

STATE AGRICULTURE DEVELOPMENT COMMITTEE
Department of Agriculture
Market and Warren Streets
1st Floor Auditorium
Trenton, NJ 08625

REGULAR MEETING

July 23, 2015

Chairman Fisher called the meeting to order at 9:05 a.m. SADC staff person Patricia Riccitello read the notice indicating the meeting was held in compliance with the Open Public Meetings Act.

Roll call indicated the following:

Members Present

Douglas H. Fisher, Chairman
James Requa (rep. DCA Commissioner Richman)
Brian Schilling (rep. Executive Dean Goodman)
Cecile Murphy (rep. DEP Commissioner Martin)
Alan Danser, Vice Chairman
Ralph Siegel (rep. Acting State Treasurer Romano) (Arrived at 9:15 a.m.)
James Waltman
Jane Brodhecker

Members Absent

Peter Johnson
Denis C. Germano, Esq.

Ms. Payne is absent at today's meeting
John Doyle, Deputy Attorney General

Others present as recorded on the attendance sheet: Heidi Winzinger, Cindy Roberts, Stefanie Miller, Paul Burns, Dan Knox, Jeffrey Everett, Hope Gruzlovic, Brian Smith, Esq., David Kimmel, Charles Roohr, Alison Reynolds, Esq., David Clapp, Pat O'Connell, Sandy Giambrone and Patricia Riccitello, SADC staff;

Michael Collins, Esq., Governor's Authorities Unit; Harriet Honigfeld and Michaela Kramer, Monmouth County Agriculture Development Board; Daniel Pace, Mercer County Agriculture Development Board; Brian Wilson, Burlington County Agriculture Development Board; Tom Beaver, New Jersey Farm Bureau; Katherine Coyle, Morris County Agriculture Development Board; Scott Hunter, N.J. Board of Public Utilities; and Lori Rue, Rue Brothers Farm, Monmouth County.

Minutes

A. SADC Regular Meeting of June 25, 2015 (Open and Closed Sessions)

It was moved by Mr. Requa and seconded by Mr. Danser to approve the Open Session and Closed Session minutes of the SADC regular meeting of June 25, 2015. The motion was approved. (Ms. Brodhecker abstained from the vote.)

REPORT OF THE CHAIRPERSON

Chairman Fisher noted that SADC Executive Director Payne is not present today as she had a death in the family.

Chairman Fisher stated that last month there was a lot of discussion on the delegation of approval for special occasion events that take place Monday through Thursday at wineries on preserved farmland. Chairman Fisher asked that this issue be tabled for a month to allow for additional discussion, at the request of the Governor's Counsel's office. Hopefully, the Committee can move on this item at its next meeting.

Chairman Fisher indicated that SADC Chief Fiscal Officer Pat O'Connell will present the Executive Director's report in Ms. Payne's absence.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. O'Connell made the following comments:

- Fiscal Year 2015 Status Report

Mr. O'Connell stated that Fiscal Year 2015 was the best year for acquisitions in five years. The SADC closed on 95 transactions for a total of 7,500 acres

preserved. The total cost was nearly \$50 million, of which almost \$35 million was State money. The rest came from local partners and the Federal government. Ms. Payne will provide more detailed information next month, including where we take this going forward.

- Corporation Business Tax (CBT)

Mr. O'Connell stated that regarding our CBT appropriation for this year, the Governor proposed a budget that allocated CBT money among the various preservation programs. The Legislature approved a FY16 budget but excluded the CBT money appropriation with the apparent intention of coming back and appropriating it in the same way as they have done with 2007 and 2009 GSPT bond monies. That leaves the SADC, at the start of the fiscal year and some indeterminate time into the fiscal year, with no new money. That is particularly significant to us because one of the reasons we did so well in fiscal year 2015 was that some of our county partners went like gangbusters in preserving farms. When we enter into a new year with no money it means that those programs basically cannot access us as a source of funding because they have spent down all of the money that was appropriated or allocated to them. If you look back at previous appropriations that the SADC has sought, one of the normal parts of the process is looking at existing programs and projects, identifying money that is not being spent for various reasons and, as part of the appropriations process, re-appropriating those old funds to new uses in order to get money spent. Our thought at this point to fill the gap before the Legislature approves our CBT appropriation, is to go the Joint Budget Oversight Committee (JBOC) and ask them to approve re-appropriation of funds from certain defined projects and programs so we have some funds to allocate to our partners at the beginning of the year until our full funding becomes available. We have done this in the past and we already have some thoughts about what programs and projects are likely candidates for this. Staff would like to hold a meeting next month to review those projects with the Committee and seek its approval, with the hope that we can then go to JBOC in September to do the re-appropriation. Chairman Fisher stated that JBOC will basically review and make its decision based on the facts that are presented to it. Mr. O'Connell stated that we have done this a couple of times in the past but he has heard that it is a relatively routine process for a number of agencies that need actions to change appropriations. It doesn't increase spending; it just reallocates it to other uses.

- Urban Farming

Mr. O'Connell stated that at the beginning of the summer SADC staff undertook an effort to have our own urban agriculture project. We were looking at the planters outside of the building here and thought that they needed some work to be representative of the Department of Agriculture. Staff took some time at the end of a work day, changed clothes and went out and replanted them in various crops. He reviewed various slides of staff's efforts for the Committee.

Mr. O'Connell stated that the seeds came courtesy of Charles Roohr and from our partners from Isles, Inc., which is a nonprofit organization that works to foster community gardens in Trenton. He asked the Committee members as they leave today's meeting to take a look at some of the plants that are growing. We don't have anything that we could be serving right now but there is a pretty good growth out there. The plan is that we will use this to give away or for our own purposes, but he hopes it is a start of a much more extensive planting program around the Department of Agriculture. This year it was just the SADC involved but possibly next year we can expand it to all of the Department of Agriculture.

Chairman Fisher stated that he is expecting that there will be a good harvest because there has been a lot of care and attention given by staff. He noted it was the SADC that came to the Department and said they would like to do this. He thinks it is great and he hopes it will extend beyond the Department of Agriculture to other departments across the state. He commends the SADC for volunteering to do this to represent the workings of agriculture and also to beautify the surroundings.

COMMUNICATIONS

Ms. Gruzlovic reminded the Committee to take home the various articles provided in the meeting binders. Ms. Gruzlovic stated there is some correspondence regarding pipeline matters. Last week staff emailed the Committee a series of letters to the editor of the Hunterdon County Democrat. A couple of people wrote letters questioning the SADC's role in the pipeline and wrongly suggesting that the SADC is advising landowners on whether or not they should allow the pipeline company to access their land for surveys. There also was some misunderstanding about the process of how the land would be appraised. The SADC sent a letter in response, which prompted one of the original letter writers to send one more letter to the Democrat. Ms. Gruzlovic stated that the SADC also directly received three identical letters from landowners raising similar concerns and we have responded to those as well.

Mr. Siegel asked that when staff emailed these letters to the Committee, are we assuming that these letters have been shared with PennEast. Is there a chance that they have not seen this exchange of mail? Ms. Gruzlovic stated that we don't know that. Mr. Siegel felt it might be an idea because he always thought that these pipeline companies have a responsibility of explaining the Federal regulations that they are dealing with and evidently they are not doing that. He thinks that these letters stand as evidence that people do not understand the Federal regulations that control pipelines, just from reading some of the text of the comments. It was good that we responded but he thinks we should not assume that PennEast is up to speed on this. Chairman Fisher stated that we can send the letters to PennEast. He suggested that members hold on to the SADC's response letter and use it as a template. Mr. Waltman stated that he received quite a few angry emails sent to him about perception and it was very helpful when he got these letters.

PUBLIC COMMENT

None

NEW BUSINESS

A. Reorganization

1. Appointment of Vice Chairman

Chairman Fisher called for nominations for Vice Chair of the Committee. Ms. Brodhecker nominated Alan Danser to serve as Vice Chair of the Committee. There were no other nominations made.

Mr. Schilling moved to close the nominations. The motion was seconded by Ms. Brodhecker and unanimously approved.

It was moved by Ms. Brodhecker and seconded by Mr. Schilling to approve Alan Danser to serve as Vice Chair of the Committee. The motion was unanimously approved.

2. August 2015 to July 2016 Meeting Dates

SADC staff person Patricia Riccitello referred the Committee to the Regular Meeting Dates for the SADC from August 2015 through July 2016. She stated

that the months of October and November are combined for meeting purposes, and that the Committee will meet the second Thursday in November and December due to the holiday season. Ms. Riccitello stated that typically the SADC does not hold a meeting in August. However, as Mr. O'Connell related earlier, the SADC will be scheduling an August meeting. It is also noted that the April 2016 meeting will be held on a Friday (the 22th), due to Take Your Child to Work Day on Thursday the 21th.

Ms. Gruzlovic stated that Ms. Payne wanted the Committee to be aware that in addition to looking at re-appropriation of funding at the August meeting, we will also have the wind agricultural management practice (AMP) rules on the agenda, specifically the noise portion. The SADC had contracted with the Rutgers Noise Technical Assistance Center to help research noise associated with wind turbines and to develop a standard. Mr. Zwerling, Director of the Rutgers Noise Technical Assistance Center, will be attending the August meeting.

It was moved by Mr. Requa and seconded by Mr. Danser to accept the 2015-2016 SADC meeting dates from August 2015 through July 2016. The motion was unanimously approved. (A copy of the SADC Meeting Dates – August 2015 through July 2016 is attached to and is a part of these minutes.)

3. Program Deadline Dates – 2015/16

Ms. Winzinger referred the Committee to a list of County Planning Incentive Grant Program deadline dates for FY2016. She stated that this is being provided to the Committee for informational purposes only and that no action is required. She stated that when counties come in for final approval, the SADC has to set certain deadline dates for submission of all materials in order for an application to be considered on a subsequent SADC agenda. This information will be sent out to all of the SADC's program participants so they are well aware of the process.

B. FY2016 Administrative Budgets

- a. Farmland Preservation Program (FPP) Budget
- b. Right to Farm (RTF) Budget

Mr. O'Connell referred the Committee to the FY2016 Administrative Budgets Summary for the Farmland Preservation Program and the Right to Farm Program. He stated that the

summary compares this year's budget to what was both budgeted and actually expended for FY 2014 and 2015. The total numbers are set by the Legislature as part of the Department of Agriculture's appropriations so we had this number to work with and we basically have to live within that. You can see for the past two years we haven't actually spent the total that has been appropriated for us. That is largely a function of salaries or positions that are empty during the course of the year. For example, for this year, that budget number for salaries assumes that all of our 29 full-time equivalent positions are filled. We actually started the year with three positions empty. It takes a while to get empty positions filled so we probably will not hit that number but wanted to make sure we had the money in the budget just in case. If we don't spend the money, it is not as if it is lost; this is money that is funded currently from the 2007 and 2009 bond issues. There are enough funds to carry us through part of FY2017 in these bond funds, when we'll then be turning to CBT funds. If we don't use it, it will just stay in the pot and be available for the next year.

The Right to Farm (RTF) administrative budget is pretty stable at \$85,000. Again, it represents mostly salaries, both for people who work in RTF program as well as allocated time from a number of other SADC staff who spend time on RTF issues.

It was moved by Mr. Siegel and seconded by Mr. Waltman to approve the FY2016 Administrative Budgets (Farmland Preservation Program Budget and the Right to Farm Budget) as presented and discussed. The motion was unanimously approved. (A copy of the FY2016 Administrative Budgets Summary is attached to and is a part of these minutes.)

C. Proposed New SADC Seal

Mr. Everett referred the Committee to Resolution FY2016R7(1) for a request to redesign the SADC seal. Mr. Everett stated that he and his stewardship staff spend a lot of time in the field, going up driveways with no identifier either on our vehicles or any type of clothing. A seal is kind of an identification factor. So he asked what seal the SADC currently had and there were a number of seals to choose from. There were three that he could tell from the SADC's history. Staff thought it prudent that we use one identifier with the official name as per the Agriculture Retention and Development Act (ARDA). Staff also wants to put the seal on clothing, along with magnetized versions made for the vehicles. Staff wanted to get Committee input on the use of one identifier that incorporates the preserved farm sign, listing the SADC's establishment date of 1983, and identifying the two major programs that we administer – the Farmland Preservation Program and the Right to Farm program. The proposed seal would have the full name of

our agency, which is not on the preserved farm sign. If there is anything that you don't like about it, we do have a graphic designer we can utilize to make any necessary changes. But we wanted to make something that was more rounded so it would lend itself to actually putting it on clothing.

Mr. Siegel asked what the object of the seal was. We are not changing the sign, correct? Mr. Everett replied that the sign would remain the same. This would be incorporating the sign into a logo on a shirt or a magnet you would put on a car for when our stewardship staff goes on-site so people would know who they are. Chairman Fisher stated counties also have their own preserved farm signs. Some incorporate the State's design and some counties go alone.

Mr. Siegel suggested that he would put "New Jersey" written out someplace – the full name instead of having "NJ" in the front. Mr. Requa agreed. It would be easier to read that way. Mr. Siegel stated that he thinks that the wording "State Agriculture Development Committee" should be where it is and then New Jersey should be someplace else. Mr. Danser stated that you could spell New Jersey right outside that ring. Chairman Fisher stated that he would agree that New Jersey should be more prominent; possibly put it in the center someplace. Chairman Fisher asked if this would be the new official seal. Mr. Everett stated that is correct. It seems pretty formal but that is the way ARDA specifies it, that the Committee has the power to adopt the seal and revise it at its pleasure.

Mr. Danser stated he would make a motion with the changes discussed regarding spelling out New Jersey.

It was moved by Mr. Danser and seconded by Ms. Murphy to approve Resolution FY2016R7(1) finding that the adoption and use of a redesigned seal helps the public to identify the agency with the programs it administers and the signage deployed on preserved farms with the above-noted amendment to the draft seal. This approval is considered a final agency decision appealable to the Appellate Division of the Superior Court of New Jersey. The motion was unanimously approved. (A copy of Resolution FY2016R7(1) is attached to and is a part of these minutes.)

D. Resolutions for Final Approval – County PIG Program

SADC staff referred the Committee to two requests for final approval under the County Planning Incentive Grant Program. Staff reviewed the specifics with the Committee and stated that the recommendation is to grant final approval.

It was moved by Mr. Siegel and seconded by Mr. Danser to approve Resolution FY2016R7(2) granting final approval to the following application under the County Planning Incentive Grant Program, as presented and discussed, subject to any conditions of said resolution:

1. Estate of Gabriella Klimas, SADC # 21-0543-PG (Resolution FY2016R7(2))
Block 14, Lots 10, 12.01; Independence Township
Block 101.02, Lots 43, 44; Mansfield Township
Warren County 191 Gross Acres
State cost share of \$2,620 per acre (70.81% of the certified easement value and purchase price), for a total grant need of \$512,734.00 pursuant to N.J.A.C. 2:76-6.11 and the conditions contained in Schedule C. The property has a 1-acre nonseverable exception area for and limited to one single-family residence. The property includes zero single-family residential units, one existing building used for recreational hunting purposes, zero agricultural labor units, and no pre-existing nonagricultural uses on the portion of the property to be preserved outside of the exception area. This approval is considered a final agency decision appealable to the Appellate Division of the Superior Court of New Jersey.

The County has requested to encumber an additional 3 percent buffer above the net acreage to be preserved for possible final surveyed acreage increases; therefore, 195.7 acres will be utilized to calculate the grant need.

The motion was unanimously approved. (A copy of Resolution FY2016R7(2) is attached to and is a part of these minutes.)

It was moved by Mr. Siegel and seconded by Mr. Brodhecker to approve Resolution FY2016R7(3) granting final approval to the following application under the County Planning Incentive Grant Program, as presented and discussed, subject to any conditions of said resolution:

2. Martha E. Hubschmidt et al (#1), SADC# 06-0161-PG (Resolution FY2016R7(3))
Block 2301, Lot 13, Upper Deerfield Township, Cumberland County, 14 Acres
State cost share of \$4,550 per acre (62.33% of the purchase price), for a total grant need of \$65,611, pursuant to N.J.A.C. 2:76-6.11 and the conditions contained in Schedule C. The property includes one single-family residential unit, zero agricultural labor units and no pre-existing nonagricultural uses. This approval is considered a final agency decision appealable to the Appellate

Division of the Superior Court of New Jersey.

The County has requested to encumber an additional 3 percent buffer for possible final surveyed acreage increases; therefore, 14.42 acres will be utilized to calculate the grant need.

The motion was unanimously approved. (A copy of Resolution FY2016R7(3) is attached to and is a part of these minutes.)

E. Resolution for Final Approval – State Acquisition Program

Ms. Miller referred the Committee to Resolution FY2016R7(4) for a request for final approval for one application under the State Acquisition Program. Ms. Miller reviewed the specifics with the Committee and stated that the staff recommendation is to grant final approval.

It was moved by Mr. Siegel and seconded by Mr. Danser to approved Resolution FY2016R7(4) granting final approval to the following application under the State Acquisition Program, as presented and discussed, subject to any conditions of said Resolution:

1. Jack Oberly, SADC # 21-0548-DE
Block 97, Lot 5, Alpha Borough
Block 95, Lots 2, 2.06, Pohatcong Township
Warren County, 92.269 Gross Acres
Acquisition of the development easement at a value of \$4,000 per acre for a total of approximately \$356,000, subject to the conditions contained in Schedule B. The property includes a 1-acre nonseverable exception area limited to one single-family residential unit and a 2.269-acre unrestricted severable exception containing a residence and barns, resulting in approximately 89 net acres to be preserved. SADC staff will work with the Owners to further explain the drainage issues on the property in order to ensure that conflicts between the preserved farm and neighboring properties can be addressed prior to closing if necessary. This approval is considered a final agency decision appealable to the Appellate Division of the Superior Court of New Jersey.

SADC staff has become aware of potential drainage issues involving the property, wherein runoff from Route 78 runs across the south edge of the property from west to east and may cause flooding to adjoining properties during large rain events.

The motion was unanimously approved. (A copy of Resolution FY2016R7(4) is attached to and is a part of these minutes.)

F. Stewardship

1. Division of the Premises (Discussion)
Gibbs Farm, Allamuchy Township, Warren County

Mr. Roohr stated this involves the Keith and Maryann Gibbs Farm, known as Block 304, Lot 8; Block 401, Lot 3, and Block 501, Lot 4, in Allamuchy Township, Warren County, comprising approximately 245 acres. Staff has received an application for a division of the premises on this property, which is preserved. The property comprises 237 acres and was preserved as a Direct Easement application in 1999 by the former owners Frank and Joan Gibbs. The property consists of three lots, each separated by a road. In April 2015, the owners transferred title to Block 401, Lot 3 to Lavanta Stables, LLC. This division was discovered during a conversation with staff and the engineer for Lavanta Stables LLC in June 2015. Staff determined that the division was done without SADC approval. During a subsequent conversation with the owner of Lavanta Stables LLC (Mark Willekes), staff informed the buyer that a division application would need to be submitted and reviewed by the Committee in order to permit the transfer of any portion of the lot to a separate entity. An application then was submitted for the division.

Mr. Roohr stated that this request would sever Block 401, Lot 3, consisting of approximately 52 acres (47 acres of preserved ground and a 5-acre nonseverable exception area), from the remaining 185 acres. Lavanta Stables LLC proposes to construct a home on the exception area and the equine facility would actually go into a wooded area, which is listed as rock outcrop. They would like to have a stable, an indoor and outdoor riding arena and some accessory barns. Their proposal is to bring in young horses from Europe and train them in the U.S. style of horse training. The issue for this farm is that in order for a division of the premises to be approved, the Committee must find that it is for an agricultural purpose and that the parcels would be viable for a variety of uses on their own. Parcel A is going to be 189 acres, 145 of which is tillable, 63 acres are prime and it will have three single-family houses on it. As far as being a stand-alone entity, Parcel A should be fine. Parcel B gives staff pause because 1) about half of this farm or about 25 acres is tillable and of that 5.6 acres are prime and the rest are unrated soils. They are a combination of Halsey silt loam and Fredon soils, which are classified as very stony, poorly drained soils with a shallow depth to seasonal high water table and typically not well drained and sometimes with the water table being at the surface. It is a grain farm now and Mr. Willekes would propose to make that into a pasture area for the

