules, staff is requiring both the counties and the municipalities to update their farmland preservation plans. There have been some inquires as to whether there will be grant funds available to do this and there is planning assistance grants to help with that. Staff plans to recommend to the Committee that assistance be provided.

It was moved by Mr. Danser and seconded by Ms. Murphy to approve Resolutions FY2019R5(6) and FY2019R5(7), granting final approval to the following applications under the FY 2020 PIG Program, as presented, subject to any conditions of said resolution:

1. Final Approval - Annual County PIG Program Plans Update
2. Final Approval - Annual Municipal PIG Program Plans Update

The motion was unanimously approved. A copy of Resolutions FY2019R5(6) and FY2019R5(7), are attached to and a part of these minutes.

D. Resolutions of Approval: Soil and Water Conservation Project Cost Sharing

Mr. Clapp referred the Committee to two requests for Soil and Water Conservation Projects, one for a new well and one for a new irrigation system. He reviewed the specifics of the applications with the Committee and stated that staff recommendation is to grant final approval.

It was moved by Mr. Ellis and seconded by Ms. Danser to approve Resolutions FY2019R5(8) and FY2019R5(9), granting final approval to the following applications under the Soil and Water Conservation Program, as presented, subject to any conditions of said resolution:

1. Wayne and Kimberly Batten (1895 Organic Farm), SADC ID# 03-0040-8F, Block 52, Lot 7.01, p/p 7.03 and p/o 7.04, Lumberton Township, Burlington County, 9.9 Acres.
2. Robert D. Balz, SADC ID #13-0417-PG, Block 59, Lot 4, Manalapan Township, Monmouth County, 98.338 Acres.

The motion was unanimously approved. A copy of Resolutions FY2019R5(8) and FY2019R5(9), are attached to and a part of these minutes.

E. Estate of Eva D. Gilmour: Fee Simple Application (Discussion Only)

Ms. Payne stated that she is going to recuse from this matter as her daughter is dating one of the grandchildren of the Gilmour family. Ms. Payne left the room at 9:40 A.M.

Ms. Roberts stated that she and Mr. Roohr took part in the American Farmland Trust Farmland for the Next Generation Program which was funded by the United States Department of Agriculture (USDA). The USDA has elevated the concern over the transfer of land from the current population to the next generation of farmers. SADC staff held three workshops which were all well attended; however, in discussions with the participants, it was determined that many of them were not ready to lease or purchase land.

Ms. Roberts stated that there needs to be a transition through a mentorship program with a veteran farmer or through an incubator farm that provides for small acreage, shared resources, shared equipment and the like. She noted that the ideas that she is presenting today differ from the traditional easement purchases or fee purchases where the main goal is to auction property as a deed restricted farm. Ms. Roberts stated that times are changing in NJ and nationwide regarding the aging population of farmers, as many farmers don't have their parents and a lot of them are not thinking about the succession of their land. They are concentrating more on estate planning and preserving the farms. Unfortunately, if there is no heir to the farm, it is unsure what will happen to that farm when the farmer retires.

Ms. Roberts suggested to the Committee that the SADC buy the Gilmour Farm in Cherry Hill Township, Camden County and hold the property to facilitate a Young and Beginning Farmer (YBF) and Veteran Training Program. Ms. Roberts showed the Committee pictures of the farm and discussed the layout. The farm was originally a farm for the Campbell Soup Company and then became a dairy farm which was later converted into a retail operation. There are 12 acres of tillable soil on the farm. The opportunities for this farm would include the ability to live on site, use shared equipment and storage, and include use of the house for an office. There is

also a benefit to have a market close by because there are “food deserts” in the immediate vicinity that need to be addressed.

Ms. Roberts stated that she does understand that the SADC and its staff may have limited personnel resources for such a project, so she reached out to interested parties that might lease the property once it is acquired. These interested parties include the Foodshed Alliance, City Green Groundwork, Duke Farms, Capital City, and Fembrook Farm. Ms. Roberts also contacted Mr. Dennis Blazak, Community Plans and Liaison Officer from Naval Weapons Station Earle, and he is making calls to determine if there are avenues for implementation of a veteran training project. Ms. Roberts sent a summary to potential partners to determine if there would be some interest and stated that she doesn't want to go any further until she understands if the Committee would be interested in acquiring a property like this. Ms. Roberts asked the Committee for their feedback.

Chairman Fisher asked if the owners could sell the property soon. Ms. Roberts stated that its yet to be determined when the property will be sold, as it's been on the market for \$3.6 million, and it's an estate owned by two sons who are sick and elderly. Chairman Fisher asked if the owners would like to keep this property as a farm. Ms. Roberts stated that they would like to see it remain as a farm in the county but most of the preservation is in the pinelands.

Mr. Johnson asked if the township is interested in preserving the land. Ms. Roberts stated that the township is very much interested, and they are willing to allocate 25% toward the purchase price.

Mr. Danser stated that his concern is that the property would be used more for residential use instead of agricultural use. Ms. Roberts stated that the town is very much interested in a YBF program and the township does understand the intensive use that will likely occur on the farm.

Mr. Ellis asked what the Gilmour farm will cost. Ms. Roberts stated its cost is \$2.6 to \$3 million. Mr. Ellis stated that would be \$100,000 an acre which is a lot when there are only 12 acres of tillable land. Ms. Roberts stated that she hopes this program will become a seed for YBFs to be given the skillset that they need to move on to lease a farm and purchase equipment. If YBFs learn the skillset to market their products, they would be able to work independently.

Mr. Danser stated that farmers are not making a fortune off one or two acres of land and that with this program they are taking a risk because the equipment and products that they will need to get started are expensive. Ms. Roberts then suggested a mentorship program such as Land Link to help facilitate the matches of YBFs with. Mr. Danser stated that all mentors

might not be as willing to be philanthropic with this endeavor because a lot of them are looking to retire soon.

Mr. Everett stated that research is being done on what the capital requirements are for this endeavor as it needs to be profitable, so after 4 to 5 years if the YBF decides that this is not profitable for them, they can move on.

Mr. Schilling stated that NJ has a very fragmented approach to this issue. There is a long overdue conversation about these issues, and this endeavor should be taken on a national level as opposed to a nonprofit level. He added that there will be a large debt to the YBF such as healthcare and school debt. The Farm Bureau, the Department of Agriculture and Rutgers University should be the ones to take the reins on this and start coordinating to make this idea come to fruition. The purpose of a food incubator is to perfect a product and see if it is economically viable.

Chairman Fisher stated that this is all just an idea, that it's good discussion and no decisions needed to be made today, it is just something that needs to be brought to the Committee's attention to see if this could be a good opportunity.

Ms. Murphy stated that launching a YBF program in a place that has a higher concentration of farms is a better idea than in a food desert area because it is best for the farmer and cheaper for the SADC. She also noted that this may be an added expense to the SADC because it will have to hire people to maintain the buildings on the property.

Mr. Ellis stated that the YBFs must have a business model and must be able to sell what they grow to be profitable and that's the most difficult part of this endeavor. Chairman Fisher stated that he didn't think there would be a problem selling products in Cherry Hill. Mr. Everett stated that the YBFs that come in would need a business plan that they can successfully demonstrate.

Mr. Waltman stated that the Watershed Institute is a non-profit and in the early 1980's they tried to farm and almost lost everything. Eventually, they found a model that worked for them which was to lease their non-profit land to for-profit farmers. He noted that it would be a good idea to have the teacher-farmers be young themselves and share their new and fresh ideas, as opposed to using the farmers who have been around longer who are looking to retire.

Ms. Roberts stated that since the Committee is undecided at this point as to how it would proceed, and because there are concerns about the location and the market value, she suggests that staff return to next month's meeting with a preliminary approval resolution, then the

Committee can authorize appraisals and staff will due investigations on the buildings and soil work and come back with real numbers and information for the Committee. She noted that this is an amazing opportunity and to have all the information, staff would need to take the first steps in the process. Chairman Fisher stated that he disagreed with Ms. Roberts. He stated that the problem is not with the investigative process and numbers, but more surrounding the entire concept and that is what the Committee is trying to understand. There does not seem to be consensus on the concept. Ms. Murphy stated that she is in favor of buying the property and auctioning it but not supporting a concept of the property as being an incubator. It seems to be too expensive t to handle with maintenance fees and the like. Ms. Roberts asked if she should just tell the landowner that the SADC is not interested and will not be moving forward? Mr. Johnson stated that is not what the Committee is saying. Mr. Danser stated that the concern is not with appraisals but with the maintenance of the property.

Chairman Fisher advised Ms. Roberts to review the comments from the Committee and rework some of the concepts and bring it back to the next meeting to be discussed because not everyone is ready to move on with this as it's been described today. He acknowledged that Ms. Roberts put an enormous amount of work into this and spoke to a lot of people, but the ultimate decision is to be made by the Committee. Ms. Roberts stated that she will do that and come back with more information. Ms. Fischetti asked if there was research done in other states that had farming incubator programs for YBFs. Mr. Everett stated that New England and California are the only other areas that have done this so it's hard to create a model based off those areas. Ms. Roberts said that she can talk to legal staff and look at for-profit firms for support as another option.

Chairman Fisher stated that there are a lot of questions and a lot of philosophical divides here about profits versus non-profits, whether there is a social purpose and if this is a training facility, and whether this is a working operation that can be self-sustaining. The Farm Bureau, Rutgers and the township needs to look at this as well and see if this model will work. Ms. Roberts says she looks forward to the prospect of coming back and sharing some more information with the Committee. Chairman Fisher thanked Ms. Roberts for her hard work and effort with this endeavor.

Public Comment

There was no public comment.

TIME AND PLACE OF NEXT MEETING

SADC Regular Meeting: 9 A.M., Thursday June 27, 2019

Auditorium of the Health/Agriculture Building

CLOSED SESSION

At 11:06 A.M. Ms. Payne read the following resolution to go into Closed Session:

In accordance with the provisions of the Open Public Meetings Act, N.J.S.A. 10:4-13, it is hereby resolved that the SADC shall now go into executive session to discuss certain matters including the certification of values for property acquisitions under the farmland preservation program, personnel matters, any pending or anticipated litigation, including discussion of the PennEast pipeline and preservation applications within the proposed pipeline, and/or any matters falling within the attorney-client privilege. The minutes of such meeting shall remain confidential until the Committee determines that the need for confidentiality no longer exists.

It was moved by Mr. Danser and seconded by Ms. Brodhecker to approve the resolution to go into closed session. The motion was unanimously approved.

ACTION AS A RESULT OF CLOSED SESSION

A. Real Estate Matters – Certification of Values

It was moved by Mr. Danser and seconded by Ms. Brodhecker to approve the Certification of Values for the following applications as discussed in closed session:

1. County Planning Incentive Grant Program
 - a. Ralph E. & Jull Marie Johnson, SADC ID #17-0210-PG, Block 6, Lot 1, Quinton Township, Salem County, and Block 59, Lot 12, Mannington Township, Salem County, 45.9 Acres.
2. Municipal Planning Incentive Grant Program
 - a. Venerando M. Maccarone, SADC ID #17-0214-PG, Block 21, Lot 7, and Block 22, Lot 1.03, Pilesgrove Township, Salem County, 39.07 Acres.

3. Direct Easement Purchase

- a. The Frank Rizzi Income Only Trust, SADC ID #08-0043-DE, Block 5, Lot 11, South Harrison Township, Gloucester County, 128.36 Net Acres.
- b. Brian Feeley, SADC ID #19-0268-DE, Block 38, Lot 26, Franklin Township, Hunterdon County, 46.4 Net Acres.
- c. Estate of Englebert Ecker, SADC ID #10-0266-DE, Block 26, Lot 24, Kingwood Township, Hunterdon County, 60 Net Acres.

The motion was unanimously approved. Copies of the Certification of Value Reports are attached to and are a part of the Closed Session minutes.

B. Attorney/Client Matters

It was moved by Ms. Fischetti and seconded by Ms. Murphy to approve the PennEast Pipeline Procedures for Farmland Preservation Applications within the Proposed Right-of-Way as discussed in closed session. The motion was approved. Mr. Waltman recused.

PennEast Pipeline


Ms. Reynolds stated for the record that this discussion is on proceeding with applications for properties that are in the pathway of the PennEast proposed pipeline. At this time staff is recommending only to proceed on properties where there is no Right-of-Way (ROW) agreement and proposes to proceed with appraisals on these properties as if there is no taking given the fact that the condemnation has not been finalized. Ms. Reynolds explained that staff will notify PennEast of farmland preservation applications early in the application process. For PIGs, that would be at the time a green light letter is issued; in the non-profit program, PennEast would be notified at the time of preliminary approval; for direct easement applications, the utility would be notified at the time the option agreement is executed. If the condemnation is finalized before farmland is preserved, staff would recommend that the SADC intervene in the litigation on the condemnation to make sure all the documents are satisfactory and whether the values need to be re-appraised. If the condemnation occurs after farmland preservation, then staff would ensure compensation according to the deed of easement.

Chairman Fisher took a roll call for the PennEast vote. There were seven Committee members in favor, one opposed (Mr. Danser), and one recused (Mr. Waltman).

ADJOURNMENT

The meeting was adjourned at 11:55 A.M.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Susan E. Payne". The signature is written in a cursive style with a large initial 'S'.

Susan E. Payne, Executive Director
State Agriculture Development Committee

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