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# *Commission Meeting*

of

## STATE HOUSE COMMISSION

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**LOCATION:** Committee Room 1  
State House Annex  
Trenton, New Jersey

**DATE:** June 30, 2011  
9:00 a.m.

**MEMBERS OF COMMISSION PRESENT:**

Dominick DiRocco, Chair  
Senator Bob Smith  
Senator Gerald Cardinale  
Patrick Mulligan  
Robert A. Romano

**ALSO PRESENT:**

Robert J. Shaughnessy Jr.  
*Secretary*

Gary A. Kotler  
*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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## TABLE OF CONTENTS

	<u>Page</u>
James Darrar Supervisor Relocation and Property Management Division of Right of Way and Access Management New Jersey Department of Transportation	11
pnf: 1-30	

**DOMINICK DiROCCO (Chair):** Welcome to the June 30, 2011 meeting of the State House Commission.

Bob, may I have a roll call, please?

**MR. SHAUGHNESSY (Secretary):** Yes; initially, I'll read the Open Public Meetings Act notice.

In compliance with Chapter 231, Public Laws of 1975, notice of this meeting was given by way of notice, filed with the Secretary of State and the State House press row on June 22, 2011, as well as posted in the Office of The State House Commission.

Next, I'll move to the roll call.

Assistant Counsel DiRocco.

**MR. DiROCCO:** Here.

**MR. SHAUGHNESSY:** Deputy State Treasurer Romano.

**DEPUTY TREASURER ROMANO:** Here.

**MR. SHAUGHNESSY:** Office of Management and Budget Director Charlene M. Holzbaur.

**MR. MULLIGAN:** Here.

**MR. SHAUGHNESSY:** Mr. Mulligan is appearing today, by designation, for Director Holzbaur.

Senator Cardinale.

**SENATOR CARDINALE:** Here.

**MR. SHAUGHNESSY:** Senator Smith.

**SENATOR SMITH:** Here.

**MR. SHAUGHNESSY:** Okay, we have a quorum, sir.

**MR. DiROCCO:** Thank you.

We have a number of items on our agenda, but let's start with dispensing of the minutes from May 2, 2011.

MR. SHAUGHNESSY: Thank you, sir.

We are now onto old business, item No. 1 -- approval of the May 2, 2011 State House Commission meeting minutes.

SENATOR SMITH: So moved.

DEPUTY TREASURER ROMANO: Second.

MR. SHAUGHNESSY: Okay, motion and second.

Any revisions or discussion? (no response)

Okay, all in favor? (affirmative responses)

MR. SHAUGHNESSY: Any against?

SENATOR CARDINALE: I have to abstain; I was not here.

MR. SHAUGHNESSY: Thank you.

Okay, next, with the Chair's permission, we're going to move under new business to item No. 5, which is a Department of Environmental Protection request. It's the Lake Lenape Park, Block 588, part of Lot 3, Hamilton Township, Atlantic County. DEP requests approval to release Green Acres' restrictions on a total of 0.151 ± acres of land formerly within Lake Lenape Park in connection with the replacement of Route 322 over Big Ditch Bridge by the New Jersey Department of Transportation. To compensate for the release of Green Acres restrictions, the Department of Transportation will transfer 1.033 ± acres of land to Atlantic County for park purposes to be incorporated into Lenape Park. It is necessary for the Department of Transportation to receive approval for the use of this project area prior to July 1, 2011 to meet Federal funding deadlines associated with the project.

Is there a motion on this?

SENATOR CARDINALE: Move it.

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Any discussion? (no response)

Okay, I'll call the roll.

Assistant Counsel DiRocco.

MR. DiROCCO: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Romano.

DEPUTY TREASURER ROMANO: Yes.

MR. SHAUGHNESSY: Mr. Mulligan.

MR. MULLIGAN: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: And Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Thank you. That matter is approved.

Okay, next we're going to go back to the initial item on the agenda, under old business.

This is a discussion item we have with regard to Patriots Corner. Patriots Corner law, Public Law 2009, chapter 274, directly impacts the State House Commission. It provides for the establishment of Patriots Corner, a permanent tribute to New Jersey residents serving in the United States Armed Forces, their reserve components, and the New Jersey National Guard.

The law provides that the State House Commission will establish: *1.* a prominent location for the tribute within the State House; *2.*

the type and design of the tribute, and what specific information is to be displayed. It also provides that the Commission will be responsible for obtaining the information needed for the tribute and maintaining the site.

I previously sent the Commission members the law. The law also provides for the creation of a fund into which donations are to be received, known as the Patriots Corner Tribute Fund. As a result of this -- it would cause the fund to be set up but, unfortunately, still to date there are no donations in the fund with which to work. So we need some guidance, at least initially, from the Commission on what to do at this point and how to proceed. Personally, from my own standpoint, I think that there should be other stakeholders in this; perhaps DMAVA, because it does arrive from DMAVA statute; perhaps the State Capital Joint Management Commission; and even where I'm employed -- the Division of Property and Construction.

So I don't know if the members have any particular guidance with regard to this -- what is the next step. But we need to--

SENATOR SMITH: How about a couple of questions?

MR. SHAUGHNESSY: Sure.

SENATOR SMITH: The-- And I don't know if we need-- Do we need that mike or not? (referring to PA microphone) Not really, right?

The-- Is the issue that we have no money, or is it the issue that we have a deadline that we're not meeting? I'm not quite sure what the issue is.

MR. SHAUGHNESSY: Senator, I don't know that there is a deadline.

MR. DiROCCO: Yes, I don't think there is a deadline; I think the issue is just like you said: It's just that the law requires the State House Commission to establish this memorial and says that it shall use any funds that are, basically, donated--

SENATOR SMITH: Right.

MR. DiROCCO: --and deposited into this special tribute fund. So I guess the question is, or the issue is, we need to try to do some outreach to try to see if we can--

SENATOR SMITH: Get some money.

MR. DiROCCO: --get some money in, and then we can make a decision as to how this memorial should look, where it should be placed.

SENATOR SMITH: Yes, my guess is that there are donors out there and that they just don't know about it.

MR. DiROCCO: I think you're right.

SENATOR SMITH: So the question is: How do we get the information out? How do we market it properly?

MR. DiROCCO: I'm thinking that it might be advisable, maybe, for Bob to reach out to DMAVA--

MR. SHAUGHNESSY: Okay.

MR. DiROCCO: --reach out and see if-- They probably would have-- I would think that DMAVA would have a record or some involvement with groups around the state that do this kind of outreach to veterans groups.

MR. SHAUGHNESSY: I'll surely do that.

MR. DiROCCO: At least it's somewhere to start. And I'm trying to think of other organizations that might be helpful -- maybe VFWs

or-- And DMAVA, I'm sure, would help you get in touch with those organizations.

MR. SHAUGHNESSY: Thank you, Mr. Chair.

MR. DiROCCO: I'm trying to think if there are any other similar entities.

SENATOR SMITH: And I'm sure citizens, even not just veterans' groups, but citizens would like to contribute to something like this if they knew about it. I mean, what do we-- Would it be that big of deal, maybe, to put a little something in our annual tax booklets saying that you can make a contribution if you're interested? Even just a little piece of paper. It goes out to every taxpaying citizen -- maybe that's the wrong venue, because people are paying taxes at the same time -- but on the other hand, they check off these various funds to make donations to, or even with the license plate thing. Maybe we should have a notice at the motor vehicle agencies; maybe just a little slip when people come in to do a transaction saying there's this fund if you'd like to make a contribution. I mean, we have a lot of outlets that touch citizens. Is it on our website?

MR. DiROCCO: It's not, and that's what I was thinking, too. That's something that we should-- The Governor's Office, maybe, should on their website. I can look into that.

SENATOR SMITH: Yes. Then Senator Cardinale and I are going to both donate \$50 each. (laughter)

SENATOR CARDINALE: Okay.

SENATOR SMITH: Get it started.

SENATOR CARDINALE: But I was thinking when you suggested a tax check-off: I mean, I think that requires an act of the Legislature.

SENATOR SMITH: Yes, I don't mean a tax check-off; I mean just a little notice. You're already mailing out the tax forms anyway; why not just a little slip of paper?

SENATOR CARDINALE: But we've done a lot of those tax check-offs.

SENATOR SMITH: What's that?

SENATOR CARDINALE: We've done a number of those tax check-offs. It seems to me it would be a popular thing. Do you want to--

SENATOR SMITH: And it could be done that way, too.

SENATOR CARDINALE: You want to cooperate between the two of us -- maybe we could put such a bill in?

SENATOR SMITH: Sure, we could do that; absolutely.

SENATOR CARDINALE: John, would you see that that happens?

SENATOR SMITH: And then if you give us an address where we can send our checks. (laughter)

MR. DiROCCO: I'll give you my home address. (laughter)

SENATOR CARDINALE: John, would you see that that happens?

And you have a check with you?

SENATOR SMITH: And who should we make it payable to? I'm serious, alright?

MR. DiROCCO: No, that's something we can look into.

SENATOR CARDINALE: If you have a check-- You don't have a check with you?

MR. DiROCCO: So is that some direction, Bob, I guess, for some outreach you could do?

MR. SHAUGHNESSY: I think so. I think there are a number of great ideas.

SENATOR SMITH: See, if you're a rich dentist, you have the cash on you. (laughter)

If you give me the contact information, I'll send a check.

MR. SHAUGHNESSY: Okay, thank you. I think that's a good first step.

Now, back to continuing on new business.

Item No. 2--

MR. DiROCCO: Three.

MR. SHAUGHNESSY: Pardon me, item No. 3; thank you.

Item No. 3: Treasury, on behalf of the Department of Military and Veterans Affairs, requests approval to dispose of a 6.1 ± acre parcel of vacant land to an adjacent property owner, Domenico Renna of 1032 Route 206, Bordentown, New Jersey, for expansion of his restaurant business.

I would like to note, for the record, the agenda item indicates "to the only adjacent property owner." I wanted to be clear that there is one additional adjacent property owner which we've learned, and that is the Municipal Sewerage Authority. The property will be sold for fair market value as determined by an appraisal. We have received an appraisal; it has been reviewed internally, and the appraised value of the property is \$165,000.

So that's the item for discussion.

SENATOR SMITH: Are we required -- we, State government -- required to offer the property to all adjacent property owners, or is it-- There's no rule on that?

MR. SHAUGHNESSY: According to our Treasury, on our Circular Letter, you can offer it to any adjacent property owner. Now, in the past we have always -- whenever there's interest by two or more adjacent property owners, we have then determined it should go by auction. We did, in this matter -- by statute I sent a letter to the municipality; it was in March. I provided notice, via the Mayor, that we intend to dispose of this property. We've heard nothing from the municipality or the Mayor.

SENATOR SMITH: Move the resolution.

SENATOR CARDINALE: Second.

MR. SHAUGHNESSY: Any further discussion? (no response)  
I'll call the roll.

Assistant Counsel DiRocco.

MR. DiROCCO: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Romano.

DEPUTY TREASURER ROMANO: Yes.

MR. SHAUGHNESSY: Mr. Mulligan.

MR. MULLIGAN: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: That matter is approved.

On to item No. 4: RPR 11-15, New Lisbon Developmental Center, Block 601, part of Lot 1, Woodland Township, Burlington County. Treasury, on behalf of the Department of Human Services, requests approval to grant an easement to PSE&G on the grounds of the New Lisbon Developmental Center. The purpose of this is for the installation and maintenance of new gas lines necessary to convert the facility from fuel oil to natural gas. Since the action directly benefits the State of New Jersey and the facility, the easement will be granted to PSE&G for one dollar.

Do I have a motion on this matter?

SENATOR CARDINALE: So moved.

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Okay, a motion and second.

Any discussion? (no response)

Okay, I'll call the roll.

Assistant Counsel DiRocco.

MR. DiROCCO: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Romano.

DEPUTY TREASURER ROMANO: Yes.

MR. SHAUGHNESSY: Mr. Mulligan.

MR. MULLIGAN: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Unanimously approved. Thank you.

Okay, on to the final matters, DEP -- oh, pardon me, we did the DEP -- the final matters are a request from the Department of Transportation, items 6, 7, and 8.

No. 6: Route 2, also known as Route 17, Section 8, Parcel VX2A1A2 and VX3A1, Block 4603, adjacent to Lot 39, Ramsey Borough, Bergen County. The Department of Transportation requests approval to sell by direct sale to the adjoining property owner, Milthom -- that's M-I-L-T-H-O-M -- Realty, LLC a 3,092-square-foot parcel of vacant land to be assembled to the adjoining commercial property. The recommended sale amount will be \$42,000, the appraised value. Milthom Realty, LLC's principal managing partners are as listed in your agenda item.

Do I have a motion on this matter?

SENATOR CARDINALE: Well, I have a question.

MR. SHAUGHNESSY: Surely, Senator.

SENATOR CARDINALE: Do we have -- I couldn't figure it out from the map -- the actual dimensions of the property?

MR. SHAUGHNESSY: I believe we have representatives from DOT there who brought this project to the Commission.

Good morning, Mr. Darrar.

**J A M E S D A R R A R:** Good morning. James Darrar; I'm the Supervisor of Property Management of the DOT.

The particular property in question is a rectangular piece of property. It is directly adjacent to the property owner's property -- it separates his property from the roadway. And I'll give you the exact dimensions: It's approximately 15-- I believe it's 15 feet in depth; it runs 206 feet in length. And I'll give you the--

SENATOR CARDINALE: Now, it appears from the diagram that that is--

MR. DARRAR: A total of 3,090 square feet.

SENATOR CARDINALE: Well, I understand the square footage.

MR. DARRAR: Okay.

SENATOR CARDINALE: But it is all frontage.

MR. DARRAR: Correct. It is the area that separates--

SENATOR CARDINALE: It's all frontage on Franklin Turnpike--

MR. DARRAR: It basically brings-- Sorry.

SENATOR CARDINALE: --which is a major street. And what-- You know, on a square-foot area I would not quibble about the appraisal--

MR. DARRAR: Okay.

SENATOR CARDINALE: --but in terms of-- I think it has greater value because it's being acquired by that parcel; gives that parcel a significant additional frontage.

MR. DARRAR: It gives them-- Well, their findings are still the same. What the difference is now is they're about 15 feet closer to the roadway. So now you don't have a situation-- If they were developing, you'd have their-- Their set-back is now removed back 15 more feet, because you're that much closer to the road. They currently--

SENATOR CARDINALE: Would they currently have the right to cross it?

MR. DARRAR: Of course. We could never deny someone the right to go across our property to get out onto the street. So they have a right to come across through our property to get out onto the street, whether it be for a driveway-- They have to go through our local access permit, and they would get their access for a driveway cut. So they can still go across.

What would happen is that we-- If we weren't able to sell to them or we decide not to sell to them, they would have to put their parking -- all their improvements would be that much further back from the main roadway.

SENATOR CARDINALE: Well, let me ask you this question.

MR. DARRAR: Sure.

SENATOR CARDINALE: If they were to develop this as a commercial site--

MR. DARRAR: Yes.

SENATOR CARDINALE: --which I believe is their intention--

MR. DARRAR: I would imagine, yes.

SENATOR CARDINALE: I think that's the stated intention.

MR. DARRAR: Yes.

SENATOR CARDINALE: And have parking in front of the building, so that their parking would be -- not that they would have an individual curb-cut, but that the whole thing would be a curb-cut. Would that kind of permit be issued?

MR. DARRAR: Well, they wouldn't get a curb-cut; they would allow them the entire frontage. They'd only get a curb-cut wide enough for the driveway in. So if you have your 15-foot ingress -- 15 ingress -- you

might have a 30-foot-wide, 40-foot-wide driveway -- I'm not an engineer; I'm just guessing, something along that line. The balance of that, whatever that width -- 160-some feet -- there would be another curb. Now, they currently meet the minimum size that they need to develop it; this obviously gives them additional area which allows for, basically, more area to build on.

SENATOR CARDINALE: I understand those principles.

MR. DARRAR: Okay.

SENATOR CARDINALE: Once they have acquired this, if they were desirous of building, let's say, a store--

MR. DARRAR: Okay.

SENATOR CARDINALE: --and the store had whatever the set-back is, plus enough for parking, and they just had head-in parking directly to this store, would they be allowed to do that after acquiring this property, with whatever kinds of regulations you have on entry from Franklin?

MR. DARRAR: Well, if we convey this property, we no longer have any property between the local road and their property. So they wouldn't have to apply to the DOT. This area we currently own, if we were to convey it, there would be no more DOT land separating them from the local street. So they wouldn't have to apply to the Department to come across that way.

SENATOR CARDINALE: So they could have a curb-cut.

MR. DARRAR: Yes; I mean, they could put a curb--

SENATOR CARDINALE: They could have a curb-cut that would be the whole length -- the whole 206 feet?

MR. DARRAR: If the municipality would allow them an entire curb-cut to run the entire 206 feet, I guess they could have a curb opening. But I don't--

SENATOR CARDINALE: It's common, it's common on streets like this.

MR. DARRAR: Is it? To have no curbing along the entire frontage of your property?

SENATOR CARDINALE: Yes, sometimes, where you have stores.

MR. DARRAR: Oh, I've never seen it, that's why -- in my experience.

SENATOR CARDINALE: I've seen it all over my district.

MR. DARRAR: Okay.

SENATOR CARDINALE: I couldn't say that I've seen it in this particular location, or this particular town.

MR. DARRAR: Okay. But I guess if the municipality regs would allow them to have an unlimited curb-cut, you could do that. I don't think, from a -- that it would be wise to do so, but that would be up to the municipality to apply for that curb-cut. If we own the right-of-way separating the businesses, they obviously have to come through us to get across it. What we have proposed is we no longer need that--

SENATOR CARDINALE: Given that thought--

MR. DARRAR: Okay.

SENATOR CARDINALE: --are you still confident that the appraisal--

MR. DARRAR: Well, I'm not confident about any appraisal because I'm not an appraiser. But this was independently reviewed by one of our staff appraisers and they felt comfortable about it, so I rely on their expertise whether or not the reports are of merit. But as to my own self, I'm not familiar with Bergen County and what the (indiscernible) for the value might be up in that area.

SENATOR CARDINALE: You see, the value-- I have no problem with the value in terms of the square footage.

MR. DARRAR: Okay.

SENATOR CARDINALE: But what I see here is the possibility of a parking arrangement that is different with this and without this.

MR. DARRAR: Well, sure. If you increase their entire area by almost--

SENATOR CARDINALE: You see, if you have to have a curb-cut then you have to have an island, you have a whole series of things that prevent your-- You have to use a lot more area for your parking. And if you have direct in from the curb -- you know, just head-in parking -- you then have more land left to build on.

MR. DARRAR: Okay.

SENATOR CARDINALE: Now, there are also some considerations with respect to municipal regulations--

MR. DARRAR: Right, and I'm not familiar with that.

SENATOR CARDINALE: --as to coverage and other things along that line. But that was the question that arose in my mind as to this appraisal, which seemed to me low in terms of that condition.

MR. DARRAR: Okay. There is a street directly across from them, so I don't know if the municipality-- What their thoughts would be on that, too. But again, that would be all municipality control because we would no longer own the right-of-way which they would have to cross. Right now, in order to get into their property you have to cross over property that we own. And it's property that we probably purchased back in the '30s when there was some kind of thought of making some kind of a turnaround in there, which we never built and is no longer needed.

SENATOR SMITH: Who did the appraisal?

MR. DARRAR: I believe this was done by -- let me see; okay, there was an appraisal done by Robert D. Clifford -- and he's on our list -- which was obtained by the requester and then independently reviewed by our in-house staff.

MR. DiROCCO: Is there any reason why we couldn't, maybe, table this for our next meeting so we can get some more info on the appraisal and maybe make everybody comfortable? Senator Cardinale, would that be something you'd be interested in?

MR. DARRAR: You can always-- Yes, the board is always free to table it. I mean, if they were to define exactly what they would want to know more about the appraising, I could go back and have the reviewer provide that information. I just don't know-- I'm not quite sure I know what you're looking for as far as a way of the appraisal.

SENATOR SMITH: Well, here's a thought: The appraisal was a written appraisal.

MR. DARRAR: Yes.

SENATOR SMITH: And they do comparable sales.

MR. DARRAR: Yes.

SENATOR SMITH: Would it be possible to get a copy of the appraisal to Senator Cardinale--

MR. DARRAR: Yes, we can do that.

SENATOR SMITH: --so he could take a look at it?

MR. DARRAR: I don't see any reason why we would have a problem getting a copy of the appraisal, and also a copy of the reviewer statement for the report too.

SENATOR CARDINALE: Would we be able to ask a question or two of the appraiser?

MR. DARRAR: You could-- I don't-- Well, the appraiser--

SENATOR CARDINALE: Well, now, the appraiser was hired by the requester.

MR. DARRAR: He was hired by the-- What we do is we provide--

SENATOR CARDINALE: He was not hired by the State.

MR. DARRAR: No, correct. They're given instructions of how to prepare the report; and then that report, when we receive it, is reviewed internally to make sure it complies, and that the--

SENATOR CARDINALE: Well, we could certainly talk-- If we were interested, we could talk with the appraiser.

MR. DARRAR: Yes, I don't see why--

SENATOR CARDINALE: Your in-house appraiser who reviewed it.

MR. DARRAR: Yes, our reviewer; certainly

SENATOR SMITH: You know, it raises an interesting issue: Is that the best way to do appraisals? When we talk about local government--

MR. DARRAR: Yes.

SENATOR SMITH: --and there's a lot that might be surplus. Somebody applies to the town, and as part of the application process they understand once the government has signed off, they don't need the land, that they're going to have to pay for the appraisal. But the appraiser is hired by the town.

MR. DARRAR: When there is a particular piece of property that is non-buildable, no additional owners, only one potential user, we do provide a list of appraisers that know our process and allow for the requester to obtain those services. What has happened in the past, sometimes the Department would do just like you said: hire these appraisers, pay for it, and then the sales would never go through and the Department would be out-of-pocket that money. If the sale went through, we could obviously tack the cost of that appraisal onto it.

SENATOR SMITH: But when, as a part of our State House Commission process, we have the applicant for the land, who is the beneficiary, here pay for whatever the cost of the appraisal is, why should we have to eat it?

MR. DARRAR: We had talked about that with our deputies years ago, about how to make that as part of an application process so that we're not out-of-pocket the money. And at that point in time, they weren't sure that we could charge an upfront cost like that. So we decided then to allow the requester to obtain; we'd still independently review it to make

sure the sales are accurate, to make sure the information is accurate. And, if they're not, then we have the ability to adjust it. In this case, the reviewer actually came, reviewed their report, had comments for them, and it resulted in a review figure that was actually higher than their initial appraised offer.

SENATOR SMITH: I don't understand that. You're saying that our reviewer--

MR. DARRAR: Our reviewer came up with concerns and questions similar to what the Senator had. And, as a result, came up with a review that was almost three times the value of what the appraisal came in -- after independent review, they came in at \$42,000.

SENATOR CARDINALE: So their appraiser came in at around \$10,000?

MR. DARRAR: They came in at \$15,000 initially, and then we had our reviewer review it.

SENATOR CARDINALE: And your reviewer--

MR. DARRAR: --independently used the information and sales--

SENATOR CARDINALE: --and boosted it to the \$42,000.

MR. DARRAR: The \$42,000 -- yes.

SENATOR CARDINALE: So he was taking into consideration the factors that I was just talking about.

MR. DARRAR: I believe so. He knows that the property is already buildable; he knows that you cannot stop them from building it. We know that we cannot stop them from crossing our right-of-way. However, there is a benefit to the fact that you have an additional 3,000

square feet towards your build ratio. He also has a benefit of the fact that you're now 15 feet closer to the roadway. So these are all items of importance.

SENATOR CARDINALE: Those are very important for commercial developers.

MR. DARRAR: Yes, and therefore they have to pay for it.

SENATOR SMITH: Yes, but I'm really disturbed by the first appraisal.

MR. DARRAR: And of their errors, or--

SENATOR SMITH: Well, I think the problem is not the errors, it's the rule that he who has the gold, makes the rules. We have the private party paying for the appraisal.

MR. DARRAR: Yes, you run the risk of--

SENATOR SMITH: You know, you look at the appraiser and say, "You know, I'm willing to pay two different fees here--

MR. DARRAR: There's always a possibility--

SENATOR SMITH: --the lower fee or the higher fee."

MR. DARRAR: Right, and that's--

SENATOR SMITH: And I'm wondering if we should rethink this -- on the way we do appraisals. It's not such a great thing that we have a direct payment from the potential purchaser to the appraiser.

MR. DARRAR: Well, I can bring that question back up to the current DAG, and ask them in charge to see what steps we could do to make that a part of the application process then; or before we go to an appraiser, you have to be willing to pay that fee -- in those situations where there is only one potential buyer, obviously. When there is a potential of

more than one, we would still do like we've done in the past: obtain and then tack that on to the auction price. There's no guarantee that we will sell it, but there's no way we can actually force someone to come to the table when they're not the guarantee -- that they can't be assured that they would actually acquire that property at auction. It wouldn't be fair to say, "Senator Smith, you pay for the appraisal, but Cardinale, you have to bid against him." And if you lost the bid, you'd be out that appraisal money. But in the cases where it's--

SENATOR SMITH: It happens all the time in local government. If they want the land, they know they have to pay the cost of the appraisal, but they pay it to the government, and then the government pays the appraiser.

MR. DARRAR: Right.

SENATOR SMITH: So you hire that person, and you pay that person from the money they gave you as part of the application process.

MR. DARRAR: Well, definitely, we can--

SENATOR SMITH: It's worth taking a look at.

MR. DARRAR: No, we can revisit that--

SENATOR SMITH: I mean, this is like a classic. The appraiser on our list-- I'm not suggesting he or she did anything wrong.

MR. DARRAR: No, they just evaluated--

SENATOR SMITH: But -- wool!

MR. DARRAR: They evaluated--

SENATOR SMITH: You know, you're talking three times the value--

MR. DARRAR: Yes.

SENATOR SMITH: --and it was only a matter of the reviewer saying it's worth a higher value--

MR. DARRAR: They looked up the--

SENATOR SMITH: --and apparently the property buyer didn't have any problem saying, "I accept that price."

MR. DARRAR: Right. That's why they review it to make sure that they're not coming in at a low-ball value, and giving low adjustments when they should be giving it higher adjustments.

SENATOR CARDINALE: You see, I would have no objection-- It would not have jumped out at me if this 3,000 feet was in the back of the property or on the side of the property. But the fact that it is all frontage--

MR. DARRAR: It's all frontage, sir.

SENATOR CARDINALE: --that is what jumped out at me, and I didn't have any indication that your appraiser had--

MR. DARRAR: Yes, (indiscernible). But I can still get you their--

SENATOR CARDINALE: --looked at that factor.

MR. DiROCCO: Are you comfortable moving forward, Senator, or would you rather wait and hold off on it?

SENATOR CARDINALE: Well, I would like to hold off and give us an opportunity to get hold of that appraisal from your folks.

MR. DARRAR: And we'll give you the review which you already have in your packet.

SENATOR CARDINALE: And see what calculations your folks did with respect to this factor, and have the opportunity if it seemed like I should ask him a few questions.

MR. DARRAR: No, that's not a problem, and we'll make that available to you.

SENATOR SMITH: And listen, since you're coming back on this--

MR. DARRAR: What's that, sir?

SENATOR SMITH: Since you're coming back on this issue, maybe in the interim you can talk to the Attorney General or to other people in your department and see if, maybe, we should relook at how we do the appraisals.

MR. DARRAR: We'll ask them for the legality again, because I know that was a concern of our previous Attorney General, who is no longer with our -- (indiscernible) used to be our DAG who advised us. So we'll ask the current DAG and see what their opinion of that -- about whether or not we can do that, or what it would take to get that to be the case so you don't have the situation where, just like you said, the appraiser is trying to do his best to do a value that's maybe not the best for the Department.

SENATOR SMITH: Right.

MR. SHAUGHNESSY: Okay, so we have a motion to table?

SENATOR CARDINALE: Motion.

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Based upon the conditions previously put on the record. Okay -- motion and second; I'll call the roll.

Assistant Counsel DiRocco.

MR. DiROCCO: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Romano.

DEPUTY TREASURER ROMANO: Yes.

MR. SHAUGHNESSY: Mr. Mulligan.

MR. MULLIGAN: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: The motion to table is approved, based upon the conditions put in the record.

Okay, No. 7 is another matter in Bergen County. Do you have similar concerns, Senator, or not with this one?

SENATOR CARDINALE: I didn't see--

MR. SHAUGHNESSY: Let me go through it.

SENATOR CARDINALE: --anything on this one that was--

MR. SHAUGHNESSY: Okay. The next one is Route 17, Section 5, Parcel VX75B2, Block 4807, adjacent to Lot 1, Village of Ridgewood, Bergen County. The Department of Transportation requests approval to sell by direct sale to the adjoining property owner, Malvern Burroughs and James Poole, as the Burroughs Poole LLC, a 7,875-square-foot parcel of vacant land to be assembled to their adjoining residential property for possible future development. The recommended sale amount shall be \$40,000, the appraised value.

Is there a motion and second on that matter?

MR. DiROCCO: I'll move it.

MR. SHAUGHNESSY: Second?

DEPUTY TREASURER ROMANO: Second.

MR. SHAUGHNESSY: Is there any discussion on this matter?

SENATOR CARDINALE: See, this is different than the other one, even though it involves some frontage, because they have very substantial frontage on Route 17 as the property stands, and I don't think it makes -- and they have a very large piece of property -- it just doesn't, I don't think, have that auxiliary impact.

SENATOR SMITH: Well, let me ask-- One question, and that is: How did the internal reviewer react to the appraisal on this one?

MR. DARRAR: This was done-- The appraisal was done by Tony Florio, who does a lot of work for the Department. It just happened to be the appraiser that was selected by the requester, and they had no issues with the review.

SENATOR SMITH: The reviewer was fine.

MR. DARRAR: No. Tony Florio does a lot of work for the Department, and then the reviewer was our chief reviewer for the Department. He reviewed it and (indiscernible) evaluation. And again, that property-- It's residential as it stands now; so whether they can flip it to some other use, that's all speculative.

MR. SHAUGHNESSY: Any further discussion? (no response)  
I'll call the roll.

Assistant Counsel DiRocco.

MR. DiROCCO: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Romano.

DEPUTY TREASURER ROMANO: Yes.

MR. SHAUGHNESSY: Mr. Mulligan.

MR. MULLIGAN: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: The matter's approved.

No. 8 on our agenda today: Route 35, Section 8A, Parcel VX59A2, Block 357, adjacent to Lot 1, Wall Township, Monmouth County. The Department of Transportation requests approval to lease an approximately 5,684-square-foot parcel of land to the only adjoining property owner, Jeffrey Woszczak, W-O-S-Z-C-Z-A-K, of 419 Boston Boulevard, Sea Girt, New Jersey, for use as additional parking and circulation for the commercial tenants located on the adjoining owner's property. The lease will be on a month-to-month basis. The recommended lease amount will be \$870 per month, with rent increases as per the rent schedule that will be part of the lease agreement. And I believe, looking at that, it will be increments of 5 percent per year.

Is there a motion on that?

SENATOR CARDINALE: I move it.

MR. SHAUGHNESSY: Second?

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Any discussion on this matter? (no response)

Hearing none, Assistant Counsel DiRocco.

MR. DiROCCO: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Romano.

DEPUTY TREASURER ROMANO: Yes.

MR. SHAUGHNESSY: Mr. Mulligan.

MR. MULLIGAN: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Approved.

The final DOT request is Route 70, Section 14, part of Parcels 5 and 20; and Route 40 -- current Route 70 -- Sections 10 and 11, part of Parcel 122, Block 702.02, adjacent to Lot 12, Brick Township, Ocean County. The Department of Transportation requests approval to lease an approximately 30,420  $\pm$  square-foot, partially improved with paved parking, parcel to the only adjoining property owner, Twenty First Venture, LLC, for the purpose of additional parking, signage, and circulation for its commercial tenant. Twenty First Venture, LLC's principal managing members are as listed in your agenda today. The lease term will be for five years, with an option to renew for an additional five years for section "A," and month-to-month for section "B." The recommended lease amount shall be a total of \$1,470 per month, with rent increases as per the rent schedule which, I understand, is also 5 percent annually.

Motion on this matter?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Second?

MR. DiROCCO: I'll second it.

MR. SHAUGHNESSY: Any other discussion? (no response)

Assistant Counsel DiRocco.

MR. DiROCCO: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Romano.

DEPUTY TREASURER ROMANO: Yes.

MR. SHAUGHNESSY: Mr. Mulligan.

MR. MULLIGAN: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: The matter is approved.

Okay. There's no executive session known for today. Is there any other business to come before the Commission? Any public comment?

SENATOR SMITH: No, but I have a question.

We just went through this pension reform, and I seem to remember coming to all these State House Commission meetings when we talked about the judicial pensions, saying "everything's terrific." On the other hand, as part of the pension reform, it seemed like the judicial pensions are requiring much greater contributions, or am I -- did I miss that?

MR. SHAUGHNESSY: I'm not sure, Senator Smith. We don't have a representative from Pensions here today, and we--

SENATOR SMITH: Would you ask the question for the next meeting?

MR. SHAUGHNESSY: Sure.

SENATOR SMITH: Because I have gone under the impression that everything was just fabulous in terms of the judicial pensions.

MR. SHAUGHNESSY: Right.

SENATOR SMITH: But yet I did think that in that pension bill we require that they do a bigger contribution. I'm wondering, if everything was terrific, why are we asking for that?

MR. SHAUGHNESSY: Okay, we can transfer the Senator's question over to Pensions and get an answer on that.

SENATOR SMITH: Right.

MR. SHAUGHNESSY: Good.

Okay, any other matters? Any other public comment? (no response)

Hearing none, may I have a motion for adjournment?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Second?

SENATOR SMITH: I have to second.

MR. SHAUGHNESSY: Okay. No discussion? (no response)

All in favor? (affirmative responses)

Okay. Opposed? Abstentions? (no response)

This meeting is concluded; it's 10:55 a.m.

SENATOR CARDINALE: 9:55 a.m.

MR. SHAUGHNESSY: 9:55 a.m. (laughter)

Thank you very much.

**(MEETING CONCLUDED)**