

STATE HOUSE COMMISSION
PROPOSED MEETING AGENDA

~ ~ March 16, 2015 - 9:00 AM ~ ~

Committee Room 1, First Floor
State House Annex, Trenton, New Jersey

CALL TO ORDER:

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

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DIVISION OF PENSIONS AND BENEFITS' REQUESTS:

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

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

1. Approval of the Minutes of the Meeting Held on October 23, 2014
2. Confirmation of Death Claims, Retirements & Survivor Benefits
3. Receive Financial Statements from July, 2014 to September, 2014
4. Readoption and Amendments to Regulations Pertaining to the Judicial Retirement System: N.J.A.C. 17:10
5. Honorable Service Review: Judge Stephen W. Thompson, Ret. #6-10-488

OLD BUSINESS:

2. Approval of the October 23, 2014 State House Commission Meeting (SHC)

Minutes – The verbatim record of the October 23, 2014 SHC meeting will serve as the official minutes.

3. RPR 09-16, Block 533A, Lot 4C, Woodbridge Township, Middlesex County

Requesting Party: The NJ Department of the Treasury, on behalf of the Department of Human Services, Division of Developmental Disabilities, requests approval to auction via internet auction for the updated appraised value of \$100,000, a former 3,544 square foot group home that has been declared surplus to the Department's needs.

Terms: The State House Commission previously approved this disposal at its June 11, 2009 meeting. The property was offered to the Township "as is" for the estimated value of \$190,000. The Township has no interest in purchasing the property and it was indicated that the original value was too high, which is why there was no interest. The property has been unattended and has become uninhabitable with major repairs being needed.

4. RPR 11-04, Hagedorn Psychiatric Hospital, Block 21, Part of Lot 24, Glen Gardner Borough, Hunterdon County

Requesting Party: The NJ Department of the Treasury, requests approval to lease a former employee apartment building consisting of 10,500 square feet of space and located on the grounds of the Hagedorn Psychiatric Hospital to Freedom House, Inc.

Terms: Freedom House, Inc. will operate a 41 bed in-patient and outpatient drug and alcohol rehabilitation facility. The lease will be for a term of ten years at an annual rent of \$50,000 with 2% annual increases based on the previous year's rent. The parties are discussing termination rights in favor of the State as part of the lease. Freedom House will be responsible for all necessary repairs and maintenance up to \$5,000 per year. If State or Federal grant funding is awarded for any repair or capital expense, that funding would be given first priority and could be used to satisfy the Lessee's \$5,000 deductible. Any grant money used for repairs or capital expenses would not be subject to rent abatement. Freedom House has leased this property since 1992, however, the original lease and all lease renewal options have expired.

5. RPR 13-16, Department of the Treasury Mill Hill Processing Center, 160 South Broad Street, Block 9501, Lots 17 & 17.01, Trenton City, Mercer County

Requesting Party: The NJ Department of the Treasury previously received approval by the State House Commission (at its meeting of December 6, 2012) to dispose of this property via internet auction with the minimum bid being appraised fair market value.

Terms: It has been determined that an auction is not suited to the disposition of the property due to complex economic development concerns within the City of Trenton. Therefore, it is now recommended that a modified sales approach, as set forth on the term sheet situated in the Members briefing material, would likely result in a more efficient disposal and cost savings to the State, as well as assist the City of Trenton in its economic redevelopment.

NEW BUSINESS:

DEPARTMENT OF TREASURY REQUESTS:

6. RPR 15-07, Teaneck Armory, Block 5301, Lot 1, Teaneck Township, Bergen County

Requesting Party: The NJ Department of the Treasury, on behalf of the Department of Military & Veterans Affairs, requests approval to grant an easement to PSE&G for the installation and maintenance of natural gas lines, as well as other related equipment and apparatus necessary to support a new facility that is being constructed at the Teaneck Armory. The easement area will consist of 8,617 square feet of land.

Terms: Since this project is necessary and directly benefits the State, the easement will be granted for \$1.00 and other good and valuable consideration.

7. RPR 15-10, Labor Building Parking Lot, Block 10701, Lots 1, 2, 3, Trenton City, Mercer County

Requesting Party: The NJ Department of the Treasury, requests approval to grant temporary construction and access easements to PSE&G for a site remediation project. The site previously housed PSE&G's South Warren Street Gas works and is now owned by the State and used for parking and a

lesser portion of the site is occupied by an underground water tank, landscaped areas and driveway access to the State Police helipad.

Terms: The recommended sale price is \$1.00 and other good and valuable consideration. PSE&G will be required to provide alternate parking for those displaced by the project. PSE&G will enter into an agreement with the City of Trenton to acquire parking spaces from an adjacent parking garage owned by the Trenton Parking Authority for so long as the project persists. PSE&G will be required to ensure that there is 24/7 unfettered access to the State Police helipad. PSE&G will also be required to restore the site to current codes and standards and restorations will include: repaving of the parking area, re-striping of the parking area, removal and replacement of light fixture, replacing all vegetation with like, as well as any other restorations or upgrades that the State deems necessary. PSE&G may also install monitoring wells as required by the Department of Environmental Protection as part of the remediation project.

8. RPR 15-11, Trenton Office Complex, 225 East State Street, Suite 5, Block 202, Lot 6, Trenton City, Mercer County

Requesting Party: The NJ Department of the Treasury, requests approval to lease 3,170 square feet of commercial space within the Trenton Office Complex to Community Health Law Project to be used for office space. Community Health Law Project is the current tenant of this space, however, the current lease has expired and a new lease must be approved.

Terms: The lease will be for a term of three years with no renewal options at an annual rent of \$57,000, negotiated, fair market value rent.

DEPARTMENT OF TRANSPORTATION (DOT) REQUESTS:

9. Project: Route 46, Section 15, Parcels VX86 & VX87, (Acquired as Parts of Parcels R147AY, R248 & 249 of Route 6, Section 7 and formerly known as Block 161.01, Lots 1.02 & 12), Lodi Borough, Bergen County

Requesting Party: The NJ DOT, Division of Right of Way, Property Management Unit, requests approval to sell by direct sale to the Borough of Lodi an area of land containing approximately 0.557 acres (24,302 square feet) for public purpose use, specifically redevelopment for commercial and retail uses.

Terms: The property will be sold directly to the Borough of Lodi for public purpose of redevelopment at the sale price of \$155,000, appraised value.

10. Project: Route 42, (Now Route 130), Section 12, Parcels VX8A2, V8C, VXR12H, VX91, VX92, VX93B1 & VX93B2, (Block 270, Part of Lot 12 & Block 222.02, Adjoining Lot 1), Gloucester City, Camden County

Requesting Party: The NJ DOT, Division of Right of Way, Property Management Unit, requests approval to auction an area of approximately 2.85 acres (124,148 +/-) square foot parcel of land) with a minimum starting bid price of \$559,000, appraised value.

Terms: Parcels VX8A2 & V8C are zoned "HC" Highway Commercial. Parcels VX93B1, VX93B2, VXR12H, VX91 & VX92 are zoned "RL" Residential Low Density. The stand alone recommended appraised value for the combined parcels is \$559,000.

11. Project: Route: A.R.R.O.W. Rahway Valley Railroad Project, Part of Parcel 13D, Part of Lot 1, Block 300, Union Borough, Union County

Requesting Party: The NJ DOT, Division of Right of Way, Property Management Unit, is seeking approval to lease property which is part of the former Rahway Valley Railroad (which the DOT took over in 1992) to Dugono, LLC, (Michael Ciasulli, Sole Principal Managing Member), for use as additional storage and parking for its new cars. The DOT determined the property cannot be sold and can only be leased since it may be needed for future transportation needs.

Terms: The property is an irregular area totaling approximately 21,202 square feet. The recommended monthly lease amount is \$1,412 plus a \$532 municipal service charge for a total fair market rental of \$1,946 per month with an incremental rental increase of 5% per annum on the base rental. The lease will be on a month to month basis.

12. Project: Route 17, Section 4, Parcels VX131B & VX134C, Block 329, Lot 1, Wood-Ridge Borough, Bergen County

Requesting Party: The NJ DOT, Division of Right of Way, Property Management Unit, requests approval to auction a 0.335 acre or 14,593 square foot vacant lot currently in the "GB" General Business District zone.

Terms: The property will be sold at auction to an adjacent property owner. The recommended sale price is \$100,000, appraised value.

13. Project: Route 287, Section 21, Parcel VX155B, Block 1607.01, Adjacent to Lot 1.01, Franklin Lakes Borough, Bergen County

Requesting Party: The NJ DOT, Division of Right of Way, Property Management Unit, requests approval to sell by direct sale to 248 Pulis Ave, LLC (John Patrick Hunter, sole member), the only interested adjoining property owner, an approximately 0.483 acre or 19,079 square foot site adjacent to Lot 1.01 of Block 1607.01.

Terms: The property will be sold for the recommended sale price of \$31,000, appraised value. The property will be acquired for assemblage and to assist in the adjacent owner's ability to construct a garage.

14. Project: Route 31 Flemington Bypass, Section NA, Parcels VX11C & VX11D, Block 27.02, Lot 42, Raritan Township, Hunterdon County

Requesting Party: The NJ DOT, Division of Right of Way, Property Management Unit, requests approval to sell by direct sale to the only interested adjoining property owner, Black River & Western Corporation (Kean Burenga, Anker Winther, George Runyon) approximately 0.527 acre or 22,972 square feet of combined area for the two parcels in the I-2 Major Industrial zone.

Terms: The parcels will be sold for the recommended sale price of \$5,000, appraised value, and will be assembled to the adjoining owner's property for potential use in its railroad operations.

DEPARTMENT OF ENVIRONMENTAL PROTECTION (DEP) REQUESTS:

15. Project: Assunpink Wildlife Management Area, Block 1, Part of Lot 7, Upper Freehold Township, Monmouth County

Requesting Party: The NJ DEP, Division of Fish and Wildlife, requests approval to enter into a 20 year land lease for the operation of a navigational

aid for aircraft pilots. The leased premises consists of approximately 0.23 acres with the U.S. Department of Transportation, Federal Aviation Administration (FAA). The DEP has leased the premises to the FAA dating back to 1983. The most recent agreement expired in September 2013 and the FAA has requested a new lease agreement.

Terms: Included in the lease is the right to use the access road and a clear zone. The annual rental of \$1,503 per year with 2.5% annual increases. The annual rent is the minimum lease fee established by the NJ Interagency Land Lease Valuation Project for linear corridor projects associated with telecommunications. Total rent for the 20 year term will be \$38,389.

16. Project: Delaware & Raritan Canal State Park, Block 57, Lot 6, Hopewell Township, Mercer County, Block 27, Part of Lot 1, West Amwell Township, Hunterdon County

Requesting Party: The NJ DEP, Division of Parks and Forestry, requests approval to lease approximately 1.47 acres of land to 1850 River Road, LLC ("Tenant") to allow access to the Gold Nugget Antiques Flea Market and for the location of additional vendor tables and parking. The Tenant has leased the property since 2003 and the lease has recently expired.

Terms: The lease will be for a term of ten years with the option to renew for an additional ten years. Compensation is based on the flat rate lease fee of \$0.15 per square foot per year for private sector projects identified in the 2011 Interagency State Land Lease Valuation Panel Report for Linear Corridor Projects. The first year annual rent will be in the amount of \$9,605 with annual increases of 2.5%. Over the full 20 year term of the lease, the total rental will be \$245,356.

17. Project: High Point State Park, Block 24, Part of Lot 2, Montague Township, Sussex County

Requesting Party: The NJ DEP, Division of Parks and Forestry, requests approval to lease approximately six square feet of floor space and maintenance access space at High Point State Park to the United States of America, U.S.A. Customs and Border Protection for a fixed radio station/antenna for a term of 20 years. The United States of America has leased the area since 1994 and the previous Lease Agreement expired in 2008.

Terms: The approximately six square feet of floor space and maintenance access in the Equipment Building is for the placement of a fixed radio station, including duplexer, modem and telephone termination. The leased premises will support a U.S. Customs and Border Protection antenna site and includes an antenna and related equipment that is affixed to the New Jersey State Police tower. Compensation is based on the minimum lease fee of \$700 per year (with annual increases of 2.5%) as identified in the 2011 Interagency State Land Lease Valuation Panel Report for Linear Corridor Projects. The full 20 year term of the lease will amount to \$17,881.

18. Project: Capoolong Creek Wildlife Management Area, Block 26, Lots 7.02 and Part of Lot 8 and Block 28, Part of Lot 41, Franklin Township, Hunterdon County

Requesting Party: The NJ DEP, Division of Fish & Wildlife, requests approval to formalize access to a landlocked parcel adjacent to the Capoolong Creek WMA by executing an access easement with the neighboring property owners, Deirdre and Michael Kravec.

Terms: The Kravacs are the successors in title to an access easement that was first granted in 1891. The purpose of the proposed driveway easement is to clarify certain aspects of the easement, including its location, but not to expand the scope of the easement. Although the DEP has agreed to prohibit public access to the bridge that carries the driveway over the Capoolong Creek, any benefits to the Kravacs will be offset by the DEP's reduced liabilities and maintenance responsibilities for the bridge. The proposed driveway easement will supersede all previous easement rights across the WMA granted to the owners of Block 28, Lot 3 (the Kravec's). No additional compensation is proposed. All technical costs will be borne by the Kravacs.

19. Project: Unnamed Privately Owned Property Subject to Conservation Restrictions, Block 79, Lots 16.07 and 16.08, Branchburg Township, Somerset County

Requesting Party: The NJ DEP, on behalf of the Township of Branchburg ("Township"), requests approval to allow the diversion of approximately 0.102 +/- acre of privately owned property subject to Township held conservation restrictions. The diversion will allow the construction of a 42-inch diameter natural gas pipeline as part of the Leidy Southeast Expansion Project by Transcontinental Gas Pipe line Company, LLC ("Transco"). An additional



0.198 +/- acre of land subject to Township held conservation restrictions is needed by Transco on a temporary basis during construction.

Public hearings were held on March 14 and October 16, 2014. During the first public hearing, two people testified to express concerns over pipeline safety, effects of the Project on private property and replacement of Green Acres encumbered parkland. At the second hearing, one person asked questions about the proposed pipeline alignment.

Terms: To compensate for the diversion and temporary impacts, Transco shall pay \$66,500 to the Township for the acquisition of replacement lands to be located in the Township of Branchburg. The Township will need to acquire at least 0.204 acre of replacement land within two years of the start of construction.

In addition, this application is subject to the following:

- Issuance of a Certificate for the Project by the Federal Energy Regulatory Commission ("FERC"), for a pipeline route that crosses the conservation and drainage easement as described in the Township's application, prior to the start of construction in the conservation easement area.
- Issuance of DEP Land Use (freshwater wetlands and flood hazard area) permits for the Project.
- Issuance of any other Federal, State or local approvals required for the Project to commence construction.
- The use of any temporary work space within the Green Acres conservation easement area is subject to the provisions of N.J.A.C. 7:36-25.14, including provisions as to the length of the term of the use.
- The proposed replacement land must be acquired by the Township within two years of the start of construction and subject to Green Acres approval of the replacement land under the suitability and eligibility requirements of N.J.A.C. 7:36-26.10. In accordance with N.J.A.C. 7:36-26.10(k)2 iii, for good cause shown, the DEP may grant one six month extension of this deadline.
- The funds to be paid by Transco to the Township must be deposited into a dedicated account and expended only for the purchase of the proposed replacement land (including related technical costs). The Township may only use these funds for expenses that qualify as eligible project costs under the Green Acres rules, N.J.A.C. 7:36.

20. Project: Unnamed Parkland Owned by the Township of Montgomery and Unnamed Privately Owned Property Subject to Conservation Restrictions,

Block 4001, Lot 10.03, Block 15001, Lot 26, Block 16002, Lot 9.01, Block 26001, Lot 1.02, Block 27001, Lot 6, Block 33001, Lots 26.01, 26.02, 28.02, 18, 21, Montgomery Township, Somerset County

Requesting Party: The NJ DEP, on behalf of the Township of Montgomery ("Township"), requests approval to allow the diversion of approximately 4.628 +/- acres of Township owned parkland and privately owned property subject to Township held conservation restrictions. The diversion will allow the construction of a 42 inch diameter natural gas pipeline as part of the Leidy Southeast Expansion Project by Transco. An additional 15.709 +/- acres of parkland are needed by Transco on a temporary basis during construction for temporary construction areas and 0.43 +/- acre for temporary access roads during construction.

Public hearings were held on March 11 and October 13, 2014 with 32 members of the public attending the first hearing. Several members of the public expressed concerns over pipeline safety; construction methods used by Transco, including the horizontal directional drill method; effects of the Project on environmental resources within Green Acres encumbered parcels; effects of the Project on private property and public roads; and the type of rights being conveyed to Transco. One commenter stated her support for collocating the pipeline with Transco's existing pipeline. Seven members of the public attended the second hearing. Several comments were made on the record regarding pipeline safety concerns, the proposed compensation and the length of the pipeline construction process.

Terms: To compensate, Transco shall pay \$1,655,500 to the Township for the acquisition of replacement lands to be located in the Township of Montgomery. As required by N.J.A.C. 7:36-26.10(g), the Township will be required to acquire at least 9.256 acres of replacement land within two years of the start of construction. The proposed diversion will remove approximately 1,318 trees (331,724.9 square inches of total site basal area.) The replacement land acquired by the Township will be comparably wooded or the Township will plant trees thereon (or at a different location within the Township) pursuant to N.J.A.C. 7:36-26.10(c)4.

The approval of this application is subject to the following:

- Issuance of a Certificate for the Project by FERC for a pipeline route that crosses the Green Acres encumbered parcels as described in Montgomery Township's application prior to the start of construction in the Green Acres easement area.

- Issuance of DEP Land Use (freshwater wetlands and flood hazard area) permits for the Project.
- Issuance of any other Federal, State or local approvals required for the Project to commence construction.
- The use of any temporary work space on the Green Acres encumbered area is subject to the provisions of N.J.A.C. 7:36-25.14, including provisions as to the length of the term of the use.
- The proposed replacement land must be acquired by the Township within two years of the start of construction on referenced parcels, subject to Green Acres approval of the proposed replacement land under the suitability and eligibility requirements of N.J.A.C. 7:36-26.10. In accordance with N.J.A.C. 7:36-26.10(k)2iii, for good cause shown, the DEP may grant one six month extension of this deadline.
- The funds to be paid by Transco to the Township must be deposited into a dedicated account and expended only for the purpose of the proposed replacement land (including related technical costs). The Township may only use these funds for expenses that qualify as eligible project costs under the Green Acres rules, N.J.A.C. 7:36.

21. Project: Bloys Farm, Bouman-Stickney Farmstead, Burgher Farm, Lane Farm, Pleasant Run Greenway, Block 50, Lots 13, 14, 14.01, 41, Block 75, Lots 32 and 32.03, Block 76, Lot 3.01, Readington Township, Hunterdon County

Requesting Party: The NJ DEP, on behalf of the Township of Readington requests approval to allow the diversion of approximately 2.488 +/- acres of Township owned parkland and privately owned property subject to Township held conservation restrictions. The diversions will allow the construction of a 42 inch diameter natural gas pipeline as part of the Leidy Southeast Expansion Project by Transco. An additional 5.943 +/- acres of parkland are needed by Transco on a temporary basis during construction.

Public hearings were held on March 12 and October 14, 2014. Fourteen members of the public attended the first public hearing. Several members of the public expressed concerns over pipeline safety, impacts of alternative routes, effects of the Project on private property and replacement of Green Acres encumbered land. Twelve members of the public attended the final public hearing. Several comments were made on the record regarding pipeline safety concerns, the pipeline construction and restoration process, impacts to trails and maintenance of Transco's pipeline right of way.

Terms: To compensate, Transco shall pay \$522,000 to the Township for the acquisition of replacement lands to be located in the Township of Readington. The proposed diversion will remove approximately 153 trees (22,792.19 square inches of total site basal area.) The replacement land acquired by the Township will be comparably wooded or the Township will plant trees thereon (or at a different location within the Township) pursuant to N.J.A.C. 7:36-26.10(c)4.

This application is subject to the following:

- Issuance of a Certificate for the Project by FERC, for a pipeline route that crosses the Green Acres encumbered parcels as described in the Township's application, prior to the start of construction in the Green Acres easement area.
- Issuance of DEP Land Use (freshwater wetlands and flood hazard area) permits for the Project.
- Issuance of any other Federal, State or local approvals required for the Project to commence construction.
- The use of any temporary work space on the Green Acres encumbered area is subject to the provisions of N.J.A.C. 7:36-25.14, including provisions as to the length of the term of the use.
- The proposed replacement land (4.976 acres) must be acquired by the Township within two years of the start of construction on referenced parcels, subject to Green Acres approval of the proposed replacement land under the suitability and eligibility requirements of N.J.A.C. 7:36-26.10. In accordance with N.J.A.C. 7:36-26.10(k)2iii, for good cause shown, the DEP may grant one six month extension of this deadline.
- The funds to be paid by Transco to the Township must be deposited into a dedicated account and expended only for the purchase of the proposed replacement land (including related technical costs). The Township may only use these funds for expenses that qualify as eligible project costs under the Green Acres rules, N.J.A.C. 7:36.

22. Project: Bubbling Springs Park, Block 9001, Lot 11, West Milford Township, Passaic County

Requesting Party: The NJ DEP, on behalf of the Township of West Milford, requests approval to legalize the inadvertent sale of a 1.15 +/- acre portion of Bubbling Springs Park to the adjacent residential property owners. The former parkland parcel was sold by the Township in 1988 for \$12,500 and was used by the private landowners to expand their existing dwelling and driveway. In

order to compensate for the loss of dedicated open space, the Township has agreed to convey to the DEP, a 42.672 +/- acre parcel that is contiguous with State parkland known as Abraham S. Hewitt State Park.

Terms: Public hearings were held on November 13, 2013 and September 3, 2014. One commenter questioned the suitability of the replacement parcel. The commenter suggested that only property that is endangered by development should be considered as compensation. No other adverse comments to the proposed land exchange were received at the public hearings.

EXECUTIVE SESSION (as necessary)

OTHER BUSINESS (as necessary)

ADJOURNMENT