
Commission Meeting

of

STATE HOUSE COMMISSION

LOCATION: Committee Room 3
State House Annex
Trenton, New Jersey

DATE: March 16, 2009
9:00 a.m.

MEMBERS OF COMMISSION PRESENT:

Robert L. Garrenger, Chair
Senator Bob Smith
Senator Gerald Cardinale
Assemblyman John S. Wisniewski
Assemblyman Declan J. O'Scanlon Jr.
Debra Bell
Charlene M. Holzbaur



ALSO PRESENT:

Gene Hayman
Acting Secretary

Robert J. Shaughnessy
Counsel

Meeting Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey

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ROBERT L. GARRENGER, (Chair): Good morning, everyone.

Thanks for coming. Welcome to the March edition of the State House Commission.

I think we can get started now. I believe we have a quorum. We're missing Assemblyman Wisniewski at this time, but we do have a quorum. So I think we can get started.

We are in accordance with the Open Public Meetings Act.

I'd like to announce beforehand -- I think the word went out in advance -- but agenda Item No. 17, concerning the Riverfront Prison facility, is not going to be considered today. That will come up at a future agenda.

We can start by approving the minutes of our last meeting.

SENATOR SMITH: So moved.

DEPUTY TREASURER BELL: Second.

MR. GARRENGER: Mr. Hayman, roll call on that.

MR. HAYMAN (Acting Secretary): Deputy Chief Garrenger.

MR. GARRENGER: Yes.

MR. HAYMAN: Senator Smith.

SENATOR SMITH: Yes.

MR. HAYMAN: Senator Cardinale.

SENATOR CARDINALE: Here.

MR. HAYMAN: Assemblyman O'Scanlon.

ASSEMBLYMAN O'SCANLON: As I was not part of the Commission yet, I'll abstain.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Director Holzbaur.

MS. HOLZBAUR: Yes.

MR. GARRENGER: I guess we'll get started with our old business.

Mr. Hayman, can you tell us about agenda Item No. 2?

MR. HAYMAN: At its October 6, 2008 meeting, the State House Commission approved the request for the State to enter into negotiations with Marlboro Township to determine if a solution that maximizes value to the State and Township can be consummated for the sale of the Marlboro Psychiatric Hospital.

The New Jersey Department of the Treasury requests approval to extend the negotiations period between the State and Marlboro Township for an additional six months from the date of the March 16 meeting.

MR. GARRENGER: Do any of the members have any questions about No. 2?

SENATOR SMITH: Yes. I'd appreciate it if we can find out what has been happening since the negotiations have started and where the matter stands.

MR. GARRENGER: Mr. Hayman, is there anything you can tell us about that -- or anyone appropriate to talk about that?

MR. HAYMAN: Do you want to speak about it?

DEPUTY TREASURER BELL: Yes, I'll speak about it.

Senator, we have been meeting with Mayor Hornik, from the Township of Marlboro, over the course of the past six months. There's

been work that's been done on both sides, in terms of doing assessments, and in doing environmental studies, and in working with the DEP on getting some additional information. And we've met on several occasions, both conference calls and in person, with the Mayor. And I believe that there's been a fair amount of diligence on both sides with regard to this matter. However, we have not been able to conclude a transaction at this time and need additional time to do so.

SENATOR SMITH: My suggestion would be, rather than granting a six-month extension, to carry it to the next meeting so that we get continuous reports on where it stands. We can always grant another extension at the next meeting if we think it's appropriate. A blanket six months, I think, takes everybody's feet off the fire. We should keep everybody's feet in the fire.

ASSEMBLYMAN O'SCANLON: I would, if I may chime in-- It's in my district.

SENATOR SMITH: Okay.

ASSEMBLYMAN O'SCANLON: And I've been getting reports regularly too, because I both have a concern to make this happen -- but that we make it happen in a timely manner. And I appreciate the responsiveness of the State as well.

Certainly, month by month I'm not sure we're going to see a lot going on. But if we can do three months -- because we meet quarterly, right?

MR. GARRENGER: Correct.

ASSEMBLYMAN O'SCANLON: So if we were to go to three months for a report, I think that would be okay, unless you think that

absolutely we're not going to get anything done in those three months -- or at least nothing substantive -- and six months is more realistic. I can go either way.

DEPUTY TREASURER BELL: I'm comfortable with a three-month report.

MR. GARRENGER: Do we have a motion on this item with the three months?

SENATOR SMITH: So moved.

DEPUTY TREASURER BELL: Second.

MR. GARRENGER: Mr. Hayman.

MR. HAYMAN: Chairman Garrenger.

MR. GARRENGER: Yes.

MR. HAYMAN: Senator Smith.

SENATOR SMITH: Yes.

MR. HAYMAN: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. HAYMAN: Assemblyman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: I'm going to abstain. I have a potential conflict involving Marlboro Township.

MR. HAYMAN: Assemblyman O'Scanlon.

ASSEMBLYMAN O'SCANLON: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Director Holzbaaur.

MS. HOLZBAUR: Yes.

MR. GARRENGER: Next agenda item please.

MR. HAYMAN: At its October 6, 2008 meeting, the State House Commission approved the sale of the Eagles Manor Farm and Block 51, Lot 1, Fairfield Township, in Cumberland County, with the following conditions: At the meeting, a coalition of environmental groups was given until January 15, 2009, to submit a proposal for alternative uses of the property. And the State House Commission requested the DEP to consider operating the Eagles Manor property under a concession agreement.

I believe DEP's here to answer those conditions, before we go ahead and approve it without the conditions.

MR. GARRENGER: I would also like to note that it seems that there's a member of the public who has signed up and indicated the desire to testify on this one.

Maybe we'll take Mr. Ceponis first. And then if the DEP wants to address us, we can do it then.

Thank you for coming.

G L E N N C E P O N I S: Sure.

Good morning.

My name is Glenn Ceponis. I'm with the New Jersey Historic Trust. I actually manage their easement program.

And I just wanted to say, on behalf of the Historic Trust-- I wanted to convey to the Commission that the Trust is very excited to be working with Green Acres and the Commission on this property. It's a very significant and historic resource. So we, again, just wanted to convey to you that we are excited about this and that our Board has voted to accept the easement if it moves in that direction. And we've already drafted the preservation easement if it moves forward.

But again, I just wanted to say thank you. And if you have any questions, I'm here.

MR. GARRENGER: Thank you very much for your contribution.

I don't know if any of the members have any questions about this item.

SENATOR SMITH: Just double checking-- If we go ahead with this, there will be a historic covenant placed on the property. So any potential purchaser will know that they have to maintain the historic integrity of the property?

J U D E T H P I C C I N I N I - Y E A N Y: Yes. As Mr. Ceponis indicated--

I'm sorry. I'm Judeth Yeany from the Green Acres Program with the DEP.

As Mr. Ceponis indicated, the New Jersey Historic Trust, which is one of the in-but-not-of boards, has already voted to accept the easement. And they would hold the easement and enforce it. So what we would be looking at, even in a private-sale scenario, is a façade easement on the property. The inside of the building has already been substantially altered and would not be worthy of preservation under an easement. But the façade is pretty much in tact, and they would oversee that.

MR. GARRENGER: Does that answer your question, Senator?

SENATOR SMITH: It does.

MR. GARRENGER: Do we have a motion on this item?

DEPUTY TREASURER BELL: So moved.

SENATOR SMITH: Second.

MR. GARRENGER: Mr. Hayman.

MR. HAYMAN: Counsel Garrenger.

MR. GARRENGER: Yes.

MR. HAYMAN: Senator Smith.

SENATOR SMITH: Yes.

MR. HAYMAN: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. HAYMAN: Assemblyman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Yes.

MR. HAYMAN: Assemblyman O'Scanlon.

ASSEMBLYMAN O'SCANLON: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Director Holzbaur.

MS. HOLZBAUR: Yes.

MR. HAYMAN: So moved.

MR. GARRENGER: Thank you.

Item No. 4 has a number of folks who have signed up to testify.

But, Mr. Hayman, please give a brief description of the item.

MR. HAYMAN: This item involves Ringwood State Park, Block 1000, Lot 2. The New Jersey DEP, Division of Parks and Forestry, requests approval to extend its existing 20-year lease agreement with Mansion Caterers, Inc. for use of Skylands Manor and Chapel for an additional 10 years.

The State House Commission originally approved the lease with Mansion Caterers on September 25, 2003. At its December 15

meeting, the State House Commission requested additional information and clarifications on parking and the 20-year lease extension, and tabled the matter.

MR. GARRENGER: The members are familiar with this item. This has come up at past meetings.

If none of the members have any questions, maybe we could try to call folks up in an orderly manner. I would urge you to just be advised that we are familiar with the facts behind this one. So by all means, indicate what you think we should do and why, but please try not to repeat. Because members have to get on to voting sessions today. And it could take a while, a number of people have signed up.

So we want to start with Jeff Tittel.

J E F F T I T T E L: Thank you.

Jeff Tittel, New Jersey Sierra Club.

We are deeply troubled by this lease.

And I also want to just throw out a couple of seconds of personal history as a three-generation property owner in Ringwood. This is a piece of property I know very well. And I remember being very excited in visiting the property when it was bought in the late '60s by Bob Rowe (phonetic spelling), who at the time was head of the Department of -- which later became Green Acres -- was Conservation and Economic Development.

We think this is one of the gems of the New Jersey park system. It's one of the most beautiful manors you'll see anywhere. We think using it for these purposes may be fine, because it would be better to have it used than unused. And in fact, we always thought -- I always thought it would

be a great place for the home of burnt-out environmentalists when we retire.
(laughter)

But I have a couple of concerns. First, I think that the lease is way too long. An overall 30-year lease is a very long time. And we don't know what condition the State's going to be in or what's going to happen with this property 30 years from now.

I'm also concerned that for 20 years, the \$100,000 lease fee will stay stable. And given what I consider the value of that property, we're getting pennies on the dollar. I mean, it's a \$100 million building to build today. You couldn't even get what's in that building -- the rooms, they're from castles in Europe; and some of the stained glass and other things. And we believe that it's not until the 20th year that they could actually have a cost-of-living escalator, of only 3 percent.

We think that there needs to be something up front. Because as prices go up, and also as the market conditions hopefully get better, the State can actually recoup from this its fair share. And I don't believe that that's the fair share.

We also have concerns of how the profit part is going to be assessed. They have to make more than \$2.3 million. There are a lot of ways of adding your brother-in-law to the staff, spending money on all kinds of events, that you could stop the State from actually ever getting any profit sharing. And I think that needs to be clarified.

We also have concerns about the expansion of Parking Lot A. Some of the areas around there are environmentally sensitive. But more importantly, who is going to pay for it? Are the taxpayers going to pay for it? And how much is it going to cost? In a time when we have no money to

maintain our parks, that's an expense that's going to be serving the caterer and should not be born by the taxpayers of New Jersey, especially when we're out of funding.

And then the other part that I've looked at that I also have concerns with is the public access plan. And I think it's woefully inadequate, especially for the wonderful group that I used to be a member of many years ago when I was still very active in Ringwood, which is the Skylands Manor Association. They've really kept that place going through times when the State has had no money. They're really the people who are the backbone of our park system. And their planting, and their tours-- I have a neighbor, (indiscernible), who is a family friend for generations. I mean, her parents and my grandparents were friends. She's a retired teacher in Ringwood. She puts in a 40- to 50-hour week up there. And I think that that-- I really think that the public access portion does a disservice to the people in the Skylands Manor Association -- all the work they do.

And I'm also concerned about the gardens -- to make sure that they will always be open to the public and that other groups can use them. And I'm not so sure, when I read the access plan.

But those are my major points.

MR. GARRENGER: Thank you very much.

Mayor Randy George, please.

MAYOR RANDY GEORGE: Thank you.

MR. GARRENGER: You're welcome.

Good morning, Mayor.

MAYOR GEORGE: Good morning, everyone.

I'm the Mayor of a small town in Passaic County, which is very close to Ringwood.

I go to Skylands Manor quite often. It's a very important part of New Jersey's history. And I believe it's being given away.

I don't know if you read in the newspapers, but--

I run a small business in my town, and it's about one-one hundredth of the size. And I pay \$30,000 a year to rent. They're getting this for \$100,000. It's not enough money. And to have it extended another 10 years is wrong.

I think the State, in its desire to try to come up with alternate sources of revenue, is making a mistake with this. It's bad enough it has a 20-year lease. Please don't compound it by extending it to 30 years.

People seem to overlook two very important points here. This is the State Botanical Gardens. It's for everyone in New Jersey, not just the people who live in North Jersey. It's for everyone.

Coming down here, I came through Princeton -- unbelievable history. I think New Jersey has, outside of Washington, one of the most historic areas clumped altogether. And I think we should be preserving it.

I went to a function there. The Manor is not respected by the people who go there. I went to a wedding there. A family member got married there. And the staff did its best to make everybody happy but did nothing to protect the Manor. It is not a castle, it's a manor. And to all the volunteers who volunteer there -- you are sending a bad message. What's next?

Right now, they're losing their ability to have their most important fundraiser, which is the holiday event, which is around Christmas

time. It's decorated by all the local people and all the different garden organizations, and it is beautiful. And if none of you have been there, you've missed something beautiful. And it may not be there anymore. It's all up to the caterer.

I'm not here to bore you with all the details about the rent, and the lease, and who is responsible for what. I'm here to press upon you that-- Please vote no for the extension of this lease to 30 years. Think of all the public who are not going to get to see it. They say it's open to more of the public. Yes, as long as you pay. As long as you pay to go to a wedding there, you get to see the facilities. I've been going there for about 10 years. And it's just beautiful -- what we could see. Now you can't go. Now it may or may not be open. Now the Botanical Gardens may or may not be able to do their projects.

I just drove all the way down here today just to try to impress upon you to please vote no. Do not allow this to be extended another 10 years. This isn't a reflection on anyone. It's just a sign of the times, and I think it's a bad sign. Because I think, as Jeff just said before, with the State maybe turning around in the next couple of years, I think everyone is going to regret giving this manor house away at such a low price.

Thank you.

MR. GARRENGER: Thank you, Mayor.

Robert Frungillo.

ROBERT FRUNGILLO: Good morning.

I'm Robert Frungillo, from Mansion Caterers.

Thank you, again, for having me here today.

I'm not going to repeat all the details. But I just wanted to touch upon a few things that I may have neglected to talk about last time. And I'd be happy to answer any questions you have.

Just on some of the comments I heard here this morning about extending Parking Lot A-- I have no idea about that. I heard rumors that it was happening. It was not my request. For the business that I run up there now, I do not need additional parking.

The cost of \$100,000 per year for rent-- If we could just go back briefly eight years ago, the State came out with the bid. Anyone here in the audience, anyone in the state, anyone in the country could have come and bid on this project. Now I'm at fault for bidding on a project? I'm at fault for the number being the way it is and the State accepting it? I have trouble with that.

Again, anyone could have come to the table. Skylands is a gem, I agree. It's also in the middle of nowhere, in a business sense. We took the risks. Now we're taking the risk. We saved that property. We put up to \$2 million into saving that property. And you can ask anyone, the second and third floor was basically condemned. You couldn't even walk through it. We're the ones who came in, we financed the money. We saved that building as far as I'm concerned.

There are a lot of associations, including the Skylands Association, that have a great take in the property and the grounds. I have nothing to do with the Gardens. It's not part of my lease. I'm just basically the building and the walls around the building. So I have no say on what the Garden has. I have no restrictions. There are some ceremonies around,

but they're in areas that the State told me to have ceremonies in. It has nothing to do with the actual Gardens -- the Botanical itself.

My \$100,000 a year lease-- Yes, that's the base net money that I'm giving to the State. It costs me approximately another \$100,000 just to maintain and keep the place up. So you can take any number you want. We have a full-time maintenance staff. You read the lease. The inside of the building is my responsibility. Besides my \$100,000 plus my approximate \$100,000 to maintain the building, now with -- if the approvals go through -- most or all the utilities are going to be on me, not the State. So besides having an increase in my rent, having utilities now -- which were originally part -- most part of the State, are now going to be my responsibilities.

And lastly, I just want to talk about the tours for one second. Going back eight years, and going back five years when the lease was written, there was no mention of tours. We knew tours happened there. We knew they happened there. Absolutely. Never in the contract did it say that Mansion Caterers now has to get rid of 12 of their prime Sunday dates for weddings. That's when we do weddings. There was never any mention of that. It was never negotiated that now dates were being taken away from me. Granted, we believe in tours, and we have always believed in tours. We've always had them up to this last stage of our renovation, which is the center -- the overnight rooms -- making it a bed and breakfast.

To this day, we want to continue tours, not just for the Skylands Association. They're one very powerful group. We accept that, and we want to continue working with them, and we feel we still can. But there are also other groups involved. There's Ramapo College that called

me for a tour, there are local schools that call for tours. We grant them. We've given tours-- We have given 15 tours around -- dates already in the last two months. So please, say what you may about me, but don't say I'm against public tours. It's not written in my contract. There's no mention of it. It was never negotiated. And I stand here in front of you today telling you that we are still all for public tours.

MR. GARRENGER: Thank you.

Senator.

SENATOR SMITH: First of all, if you're not interested in the expansion of the parking lot, let me ask the DEP why we are talking about the expansion of the parking lot.

MARCI D. GREEN, ESQ.: Hi, I'm Marci Green, with the Office of Leases.

I believe we were expanding the parking lot to accommodate the public and the catering facility when there are events going on at the catering facility and when the public is coming to the park. There is a need for parking in those situations.

SENATOR SMITH: How big is the parking lot now?

MS. GREEN: The current parking lot we're talking about has 50 spots, and we'd be increasing it to 100 spots.

SENATOR SMITH: What is the cost of doing this?

MS. GREEN: I don't know what the cost is. I can get you that information. But I think it was always contemplated that we would be doing that. I don't think this is a new plan. I think it was always part of DEP's scheme to do this to accommodate parking for the entire facility: the

Botanical Gardens, and especially when there are events going on at the Skylands Manor.

SENATOR SMITH: All right. So you're saying that the parking lot expansion is a public purpose, as opposed to--

MS. GREEN: Oh, absolutely. Yes.

SENATOR SMITH: Okay.

What's the public access plan that's been developed between the proposed tenant and DEP? Can you describe it for me?

MS. GREEN: Sure. It was attached to your packets. And Mansion Caterers has guaranteed the first four Sundays of the year. And then after that they can book dates, but the caterers have the ability to cancel three months out. So no sooner than three months to the date, if an event is booked, the caterer or tenant can contact the Association and let them know that that date is no longer available.

SENATOR SMITH: So what you're saying is if they don't say there's a conflict 90 days before, then the event goes forward.

MS. GREEN: Correct.

SENATOR SMITH: The tour goes forward.

MS. GREEN: The tour, yes.

And go ahead, if you want to--

MR. FRUNGILLO: The first four dates are guaranteed, the first four Sundays.

The whole question is-- Last year they had approximately nine Sunday dates. And we proposed that this Association would get a guarantee of four: January, February, March, and April. I know they're not the prime months for tours. I respect that. We would guarantee at least

the first four. After April, through December, if I do not have a wedding booked or an event on that date four months prior -- or three months prior, the tour could go forward. We have also guaranteed, besides the four, 12 additional tour dates -- weekdays, which are the group tours, which was told to me are important. We guarantee an additional 12 on top of the four.

SENATOR SMITH: Why is the public access plan not an event of default in your lease?

MS. GREEN: Excuse me. Why is it not--

SENATOR SMITH: Why is the public -- conformance with the public access plan-- If you don't pay utilities, you don't pay the rent, you're in default with the lease. Why is not default of the public access plan an element of default?

MS. GREEN: We can make it. I put the lease amendment together, and I just didn't think of doing that. But that's fine.

SENATOR SMITH: Well, I think in terms of the public's concern about public access, it should be an element of the lease--

MS. GREEN: We can do that.

SENATOR SMITH: --as an event of default.

MS. GREEN: I mean, we've had a very--

UNIDENTIFIED SPEAKER FROM AUDIENCE: The new paragraph should cross reference paragraph (indiscernible).

MS. GREEN: We can do that. We've had a very good working relationship with the tenant. And it was probably just my--

SENATOR SMITH: It's okay.

The other thing -- there are a couple of points of irritation. And one of the points of irritation seems to be the "holiday party" that's a

fundraiser for the Skylands Association. Why can't you lock in a date -- the third Saturday of the month of December -- so that there isn't a point of conflict?

MR. FRUNGILLO: Can I answer that?

SENATOR SMITH: Sure.

MR. FRUNGILLO: Again, going back to the original lease that was presented to me that we signed with the State, we knew the tour was there. But there was nothing written in the lease that said I had to grant the tour -- the Christmas tour.

Now, we still agree that there should be a Christmas tour. It happens to be that that week they want to have the tour is a prime week for holiday receptions and weddings. That is the number one week of the year. I basically not only lose one day, I lose anywhere from seven to 10 days that I can't do anything -- between the set up, the breakdown, and the event itself. So I'm not saying get rid of the Christmas tour, I'm saying move it a week before, or two weeks after. I know it's not the perfect date for them.

But then another proposal was, instead of having the event through the weekend, have it Monday through Friday. And I'd be giving up five days, not a Saturday and Sunday. So that's basically why the tour is a problem. It's basically because of the actual date. Like I said, I do not want to get rid of it, I just wanted to move it a week this way or a week that way, because that is, in the special event industry -- that particular week is the prime week for us.

We don't have to talk about the economy. We're getting crushed as much as anyone else. Dates are so valuable to us.

SENATOR SMITH: What's the prime week? What are the dates?

MR. FRUNGILLO: Well, the actual date-- It was the-- The week that they wanted I believe was the week -- the 10 days after Thanksgiving and -- 10 days after that -- post that.

Is that correct on the date? I'm sorry. I may have the wrong date.

UNIDENTIFIED SPEAKER FROM AUDIENCE: First weekend in December.

MR. FRUNGILLO: Right. It goes right after Thanksgiving, and it goes through the first weekend in December.

SENATOR SMITH: Not to be too pushy about this, but they're your prime co-user of this facility. You have a chance to make them happy. There's no way to agree on the date, so that on an annual basis they know what the date is so they can plan their fundraiser around the date, whatever that first Saturday is?

MR. FRUNGILLO: That's a prime date for us. We're starving here. All I'm saying is move it a week after. I don't know where the big difference is. Move it a week one way or the other.

SENATOR SMITH: You mean a week later?

MR. FRUNGILLO: We talked about a week later. I believe that's in there also.

SENATOR SMITH: The second Saturday in December would work for you.

MR. FRUNGILLO: Yes. That first one is a prime one for us, especially for corporate.

SENATOR SMITH: How would the second Saturday in December work for the group?

MR. FRUNGILLO: Again, we're giving up 10 days. Plus, the overnight rooms are another element to this too.

SENATOR SMITH: Right.

How would the second Saturday in December work for the group?

ASSEMBLYMAN O'SCANLON: That would be the 12th of 2009.

SENATOR SMITH: Well, the point is to have it at a regular date every year so that people could plan fundraisers.

Is there anybody from--

MR. GARRENGER: Is there a spokesperson for the group?

Most folks signed up either without a designation or some folks said they were taxpayers.

T H O M A S G R I S S O M: I am.

MR. GARRENGER: Why don't you come up?

MR. GRISSOM: Thank you.

MR. GARRENGER: Could you identify yourself please?

MR. GRISSOM: Yes. Thomas Grissom, Mahwah, New Jersey.

I happen to be the President of the Skylands Association. I am here today as a private citizen, because the Skylands Association is a friends organizing -- recognized friends of the park. And under that stipulation from the DEP agreement, we really speak privately instead of as an organization.

To answer your question, the second weekend versus the first weekend-- Historically, the first weekend has been embedded in the minds of people of northern New Jersey for 20 years now -- that we've been doing it exactly the same timeframe. People expect it. And it coincides with the Ringwood Park down the street, so people can come up and visit Skylands Manor and Ringwood Manor in the same weekend. They plan their weekends this way, they plan their week this way. And we understand it is a prime weekend for the caterer. We do understand that.

All the negotiations for these dates -- this schedule -- has been done between the DEP and Mr. Frungillo, without Skylands Association's input -- privately at the same time. We have no privilege to this information other than the same documents you've gotten recently. So we've not been part of this negotiation. We've only met with Mr. Frungillo one time, and I believe it was in April of last year.

SENATOR SMITH: What did you think of the idea of a week night instead of a weekend?

MR. GRISSOM: We're really totally opposed to it. It breaks up the scheduled affect that everyone has. You work all week. The last thing you want to do is go out at night. You look for these events during the weekend. People come during the day who do not work. And people who like to get out at night come on the weekends. We have a champagne and candlelight affair on Friday, Saturday, and Sunday nights. These are big events. People expect them, and they're looking for them on the same date.

SENATOR SMITH: Rock and a hard place?

MR. FRUNGILLO: We also -- and please, Tom, stop me if I'm wrong. When we sat at that meeting--

I feel there are two parts to this. First is the exposure, and people who spend their time and energy creating the designs in the rooms, which are beautiful; and the dollars and cents of it.

I also proposed to them at that meeting -- where I would give several different advantages to them where they would probably make as much money with my help than they would during the whole tour. At one point I even talked about giving 24 overnight rooms to you and to your Association to raise money for that, to try to make a compromise on the dollars and cents of it. So there are others-- I didn't just walk away from this. I gave them different options.

And you should recall that meeting and very clearly how I said it's also about the dollars and cents, and let's see how I can help you and give you-- We even talked about a discounted event, discounted food, overnight rooms for free. You could auction them off, you could give them away, and you could make a lot of money on them.

SENATOR SMITH: How many people come to the evening champagne events?

MR. GRISSOM: In those three nights alone, there are probably about 1,200 people.

SENATOR SMITH: Each night or total?

MR. GRISSOM: No, those three nights. The candlelight and champagne nights are three nights in a row. But during the day for those first five days -- we have well over 3,000 to 4,000 people coming out during the daytime.

ASSEMBLYMAN WISNIEWSKI: What five days are they?

MR. GRISSOM: It's primarily Tuesday through Sunday. No, I take that back. It's Thursday through Sunday. On Monday we have the Manor House opened for us by the Park, and we go in and start decorating by volunteers. So it's open Thursday morning.

ASSEMBLYMAN WISNIEWSKI: Thanksgiving morning?

MR. GRISSOM: No, the first week after Thanksgiving. It's the first weekend of December after Thanksgiving.

SENATOR SMITH: The gentleman from the caterer. I missed your name, sir.

MR. FRUNGILLO: My name?

SENATOR SMITH: Yes.

MR. FRUNGILLO: Robert Frungillo.

SENATOR SMITH: Mr. Frungillo, how many events do you book a year at the facility?

MR. FRUNGILLO: In this day and age?

SENATOR SMITH: Yes.

MR. FRUNGILLO: A lot less. We should average anywhere from 60 to 70 events a year. That's in a really good economy.

SENATOR SMITH: And how many do you book a weekend?

MR. FRUNGILLO: On weekends? Most of our business is primarily weekends. I would say 95 percent of our business -- maybe 99 percent -- is weekends: Friday, Saturday, and Sunday.

SENATOR SMITH: A question for the DEP while we have the tenant here: The \$100,000 per year rental-- Are you convinced that that's a fair market value for it?

MS. GREEN: I can only comment in that it's a fair market value in that it represents the only bidder's response when this was publicly bid on -- what was it? -- eight years ago. So if the fair market value is what somebody is willing to pay for it, and we had one bidder who was willing to pay for it, then I would say yes. In today's market, if we went out to bid, I don't know if we would get anybody who would be willing to invest in a business in this economy. So today it's probably better than the fair market value.

SENATOR SMITH: Okay.

MR. FRUNGILLO: Sir, if I could comment on that -- can I?

SENATOR SMITH: Sure.

MR. FRUNGILLO: Before I came in, the State was not getting a penny for Skylands at all. It was vacant. No one wanted it. It was an elephant. They were getting zero dollars. When I came in -- and to me -- and I'm sorry if I repeat myself. It's not just the \$100,000. We are now tenants in a building that was falling apart. We have a full-time maintenance staff taking care of the State's building. It's not my building. Yes, I'm doing weddings. I'm running a business. I'm trying to make a profit. We're saving a building. It's really that easy. And, again, the \$100,000 is just net to the State. What about everything else we put in? What about bringing all these residents -- yes, sometimes they pay, sometimes they're guests of a wedding. Thousands and thousands, and tens, and twenties, and fifties, and thousands that have been coming through over eight years who never even knew we had a Botanical Garden or the Skylands Manor -- now they're attending an event -- a special event. We are open, yes. It's paid, and the bride will pay, or what have you. But

how many people now acknowledge, and take that information to the rest of the State -- that they never knew existed?

MR. GARRENGER: Thank you. We appreciate your side of it. We understand what you're saying.

MR. FRUNGILLO: I'm sorry if I get passionate.

MR. GARRENGER: That's all right.

Do any of the members have any questions for this current panel?

ASSEMBLYMAN O'SCANLON: Just real quickly, were there any other bidders back in 2003?

MR. FRUNGILLO: As far as I know, no.

ASSEMBLYMAN O'SCANLON: And just regarding the revenue-- I guess I have the right to ask this, since part of what your rent is, is based on your revenue. What was your revenue last year? Was it close to \$2.3 million?

MR. FRUNGILLO: It was less. I think it was \$1.7 million, \$1.6 million.

ASSEMBLYMAN O'SCANLON: So it would be a while before we get our additional rent.

MR. FRUNGILLO: Well, we feel the overnight rooms are just about less than a year open. So for the first seven years that we ran, we ran it without the rooms. Now, all of a sudden -- and it takes a little time to build the rooms up -- now the rooms are brand new. So that should reflect in our sales. And we've had a great turnaround so far with the rooms. So all the revenue also goes to that number.

And, again, that will be new going forward. And we also feel that the rooms will help our sales. Because, again, as beautiful as it is, it is in the middle of nowhere. And the biggest concern people have is finding the place, getting home safe, and, "Where am I going to sleep safe?" So that's what we feel about the rooms helping.

ASSEMBLYMAN O'SCANLON: For the trustee of the Skylands, do you concede that the building wasn't in such bad shape? I mean, was the condition of the building affecting your ability to have this event before?

MR. GRISSOM: Our event was held on the first floor only, and we've always been on the first floor only. The first floor has always been well maintained by the DEP staff. We had no reasons to go upstairs, and we were told not to go upstairs. So it didn't affect us at that time. It is great that the rooms are fixed and renovated. It's about time someone finally did step up and do it. We appreciate that.

MR. FRUNGILLO: Thank you.

MR. GRISSOM: Because obviously the State wasn't going to do it. But it didn't affect us at that time.

ASSEMBLYMAN O'SCANLON: Well, eventually if the roof falls apart, it affects the downstairs as well.

MR. GRISSOM: Well, it would if the roof fell in, yes.

ASSEMBLYMAN O'SCANLON: Okay. Thank you.

SENATOR SMITH: One more question. How much do you make on your fundraiser -- the weekend?

MR. GRISSOM: For the entire holiday season?

SENATOR SMITH: Yes.

MR. GRISSOM: We brought in \$22,000. All the money that we bring in, and all the hours that we dedicate is to the whole Park, not just the building -- but the whole Park. This building is inside the Park. It's not adjacent to the Park, as you may have read today. It is inside the Park. The 10,000 hours that we gave as volunteers last year is worth some money to the State. We're willing to pull out if that's what you want us to do.

SENATOR SMITH: No.

MR. GRISSOM: But we don't want to do that. These people I represent are very passionate about this Park, the building, and the surrounding area. Ten thousand hours of free time is worth a lot of money, probably even more than the \$100,000.

SENATOR SMITH: What do you do with the \$22,000?

MR. GRISSOM: We donate it back to the Park in goods and services. Sometimes we actually loan money to the Park so they can buy things. Sometimes we outright buy things: plantings, trees, shrubs, etc. And we also offer education events. We have school children come in, we have bus tours that come in. We have three tours scheduled in May, which may or may not be cancelled based upon this hearing.

Because Mr. Frungillo has total control of the building. Take the control away from the lessee, give it back to either DEP or another bipartisan party. He has total control. The State comes to us and asks us to give you a schedule six months in advance. I'm giving you a schedule that -- three months from that first date he can cancel on us because it's in his lease. DEP wrote a very poor lease. I think we all can agree on one thing: the lease stinks. Now the lease is back open for negotiation. So a lot of things can be changed in this lease. A lot of things can be changed now.

And we wish that you would actually table this again, ask for another hearing, negotiate with our Association through a third-party mediator who doesn't have so much at stake, and rework this for the benefit of the State of New Jersey.

MR. GARRENGER: Before we entertain a motion on this, I'm trying to be inclusive as possible. In light of the foregoing discussions, any of the folks from the public who have signed up who wish to address the Commission, I would say just come up two at a time and identify yourselves.

MR. FRUNGILLO: Did you want me to leave?

MR. GARRENGER: I think we're done with you for now.

MR. FRUNGILLO: Thank you.

MR. GARRENGER: Thank you.

Come on up.

DEBRA MANFREDONIO: Good morning.

MR. GARRENGER: Good morning.

MS. MANFREDONIO: I'm Debra Manfredonio. I'm here again. I'm a taxpayer from West Milford and a long-time volunteer of the New Jersey Botanical Gardens.

A reasonable public access plan has not yet been established to accommodate both the tenant and the public. This so-called access template in the proposed amendment is a sham, reducing the already meager public time even more. It was drawn up only by the tenant, and discussions were not solicited. The long-time holiday open house -- the access plan will make it impossible to hold that event.

What kind of cooperation can we expect from this company which controls the public access? I'd like to give you an example. The building is listed on both the State and National Registers of Historic Places as Skylands Manor. But the tenant has renamed it Skylands Castle in their advertising. State Park officials have insisted that they use the correct name, but they continue to ignore the State's instruction. Is this the sign of a good tenant?

I still hope that the State of New Jersey has listened to the many who have made testimony about this beloved property. If the lease is signed with this public access template, the general taxpaying public and the volunteering public will not likely see the inside of Skylands Manor again.

Public access and a successful catering, hotel, and restaurant facility are not mutually exclusive. On the contrary. More and better public access would lead to more and better income for both of us. It works at historic public properties all over the country. Why not here? Skylands Manor is not, as the lease says, *adjacent* to the New Jersey State Botanical Gardens. It is at the heart of this beloved property.

If this lease is signed as it stands, the public will no longer be able to visit the historic building that was purchased for them with the Green Acres funds. This would be a loss to our children and a failure on our part as guardians of our heritage and our public places.

Thank you.

MR. GARRENGER: Thank you.

J I M M A S T R A N G E L O: Good morning.

I'm Jim Mastrangelo.

I'm not a member of the Skylands Association, so I don't have a dog in that fight. But my interest in this is as a taxpayer of New Jersey.

I lived in Ringwood for 28 years. I want to just tell you my qualifications for my comments. I'm a professional hotelier. My expertise is in hotel sales and marketing. I have three degrees in hotel and restaurant management, including my master's degree. I'm a certified hotel administrator and a certified hospitality marketing executive. I personally have won 10 hotel industry marketing awards and have instructed graduate and undergraduate hotel classes at Fairleigh Dickinson.

My objection to this lease-- First, I'd like to go back and say, back in the 1990s I had submitted and won the bid to operate the Manor -- to operate the catering department. At that time, I had to make full maintenance repairs of everything in the kitchen, and I had to pay for all utilities. I had to operate a restaurant seven days a week. There was absolutely no flexibility in that lease.

The gentleman I was speaking to at that time, after going around and around with him-- Finally I said, "Frank, would you sign this lease?" He said, "Absolutely not." So I backed away.

The people who operated the Manor about 20 years ago -- and you may not know, there was a very successful catering operation that operated the facility. They were a husband and wife. They were school teachers. And they operated it on the weekends. And almost every weekend you had a function going on in there. They were very successful. Unfortunately, they ran into some tax problems. They weren't paying their taxes, and the State threw them out. But that facility had operated very successfully as a catering facility.

I went in and won the bid. But based upon what I had to operate -- especially the restaurant. The restaurant killed it right there. And I agree, you can't run a restaurant in a park. It will not work.

But anyway, I object to this, because according to the lease -- and I read the lease -- it states the tenant will benefit the public and provide financial return to the landlord. We as the State, and we as taxpayers, are not going to see any financial return -- absolutely none. What do you think it's going to cost to expand the parking lot? We didn't need to expand that parking lot until a caterer came along. Do you think you're going to expand the parking lot for under \$100,000? Absolutely not.

How is the State going to financially benefit? The rent is ridiculous. The tenant will pay as low as 5 percent annually. And you're not going to see any increase on that until he does \$2.3 million in sales.

I consider the catering operation grossly underperforming. For whatever reason, I can't tell you. And I have been in catering since I was 16. I do know the business. I was doing work for the Old Mill Inn in Basking Ridge. It's a small hotel, and they have a catering facility. Three-quarters through the year they had 184 weddings planned at their facility. And you heard today that in a typical year, we're only doing 60 to 70 up at the Manor. That's averaging a little bit more than one a weekend. A good catering facility anywhere in the state, on a Saturday in June, could easily be booking two weddings. You do an afternoon wedding, you do a night wedding; and then you do another one on Sunday. So I think they're grossly underperforming. For whatever reason, I can't tell you. Their average price on a wedding, I think at the low end, is \$150,000. A wedding for 200 people is going to generate \$30,000. Doing three weddings, they're

going to cover their rent. If you do two weddings a weekend, that's going to exceed over \$3 million, and they've not reached that yet. Again, you can't be operating a facility like that and not achieve these figures. There is something dramatically wrong. I don't know who watches that -- who does the accounting.

You also talk about -- that the Manor is now operating as a hotel. On one side you refer to it as a bed and breakfast, and also you refer to it as a conference center. Those two terms are at the complete opposite ends of the spectrum of the hotel industry. A bed and breakfast is not a conference center, a conference center is not a bed and breakfast.

Go up to the facility at any time. Go up there today and knock on the door. The door is locked. How can you run a hotel with locked doors? It's not open to the public.

Their typical policy -- and I had heard this, I have not checked for myself. But I think they're in violation of several of the State inn-keeping laws. A wedding party that wants to use all the rooms in the facility during a wedding are charged double the regular rate, which would be, again, in violation. You can't charge higher than what the rack rate of a room is.

The new lease requires an audit by a CPA, but nowhere in the lease does it say that that CPA is someone assigned by the State. The caterer can have his own accounting firm, the people who do his taxes, do the audit. And that counts as your audit by a CPA. In the hotel industry, any bank that owns a hotel -- and I've owned and operated -- the bank assigns a CPA firm to come in and audit our books. The audit company

goes in and looks at the books. They study everything. It's not what we give them to audit.

So in summary, I believe they've failed to generate sufficient catering revenue and, in return, revenue back to the State. It doesn't properly operate as a hotel. It's not a consumer-friendly facility. The doors are closed. If you look at the catering prices, they are high. It does not drive revenues for the Park. Revenues seem to be suppressed either deliberately or through poor management. And the facility does little to serve the public. In a profession called *hospitality*, closed doors at the front are not hospitality.

MR. GARRENGER: Thank you. We understand your concerns.

MR. MASTRANGELO: Thank you.

MR. GARRENGER: Thank you.

Sir.

F R A N K D Y E R: My name is Frank Dyer, and I'm a volunteer at Skylands. I also use the biking trails, and the area, and everything else.

After reading the amendment to the original lease -- as far as the public access to the Manor House goes, nothing changed. Control access was not even given to local authorities. In the last meeting, the idea of including the Association in the discussion was brought up. This never happened. It seems that Trenton's only interest is keeping the Manor House occupied by the caterer by all costs. The public does not count.

For my own information, how many of the decision makers at this table have ever been to the Botanical Gardens so they could see what they are giving away? (no response)

Now, I have -- it's a picture here. This is from the local paper. If you want to look at it -- go around -- I don't care. But I firmly believe that you can't, in all honesty, look at a building like that and make a decision.

MR. GARRENGER: I've been there. I don't need to see it.

Thank you.

MR. DYER: Well, how many others have?

MR. GARRENGER: I appreciate it. But we understand what you're saying.

MR. DYER: Okay.

MR. GARRENGER: Sir.

H U G H P L A T T: My name is Hugh Platt. I'm the director of Wild Places, a nonprofit of the State of New Jersey. We develop land for parks -- eventually donate it to parks. We preserve old buildings, preserve open space.

And we'd like to speak in support of the volunteers and the public. And we would like to address the concern about limiting the public's access to this facility during the fundraising prior to Christmas.

This fundraiser has been going on for about 20 years. It's been very successful and the major source of funds for the volunteers. All of that money, all of that time accrues back to the State in support of your Park. We would like you to continue to support the volunteers and be considerate of the public that enjoys that parkland.

Thank you for your time.

MR. GARRENGER: Thank you very much for all your contributions.

Next.

MAJA BRITTON: Good morning.

Thank you for hearing us again today.

My name is Maja Britton. I'm from Mahwah, New Jersey. And I will not go back through -- although I will leave with you my formal statement.

I will only say that at our last meeting here, Ms. Green specifically referenced the Yosemite Lodge as the model that they would like to see in place here. I wholeheartedly agree with that as a model.

The rooms at Yosemite Lodge -- the guest rooms -- are indeed very exclusive because they are in high demand, and they are priced accordingly. However, according to the unwavering policy of the National Park System, the lobby of the Lodge, the restaurants, the terraces, the gift shops are all fully opened and the public is encouraged to use them. That's where the room rentals come from -- from the public wanting to be there. This area is not closed off.

Similarly, Skylands Manor should be a living building with an open door, with a lobby that's in use, with a restaurant that's in use, with rooms available to the public -- and not just restricted to the needs of the caterer -- with everyone enjoying its historic beauty.

If you agree to this lease, Skylands Manor will, for all intents and purposes, be off limits to most New Jersey citizens until most of the people in this room are dead. It's that simply stated.

The State's very first Green Acres property should represent public access at its best, and it should be in the hands of the tenant who seeks to work with the State and with the people, not to lock them out.

We too have brought you a picture. And if you don't mind, I'll go to the back of the room and get it.

MR. GARRENGER: Thank you.

MS. BRITTON: There was a time when the State took great pride in this property. And we've brought you one of the State posters that we thought you might enjoy displaying somewhere in the Capitol area.

Thank you very much for your time.

MR. GARRENGER: Thank you very much.

Any of the members want to make a motion on this?

SENATOR SMITH: Well, I think we need a little discussion.

SENATOR CARDINALE: I have a question.

MR. GARRENGER: Senator.

SENATOR CARDINALE: I'm a little confused by some of the testimony. As I understand it, the only restriction on use applies to the building. Are the Gardens 100 percent open to the public at all times?

MS. GREEN: They are except for when a wedding ceremony is taking place in conjunction with the catering facility. And a designated portion of the Gardens is what they use.

SENATOR CARDINALE: The balance of the Gardens, where the wedding is not physically taking place, are still open?

MS. GREEN: Absolutely, yes.

SENATOR CARDINALE: So what we're dealing with is not the access to the Gardens.

MS. GREEN: Correct.

SENATOR CARDINALE: We're dealing only with the access to the building.

MS. GREEN: To the building -- that is their concern.

SENATOR CARDINALE: Did I hear correctly that it was-- We've had this succession of tenancies. Can you give us a picture of the succession of tenancies that has occurred prior to this tenant?

MS. GREEN: I'm afraid that I can't, because it's before my time. I don't know the history. I can get that.

SENATOR CARDINALE: You did say it was vacant when it was put out to bid -- at this tenant bid.

MS. GREEN: Yes, I believe it was vacant at that time, that it was bid out as a concession contract, not as a lease originally, and later converted to a lease. But I don't know the history.

SENATOR CARDINALE: A lot of the testimony-- I think I understand that it is leased for the next 20 years, regardless of what we do here now.

SENATOR SMITH: Next 15.

SENATOR CARDINALE: Next 15.

SENATOR SMITH: They're five years into a 20-year lease, right?

MS. GREEN: Correct. Yes.

SENATOR CARDINALE: Okay. So for the next 15 years, there's a possibility that nothing could change.

MS. GREEN: Exactly. And that's a good point. Actually there's no provision in the lease right now that requires public access. And I think we probably would all agree that that's not a good thing. But from a legal perspective, if the lease extension is not granted, the current tenant

has absolutely no obligation, other than his own good will, to provide public access.

SENATOR CARDINALE: So that what we are accomplishing here, if we approve this proposal, is for the next 15 years, at least, providing greater public access than exists today.

MS. GREEN: Correct. And I think a point has to be made that the caterer is willing to open it up on any day that he doesn't have events scheduled. So before, it was always just on a Sunday -- one Sunday in the month, or scattered tours during the week. They're willing to work, and they actually have been working, together. Nobody's pointed it out, but they have been working together in the last couple of months to pick and choose dates. And they've actually, I think, been getting along fairly well on both ends in negotiating dates and working together.

SENATOR CARDINALE: It certainly doesn't come across in the testimony.

MS. GREEN: I know it doesn't. I'm copied on all of the e-mails, so I see what I think is progress that has been made. But I know it didn't come across today.

SENATOR CARDINALE: As I understand -- I think I understand -- this extension will result in the tenant now picking up additional responsibilities -- additional financial responsibilities -- including in the first 15 years. That is correct?

MS. GREEN: Correct.

SENATOR CARDINALE: And what are those? Are utilities part of that?

MS. GREEN: The utilities, full responsibility for the utilities; full responsibility for repairs to the air conditioning system, which DEP is actually in the process of rehauling as a capital improvement. Those are the main -- to pay for all the fuel and propane that they have delivered; and the walk-in freezer, which DEP had taken responsibility of for the last few years of maintaining -- they'll be fully responsible for.

And I think Mr. Frungillo made a really good point that it's not just the \$100,000 that DEP gets, but the continued maintenance of the building. And that's something that all our tenants-- We frequently lease out -- this Commission has approved leases to nonprofits -- where we're renting for \$20 a year in recognition that the nonprofit is maintaining the building and putting in a tremendous number of resources to the State in the maintenance and upkeep of grounds and the building. This tenant is doing that. It's not a nonprofit. It is paying a fixed rent. But it is providing those services and resources to the State, which we all know would probably not be available at this point in time.

SENATOR CARDINALE: Thank you very much.

I've been there. And until I went to an event there, I would have to confirm the fact that I didn't know it existed, and I don't live too far from there. It was by going to an event there that I became aware that it existed. Once I actually came onto the grounds and saw the building, I was amazed that this facility existed.

I think it's very beneficial for the State to have this kind of thing happening. I have no insight into why it would be better to have a party on the first, or the second, or the third weekend. I mean, that becomes-- All I've heard here is that it's a question of a habit that it has

been done on the first weekend, and maybe a different habit has to happen if we are going to have a--

So I would not want to see us make dramatic changes to what has been suggested. I think it's in the best interest of both parties, frankly, who come before us, to go forward with the extension.

ASSEMBLYMAN WISNIEWSKI: I'm happy that the facility has been improved -- the upper levels have been rehabilitated.

There was testimony from one gentleman who said that the doors are locked -- or implied that somehow the hotel portion -- or the bed and breakfast portion is not always available. It would seem to me that if we're talking about the good that the tenant has done in renovating the upper level and making it available as a hotel, that that shouldn't be something that's available only on a sporadic basis. That should be something that's run as any other hotel is. And I don't know that we have any clarity on that.

MS. GREEN: I believe there's a doorbell. Mr. Frungillo could probably testify. But there's a doorbell. There is somebody there, I believe, during the day all the time. And if you rung the doorbell--

MR. FRUNGILLO: Do you want me to explain that?

ASSEMBLYMAN WISNIEWSKI: Sure.

MR. FRUNGILLO: The door is locked, but it's for security reasons only. All you have to do-- We have a staff from 9:00 in the morning to 9:00 at night answering doorbells, should people want to come in -- showing the place, booking a room. Again, it is in the middle of nowhere, so most -- we don't get many people at the front door looking to stay overnight. Most of our-- You can go online and book a room 24/7

online. Ninety-nine percent of our reservations are online. We have a Web site set up just for that. But there is someone at the office. But the door-- I mandate it stays locked.

ASSEMBLYMAN WISNIEWSKI: But the hotel function of Skylands operates seven days a week, 365?

MR. FRUNGILLO: Yes.

ASSEMBLYMAN WISNIEWSKI: So there are no periods where it's just -- you're not operating this week.

MR. FRUNGILLO: What we'll do is, a week out -- if Monday through Thursday there are no rooms booked, we will black it out. Because to have a room with -- one room, it doesn't make -- we have 24 overnight rooms. But the majority, yes-- It's open to anyone 24/7.

ASSEMBLYMAN WISNIEWSKI: What's the need to go out an additional 10 years?

MR. FRUNGILLO: Well, part of the deal was the financing and the renovation package that we put in. In looking at the numbers, talking to the State, a big part of the renovation dollars was renovations that we feel the State was going to put in and pay for, which is anywhere from \$600,000 to \$750,000. We have paid for that. And it's kind of a negotiation that we get the 10 years, we can go out and go to our bank, which is waiting for my call after this meeting, instead of saying, "Okay. We're trying to recoup the money to bring this place up to code. It's in the lease that the State is supposed to do A, B, and C. They have no money." The building was falling apart. That's why we went forward to do that.

ASSEMBLYMAN WISNIEWSKI: And one last question: The revenue to the State kicks in at \$2.3 million?

MR. FRUNGILLO: The additional revenue.

ASSEMBLYMAN WISNIEWSKI: Above the \$100,000 it kicks in.

MR. FRUNGILLO: Yes, sir.

ASSEMBLYMAN WISNIEWSKI: And you said right now you're at \$1.7 million. Why does the State have to wait until you earn \$600,000 more a year to get any benefit out of this?

MR. FRUNGILLO: Again, that's just the way things were written. I didn't write the lease. Basically the State came to me with the lease.

ASSEMBLYMAN WISNIEWSKI: So you're agnostic. If they said \$1.8 million--

MR. FRUNGILLO: No, I want to live with the lease that is written now. (laughter) I'm just trying to survive. But we do feel that the overnight rooms are going to jump it. That's what we went for. It took basically five years to get all the approvals from the State to get these rooms up and going. We had our eye on this now.

ASSEMBLYMAN WISNIEWSKI: What happens if you don't get the extension?

MR. FRUNGILLO: Then we're going to have to negotiate with the State on the money that's owed to us.

SENATOR SMITH: What money is owed?

MR. FRUNGILLO: Well, we feel the way the lease is written, a lot of the renovations -- the walls that were falling, the water that didn't work, the electric that didn't work-- As it's written, the State was supposed

to give us a building that at least had a ceiling. There's a lot of money that we put into the building that the State--

SENATOR SMITH: But why do you think you're owed the money?

What's the DEP's position on that?

MS. GREEN: The DEP disagrees. (laughter)

MR. FRUNGILLO: Absolutely.

SENATOR SMITH: That would be a pretty unusual lease.

MR. FRUNGILLO: Absolutely.

SENATOR SMITH: In most leases, if the tenant makes an improvement, it belongs to the landlord.

MR. FRUNGILLO: Yes, sir. But we're talking about improvements that -- walls falling, water work, and electric work. We're talking about basic items here. We're not talking about painting, or pictures, or carpet.

SENATOR SMITH: I'm a lawyer. I want her side.

MR. FRUNGILLO: Okay. I understand.

SENATOR SMITH: I want to take her cause of action.

MR. GARRENGER: This might be a good time to entertain a motion on this item, with the amendments suggested earlier by Senator Smith regarding the cross-referencing of the public access plan to--

SENATOR SMITH: That it's an element of default.

Also, too, I understand in the lease amendment there's a requirement that the name be -- remain as Skylands Manor, and any rediscussion of the Castle is gone.

MR. FRUNGILLO: We do not have a problem.

SENATOR SMITH: I could be enthusiastic about this lease extension. The fair market value of the rental-- I think ultimately the proof of that is people are coming up -- stepping up to the table and offering a bid or not. I could be enthusiastic about the extension if there wasn't this continuing issue about the holiday party.

MR. FRUNGILLO: Sir, I'm not looking to cancel it, I'm just looking to move it. Again, when we negotiated years ago, we knew it was there, but no one told me I had to lose 10 days of prime time. When we bid eight years ago -- prior to that, they came out to bid two or three years before that, and no one bid, again, the first time. So it was--

SENATOR SMITH: I understand that.

MR. FRUNGILLO: Okay.

SENATOR SMITH: Why are you losing 10 days? Why does a champagne party knock you out for 10 days?

MR. FRUNGILLO: It's not that. It's in the details. They come in to-- The set up is-- They can answer it better than me. The set up is a few days beforehand. We grant them access if there is no event on the day after Thanksgiving or the Sunday. We grant them in so they're ready for Thursday. So there's a bunch of days set up. So if they come in on a Friday or Saturday after Thanksgiving -- their event doesn't start until Thursday and goes through Sunday. So there are the days.

SENATOR SMITH: I've done a couple of parties myself -- not that I'm a caterer -- but it usually doesn't take 10 days to set up for a party.

MR. FRUNGILLO: In respect to the Skylands Association, there's a lot that goes into it. They bring different designers and do different arrangements in each room. So they do put a lot of time in. I

don't want to talk for them. They can answer that -- set up. It's all them. They just request dates, and we give them to them.

MR. GARRENGER: (indiscernible) a volunteer to discuss the set up, if you want.

SENATOR SMITH: Sure. We'd love to hear it.

ASSEMBLYMAN WISNIEWSKI: You have to come up to the microphone though.

MS. BRITTON: Standard procedure for the last 20 years has been that we go into the Manor on either the Sunday afternoon or the Monday following Thanksgiving. We spend three or four days setting up. And then Thursday morning the tours begin. We are generally mostly set by Wednesday, in order to have pre-press coverage so that it is publicized in the papers. And it does, indeed, draw thousands and thousands of people and has raised, over the years, hundreds of thousands of dollars, all of which are pumped directly back into the Garden.

ASSEMBLYMAN O'SCANLON: And the caterer has been amenable to you coming in so far? That's been--

MS. BRITTON: So far we have been able to work things out. At this point, with the draft public access plan that the caterer has presented, without asking us what we would like but rather telling us what he would like -- these represent his wishes only. And we are looking for the date for precisely the same reason that he is looking for the date. It's the most important date.

ASSEMBLYMAN O'SCANLON: And you gave them the date they wanted last year?

MR. FRUNGILLO: Yes, I did, sir, for the last six years.

ASSEMBLYMAN WISNIEWSKI: It would seem to me -- to the tenant -- that having the Association run this event is a business advantage for you. You get people who come in and see your facility. So I'm not sure why you would give them such a hard time in allowing them to continue to do it this way.

MR. FRUNGILLO: The public -- anybody who comes in the front door -- any public, by any means, is a good business move on my part. The more people who see the place, the better for me.

Again, we are looking at a prime date that we could do a substantial amount of money on those -- which helps the bottom line, which helps the State, which helps everyone. The closer I get to that number, the better. It's harder for me to sell the second week than the first week. It's prime. It's the best week of the year.

SENATOR SMITH: Mr. Chair, I'm ready to make a motion. I move the approval of the lease with one amendment, and that is that the Skylands Association has the use of the facility the first weekend in December. I think we have to do it.

MR. GARRENGER: I'll second that.

ASSEMBLYMAN WISNIEWSKI: Just so that we're clear, there's also the access -- violation of the access as a condition of default.

SENATOR SMITH: Right.

MR. GARRENGER: Yes, Assemblyman.

ASSEMBLYMAN WISNIEWSKI: I would be in favor of that too.

MR. GARRENGER: Mr. Hayman.

MR. HAYMAN: Council Garrenger.

MR. GARRENGER: Yes.

MR. HAYMAN: Senator Smith.

SENATOR SMITH: Yes.

MR. HAYMAN: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. HAYMAN: Assemblyman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Yes.

MR. HAYMAN: Assemblyman O'Scanlon.

ASSEMBLYMAN O'SCANLON: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Director Holzbaur.

MS. HOLZBAUR: Yes.

MR. GARRENGER: Thank you very much.

The next item please.

MR. HAYMAN: The New Jersey Department of Transportation, Division of Right of Way, requests approval to sell .888 acre of irregular-shaped, landlocked parcel located between Route 287 and South Jefferson Road, in Hanover Township, to the adjoining property owner, Settimo and the Three Musketeers, LLC, for assemblage purposes to facilitate the construction of a food distribution facility.

At the March 13, '08 meeting, the State House Commission approved the direct sale to Settimo for \$250,000. However, the sale never occurred because the Township of Hanover requested to purchase the property as open space. The Township relinquished its request and agreed that the property should be sold to Settimo. However, wetlands were

discovered on the property in the interim, and the property is now valued at only \$90,000. So the request is to sell the property for \$90,000.

ASSEMBLYMAN WISNIEWSKI: Move it.

MR. GARRENGER: Second.

MR. HAYMAN: Council Garrenger.

MR. GARRENGER: Yes.

MR. HAYMAN: Senator Smith.

SENATOR SMITH: I think I'm a yes. The only problem I have is that again, when we have LLCs and we're not sure who the members are, I'm always afraid I--

MR. HAYMAN: In the package is listed the--

SENATOR SMITH: I'm sorry. I'll take one quick peak.

MR. GARRENGER: Sure.

SENATOR SMITH: Yes.

MR. HAYMAN: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. HAYMAN: Assemblyman O'Scanlon.

ASSEMBLYMAN O'SCANLON: Yes.

MR. HAYMAN: Assemblyman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Director Holzbaur.

MS. HOLZBAUR: Yes.

MR. GARRENGER: All right. New business: No. 6.

MR. HAYMAN: The New Jersey Department of the Treasury requests approval to lease a DEP residential property located within the Raritan Confluence Reservoir to ARC of Somerset. The lease will be for \$850 a month, for a term of one year, with four, one-year renewal options with annual increases based on the Consumer Price Index.

ASSEMBLYMAN WISNIEWSKI: Move.

SENATOR SMITH: Second.

MR. HAYMAN: Council Garrenger.

MR. GARRENGER: Yes.

MR. HAYMAN: Senator Smith.

SENATOR SMITH: Yes.

MR. HAYMAN: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. HAYMAN: Assemblyman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Yes.

MR. HAYMAN: Assemblyman O'Scanlon.

ASSEMBLYMAN O'SCANLON: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Director Holzbaur.

MS. HOLZBAUR: Yes.

MR. GARRENGER: No. 7, please.

MR. HAYMAN: The Department of the Treasury requests approval to lease a DEP residential property located within the Raritan Confluence Reservoir to George Brickman and Laurie Morse. The lease will

be for \$880 per month for a term of one year, with four, one-year renewal options.

SENATOR SMITH: So moved.

ASSEMBLYMAN WISNIEWSKI: Second.

MR. HAYMAN: Council Garrenger.

MR. GARRENGER: Yes.

MR. HAYMAN: Senator Smith.

SENATOR SMITH: Yes.

MR. HAYMAN: Senator Cardinale.

SENATOR CARDINALE: I'm going to vote yes, but I'm not comfortable with the rents on any of these. This one is only a one-bedroom. But we have several of them, and I'd like to have some discussion on those when we come to them.

The prior one was a four-bedroom house. And I don't know how a four-bedroom house anywhere in New Jersey can be obtained for \$850 a month unless there's something that I am not familiar with.

MR. HAYMAN: Well, actually, the tenant is responsible for up to \$500 per month for maintenance, where normally the landlord would be responsible for those items.

These properties -- the values are based on the market analysis that was conducted. Granted, it was back in '06, the last time an analysis was conducted. But we increase the rents every year by the Consumer Price Index for housing. We also have them reviewed by a licensed, in-house appraiser.

The properties aren't top-notch properties that we're leasing. And if you want--

SENATOR CARDINALE: Do they meet the housing codes?

MR. HAYMAN: Yes.

SENATOR CARDINALE: I don't have any experience in real estate in Somerset County. But if there is that much difference between where I live in Bergen County and Somerset County, you can't come close for three times the rate.

SENATOR SMITH: I thought you were going to say you were going to move. (laughter)

SENATOR CARDINALE: You know, if I weren't a member of the Senate, I might.

I've made my point. I will vote yes on this one, but I'd like to question some of the others a little more specifically.

MR. HAYMAN: Assemblyman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Yes.

MR. HAYMAN: Assemblyman O'Scanlon.

ASSEMBLYMAN O'SCANLON: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Director Holzbaur.

MS. HOLZBAUR: Yes.

MR. GARRENGER: No. 8.

MR. HAYMAN: The New Jersey Department of the Treasury requests approval to lease a DEP residential property located within the Six Mile Run Reservoir to Arthur and Anna Higgins. The lease will be for \$1,050 per month for the term of one year, with four, one-year renewal options with annual increases based on the CPI.

SENATOR SMITH: So moved.

ASSEMBLYMAN WISNIEWSKI: Second.

SENATOR CARDINALE: Again, this one is a thousand dollars a month for a three-bedroom home. It does not sound to me like that's market. And I would perhaps make the comment that there are others of these going to come up in the future that a more current appraisal with comparables from the immediate vicinity ought to be available to us.

ASSEMBLYMAN WISNIEWSKI: I would just suggest that we have it made part of our packet.

MR. HAYMAN: We can do that. We'll do that.

SENATOR SMITH: You know what? I'm in trouble here. I have a Committee meeting that started 25 minutes ago, and I wasn't there to chair.

MR. GARRENGER: Okay.

SENATOR SMITH: So I would like to, if it's possible, leave my vote. I've reviewed--

MR. HAYMAN: We have a quorum, Senator.

SENATOR SMITH: --all of these, and I'm in favor of all of the transactions. I'll be recorded in the affirmative, all right?

MR. GARRENGER: Thank you, Senator.

SENATOR SMITH: Thank you.

Time got away from us.

MR. GARRENGER: Good luck in your Committee.

SENATOR SMITH: Thank you.

MR. HAYMAN: Assemblyman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Yes.

MR. HAYMAN: Assemblyman O'Scanlon.

ASSEMBLYMAN O'SCANLON: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Director Holzbaur.

MS. HOLZBAUR: Yes.

MR. HAYMAN: No. 9: The Department of the Treasury requests approval to lease a DEP residential property located within the Assunpink Wildlife Refuge to Ernest and Marion Stillwell. The lease will be for \$810 per month for a term of one year, with four, one-year renewal options with annual increases based on the CPI.

ASSEMBLYMAN WISNIEWSKI: Move it.

MR. HAYMAN: Council Garrenger.

MR. GARRENGER: Yes.

MR. HAYMAN: Senator Cardinale.

SENATOR CARDINALE: Again, I'd like to observe that this is a three-bedroom house for \$810 a month. I'd like to know, the next time we have one of these, what the assessed value is and what the property taxes would be in that location with the assessed value. Because in my experience, most homes in Bergen County that are three-bedroom homes in a rural area, where you have some land around the house, would have property taxes that would exceed \$810 a month. And I just don't understand why this is being done.

And I would observe that the next one is also a three-bedroom home in the same township, and it's twice the rent. If we do our own comparable-- Can you tell me that one is a far better building than the

other, one is falling down and the other is a decent building? What is the difference in the cost here?

MR. HAYMAN: The difference is the locations and also the quality of the house.

SENATOR CARDINALE: They're in the same town, aren't they?

ASSEMBLYMAN WISNIEWSKI: No, one is in Franklin, one's in Freehold.

ASSEMBLYMAN O'SCANLON: Upper Freehold.

SENATOR CARDINALE: Oh, okay. One is in Freehold and one is in Franklin.

MR. HAYMAN: If you'd like, Senator, we can send something out in the next week to explain all of these -- to give you the assessed value.

SENATOR CARDINALE: I would really appreciate that.

MR. HAYMAN: We can do that.

MR. GARRENGER: And, Gene, just so we're clear, we're speaking about May 5, 2006 appraisals. So they're clearly a little bit outdated, but they're--

MR. HAYMAN: They are, but they've been increased based on the CPI index.

MR. GARRENGER: So they've been adjusted. But the underlying appraisal that you would be showing the Senator would be the 2006 one. It's not something from 10 years ago.

MR. HAYMAN: That's correct.

MR. GARRENGER: Thank you.

ASSEMBLYMAN WISNIEWSKI: In the future, let's just attach the appraisal to these.

MR. GARRENGER: Can you please make sure that happens.

MR. HAYMAN: We will do that.

MR. GARRENGER: Thank you very much.

ASSEMBLYMAN O'SCANLON: I just share that because I was going to bring it up here. Because I'm familiar with it. Upper Freehold is in my neck of the woods, and this seems like a very low rent. So without seeing that we've gone out, it just-- I just can't vote for that until I have more information. Today I will, but I just-- It's just so I get a better handle. This may be reasonable. I just--

MR. HAYMAN: We'll get the information.

ASSEMBLYMAN O'SCANLON: Thank you.

MR. GARRENGER: Thank you.

Not to belabor it, but earlier, Gene, you mentioned that there's also some responsibility on the tenant for a certain amount of maintenance that would go along with maybe a less-up-to-date property.

MR. HAYMAN: The tenant is responsible for up to \$500, correct. So you basically add \$500 to the value of the lease.

ASSEMBLYMAN WISNIEWSKI: If they need maintenance.

ASSEMBLYMAN O'SCANLON: We can pretty much be sure that the tenants are only doing maintenance they absolutely have to do, I'm thinking. So I don't know if it translates to \$500 a month.

MR. GARRENGER: We understand your concern.

ASSEMBLYMAN O'SCANLON: Thank you.

MR. HAYMAN: Assemblyman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Director Holzbaur.

MS. HOLZBAUR: Yes.

MR. HAYMAN: No. 10: The Department of the Treasury requests approval to lease a DEP residential property located within Six Mile Run to Scott and Barbara Hewitt. The lease will be for \$1,500 per month.

ASSEMBLYMAN WISNIEWSKI: So moved.

DEPUTY TREASURER BELL: Second.

MR. HAYMAN: Council Garrenger.

MR. GARRENGER: Yes.

MR. HAYMAN: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. HAYMAN: Assemblyman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Yes.

MR. HAYMAN: Assemblyman O'Scanlon.

ASSEMBLYMAN O'SCANLON: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Director Holzbaur.

MS. HOLZBAUR: Yes.

MR. HAYMAN: No. 11: The New Jersey Department of the Treasury requests approval to lease a DEP residential property located at

Six Mile Run to Eileen Ignaut. The lease will be for \$1,055 per month for a term of one year, with four, one-year renewals.

ASSEMBLYMAN WISNIEWSKI: Move it.

DEPUTY TREASURER BELL: Second.

MR. HAYMAN: Council Garrenger.

MR. GARRENGER: Yes.

MR. HAYMAN: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. HAYMAN: Assemblyman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Yes.

MR. HAYMAN: Assemblyman O'Scanlon.

ASSEMBLYMAN O'SCANLON: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Director Holzbaur.

MS. HOLZBAUR: Yes.

MR. HAYMAN: No. 12: The New Jersey Department of the Treasury, on behalf of the Department of Human Services, Division of Mental Health Services, requests approval to lease six, single-family dwellings located on the grounds of the Ancora Psychiatric Hospital to Family Services of Burlington County, a service provider under contract with the Department of Human Services, to be used as residential programs for the mentally ill.

ASSEMBLYMAN WISNIEWSKI: Do we know who Family Services of Burlington County is -- who the principals are?

MR. HAYMAN: Is anybody here from Family Services?

SENATOR CARDINALE: Is Family Services of Bergen (*sic*) County a public entity?

MR. HAYMAN: Burlington County, yes.

SENATOR CARDINALE: It's a county entity?

ASSEMBLYMAN O'SCANLON: They're under contract, so--

MR. HAYMAN: They're under contract with the State as a service provider.

ASSEMBLYMAN WISNIEWSKI: But we don't know if they're a public entity or a private entity.

MR. HAYMAN: That I don't know.

MR. GARRENGER: Would you like to hold this one pending resolution of that issue?

ASSEMBLYMAN WISNIEWSKI: I think we should.

MR. HAYMAN: That's fine.

MR. GARRENGER: Let's move to the next one.

MR. HAYMAN: The New Jersey Department of the Treasury, on behalf of the Department of Education, requests approval to lease four rooms in Building 30 on the grounds of the Marie H. Katzenbach School for the Deaf to the New Jersey Association for the Deaf, to support the programs and services that Katzenbach offers to deaf students and their families. The lease will be for a term of three years, with three, one-year renewal options, at a rental of \$5,340 per year with annual increases based on the CPI.

ASSEMBLYMAN WISNIEWSKI: Moved.

SENATOR CARDINALE: Second.

MR. HAYMAN: Council Garrenger.

MR. GARRENGER: Yes.

MR. HAYMAN: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. HAYMAN: Assemblyman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Yes.

MR. HAYMAN: Assemblyman O'Scanlon.

ASSEMBLYMAN O'SCANLON: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Director Holzbaur.

MS. HOLZBAUR: Yes.

MR. HAYMAN: No. 14: The New Jersey Department of the Treasury requests approval to sell an approximately 13-foot by 200-foot parcel of vacant land that is currently used as an access to the Federal building in Trenton. The property will be sold directly to the Federal government for \$20,000, as determined by an in-house appraisal. The State will reserve an access easement over the property to ensure emergency entry to a State-owned facility located in the rear of the Federal building.

ASSEMBLYMAN WISNIEWSKI: Move it.

SENATOR CARDINALE: Second.

MR. HAYMAN: Council Garrenger.

MR. GARRENGER: Yes.

MR. HAYMAN: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. HAYMAN: Assemblyman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Yes.

MR. HAYMAN: Assemblyman O'Scanlon.

ASSEMBLYMAN O'SCANLON: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Director Holzbaur.

MS. HOLZBAUR: Yes.

MR. HAYMAN: No. 15: Block 1, Part of Lots 1, 2, 2.01, 3, 4, 5, 6; and Block 387, Part of Lot 1, in Glassboro Borough. The New Jersey Department of the Treasury requests approval to grant 46,971 plus-or-minus square foot easement to Rowan University that is necessary to complete roadway improvements. The easement will be granted for \$31,500.

ASSEMBLYMAN WISNIEWSKI: Move.

SENATOR CARDINALE: Second.

MR. HAYMAN: Council Garrenger.

MR. GARRENGER: Yes.

MR. HAYMAN: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. HAYMAN: Assemblyman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Yes.

MR. HAYMAN: Assemblyman O'Scanlon.

ASSEMBLYMAN O'SCANLON: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Director Holzbaur.

MS. HOLZBAUR: Yes.

MR. HAYMAN: No. 16: Block 26001, Park of Lot 17, Montgomery Township. The New Jersey Department of the Treasury requests approval to grant a 10,046 plus-or-minus square foot utility easement to PSEG for the installation and maintenance of new electrical lines to serve the Village School. The easement will be granted for a market value of \$2,800, as determined by an in-house appraisal.

ASSEMBLYMAN WISNIEWSKI: I'm going to be abstaining on this because of a potential conflict with a client.

MR. GARRENGER: I'll move it.

ASSEMBLYMAN O'SCANLON: Second.

MR. HAYMAN: Council Garrenger.

MR. GARRENGER: Yes.

MR. HAYMAN: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. HAYMAN: Assemblyman O'Scanlon.

ASSEMBLYMAN O'SCANLON: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Director Holzbaur.

MS. HOLZBAUR: Yes.

MR. GARRENGER: No. 17 is being held for today.

No. 18.

MR. HAYMAN: The New Jersey Department of Transportation requests approval to sell a triangular-shaped piece of property containing .595 acre to the adjoining property owners, Frances and Juana Campbell, for assemblage to increase the size of their residential

property. The property is located at the intersection of Route 9 and Elton-Adelphia Road. *(sic)* The recommended sale price is \$98,000, the appraised value. *(sic)*

ASSEMBLYMAN WISNIEWSKI: Move it.

ASSEMBLYMAN O'SCANLON: Second.

MR. HAYMAN: Council Garrenger.

MR. GARRENGER: Yes.

MR. HAYMAN: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. HAYMAN: Assemblyman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Yes.

MR. HAYMAN: Assemblyman O'Scanlon.

ASSEMBLYMAN O'SCANLON: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Director Holzbaur.

MS. HOLZBAUR: Yes.

UNIDENTIFIED SPEAKER FROM AUDIENCE:

(indiscernible) I think you mixed those two together.

MR. HAYMAN: Yes, I'm sorry. The recommended sale price is \$6,500.

UNIDENTIFIED SPEAKER FROM AUDIENCE: That's right. Thank you. *(laughter)*

MR. HAYMAN: No. 19: The New Jersey Department of the Treasury, Division of Right of Way, requests approval to sell an irregular-shaped parcel of approximately .452 acre to the adjoining property owner,

John P. Smith, for assemblage to his commercial property. The property is located at the intersection of Route 9 and Elton-Adelphia Road. The recommended sale price is \$98,000, the appraised value.

ASSEMBLYMAN WISNIEWSKI: Move.

MR. GARRENGER: Second.

MR. HAYMAN: Council Garrenger.

MR. GARRENGER: Yes.

MR. HAYMAN: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. HAYMAN: Assemblyman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Yes.

MR. HAYMAN: Assemblyman O'Scanlon.

ASSEMBLYMAN O'SCANLON: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Director Holzbaur.

MS. HOLZBAUR: Yes.

MR. HAYMAN: We now move to the Department of Environmental Protection requests.

The NJDEP, on behalf of Montgomery Township, requests approval to allow the diversion of a subsurface easement, under approximately 1.012 acres of the Pedersen Tract, to accommodate the construction by the Transcontinental Gas Pipe Line of a 42-inch diameter natural gas pipeline adjacent to the existing 36--

ASSEMBLYMAN WISNIEWSKI: Move it.

SENATOR CARDINALE: Second.

MR. HAYMAN: Council Garrenger.

MR. GARRENGER: Yes.

MR. HAYMAN: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. HAYMAN: Assemblyman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Yes.

MR. HAYMAN: Assemblyman O'Scanlon.

ASSEMBLYMAN O'SCANLON: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Director Holzbaur.

MS. HOLZBAUR: Yes.

MR. HAYMAN: The NJDEP, on behalf of Somerset County, requests approval to allow the diversion of a subsurface easement, under approximately 4.705 acres of the Sourland Mountain Preserve, in order to accommodate the construction by the Transco--

ASSEMBLYMAN WISNIEWSKI: Move it.

SENATOR CARDINALE: Second.

MR. HAYMAN: Council Garrenger.

MR. GARRENGER: Yes.

MR. HAYMAN: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. HAYMAN: Assemblyman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Yes.

MR. HAYMAN: Assemblyman O'Scanlon.

ASSEMBLYMAN O'SCANLON: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Director Holzbaaur.

MS. HOLZBAUR: Yes.

MR. HAYMAN: Item 22: Halecky Park, Block 452.02, Lot 12; Block 439, Lot 1, Bayonne, Hudson County. The NJDEP, on behalf of the City of Bayonne, requests approval to allow the City a diversion to establish a .336 plus-or-minus acre surface and subsurface storm water collection easement area within Halecky Park to alleviate flooding problems.

SENATOR CARDINALE: Move it.

MR. HAYMAN: Council Garrenger.

MR. GARRENGER: Yes.

MR. HAYMAN: Senator Smith.

DEPUTY TREASURER BELL: He's gone. (laughter)

MR. HAYMAN: Assemblyman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Yes.

MR. HAYMAN: Assemblyman O'Scanlon.

ASSEMBLYMAN O'SCANLON: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Director Holzbaaur.

MS. HOLZBAUR: Yes.

MR. GARRENGER: Before we get to No. 23, is there a motion that we convene as the Judicial Retirement System?

ASSEMBLYMAN WISNIEWSKI: So moved.

MR. GARRENGER: Second.

MR. HAYMAN: All in favor? (affirmative responses)

Opposed? (no response)

The first item is approval of the minutes of the meeting held on December 15, 2008.

ASSEMBLYMAN WISNIEWSKI: Moved.

MR. GARRENGER: Second.

MR. HAYMAN: All in favor? (affirmative responses)

Opposed? (no response)

ASSEMBLYMAN O'SCANLON: I abstain.

MR. HAYMAN: One abstain.

The second is the confirmation of death claims, retirements, and survivor benefits.

ASSEMBLYMAN WISNIEWSKI: Move.

SENATOR CARDINALE: Second.

MR. HAYMAN: All in favor? (affirmative responses)

Opposed? (no response)

Third is the financial statement as of August 31.

ASSEMBLYMAN WISNIEWSKI: Move.

SENATOR CARDINALE: Second.

MR. HAYMAN: All in favor? (affirmative responses)

Opposed? (no response)

We need a motion to go back to the State House Commission.

MR. GARRENGER: I'll make that.

ASSEMBLYMAN WISNIEWSKI: Second.

MR. HAYMAN: All in favor? (affirmative responses)

Opposed? (no response)

MR. GARRENGER: Do we have any further business? (no response)

ASSEMBLYMAN WISNIEWSKI: I move we adjourn.

MR. GARRENGER: Second.

MR. HAYMAN: All in favor? (affirmative responses)

Opposed? (no response)

MR. GARRENGER: Thank you very much, everyone.

(MEETING CONCLUDED)