
Commission Meeting

of

STATE HOUSE COMMISSION

LOCATION: Committee Room 4
State House Annex
Trenton, New Jersey

DATE: October 20, 2016
9:00 a.m.

MEMBERS OF COMMISSION PRESENT:

Amy E. Melick, Chair
Senator Bob Smith
Senator Gerald Cardinale
Assemblyman Paul D. Moriarty
Assemblyman David P. Rible
David Ridolfino
Beth Schermerhorn



ALSO PRESENT:

Robert J. Shaughnessy Jr.
Commission Secretary

Gary A. Kotler
Commission Counsel

Meeting Recorded and Transcribed by
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MR. SHAUGHNESSY (Commission Secretary): Good morning.

Welcome to the State House Commission of October 20, 2016.

I'm going to read the Open Public Meetings Act notice. In compliance with the Open Public Meetings Act, notice of this meeting was given by way of notice filed with the Secretary of State, delivered to the State House press corps, and posted at the Offices of the Commission.

Now to the call to order.

Deputy Chief Counsel Melick.

AMY E. MELICK (Chair): Here.

MR. SHAUGHNESSY: Assistant State Treasurer Schermerhorn.

ASSISTANT STATE TREASURER SCHERMERHORN: Here.

MR. SHAUGHNESSY: Acting Director Ridolfino.

MR. RIDOLFINO: Here.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Here.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Here.

MR. SHAUGHNESSY: Assemblyman Moriarty indicated that he's on his way.

And Assemblyman Rible.

ASSEMBLYMAN RIBLE: Present.

MR. SHAUGHNESSY: We have a quorum.

We'll begin with Old Business; No. 1, approval of the June 30, 2016, State House Commission minutes. Do we have any additions, deletions, or amendments to the minutes? (no response)

Hearing none, may I have a motion?

SENATOR CARDINALE: So moved.

MS. MELICK: Second.

MR. SHAUGHNESSY: Motion and second.

All in favor? (affirmative responses)

Any opposed? (no response)

The minutes are approved.

No. 2, project RPR 92-01, William Paterson University, Wayne, Passaic County.

Treasury, on behalf of William Paterson University, requests approval to renew a lease between Public Service Electric & Gas Company and William Paterson University, formally William Paterson College.

The lease agreement covers a 100-foot-by-100-foot parcel of vacant land, together with an access road, for the construction of a self-supporting communication tower as well as a modular building. The original lease was for a term of 25 years, with two, 10-year renewal periods. The original 25-year term is expiring, but the lease states that "any renewal shall be subject to the approval of the State House Commission." That's why we're here today.

So it's recommended that the State House Commission approve this request of William Patterson University; renew the lease with PSE&G for a 10-year term, with all of the same terms and conditions.

In lieu of market rent, PSE&G will continue to provide the University with space on the tower necessary to support a six-dish antenna, 20 radio and TV antenna, and up to 200 square feet of space in the modular building.

Do any members have any questions or comments about this?

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Yes; Senator Smith, please.

SENATOR SMITH: What is the rent on the six-dish, 20 radio and TV antenna?

MR. SHAUGHNESSY: I don't believe there's rent. I believe it's in lieu of fair market value that they're--

SENATOR SMITH: So it's strictly a-- William Patterson using it?

MR. SHAUGHNESSY: That's my understanding, yes.

SENATOR SMITH: Then I don't have an issue. If there was private rent, I would have an issue. Fine.

MR. SHAUGHNESSY: Okay. Any other members have questions or comments? (no response)

Any members of the public here want to be heard on this matter? (no response)

Hearing none, may I have a motion?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Second?

MS. SCHERMERHORN: Second.

MR. SHAUGHNESSY: Ms. Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Ms. Schermerhorn.

MS. SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Mr. Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Rible.

ASSEMBLYMAN RIBLE: Yes.

MR. SHAUGHNESSY: That matter is approved.

On to No. 3, Old Business.

RPR 16-09, East Hall at the former Hagedorn Psychiatric Hospital, Block 9, part of Lot 7, Lebanon Township, Hunterdon County.

Treasury seeks State House Commission approval to amend a lease to Malvern Institute Hunterdon County, LLC, to include permitted uses such as elder care, geriatric care, assisted living, independent living, psychiatric, mental health, and behavioral health services, in addition to the rehabilitation and addiction services originally approved at the March 14, 2016, State House Commission meeting.

All previous terms, conditions, and provisions of the lease remain the same, including the rental payments.

Do I have any members with any questions or concerns about this matter?

SENATOR SMITH: Yes; why are we doing it again?

MR. SHAUGHNESSY: I believe there's a change in use.

Is there anyone here who would be able to explain this a little bit better?

ROBERT J. TIGHUE: (off mike) Yes.

MR. SHAUGHNESSY: We have two people. Come on up and identify yourselves for the record.

MR. TIGHUE: Good morning. I'm Robert Tighue, Division of Treasury, Department of Property Management and Construction.

Yes, this has already been approved. The tenant had asked if they could include assisted living elder care, because they feel that having more options would make the project more viable for them. And for us, it's actually a less intensive use. So it would seem to be a good fit for us

SENATOR SMITH: Okay. There's \$500,000 in rent here. Who does the rent go to?

MR. TIGHUE: Treasury.

SENATOR SMITH: Okay; thank you.

MR. SHAUGHNESSY: Any other members have any questions or comments? (no response)

Hearing none, any members of the public want to be heard on this matter? (no response)

Hearing none, then may I have a motion, please?

SENATOR SMITH: So moved.

ASSEMBLYMAN RIBLE: Second.

MR. SHAUGHNESSY: I'm sorry; motion and second?

MS. MELICK: Second.

MR. SHAUGHNESSY: Motion and second.

Ms. Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Ms. Schermerhorn.

MS. SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Mr. Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Rible.

ASSEMBLYMAN RIBLE: Yes.

MR. SHAUGHNESSY: That matter is approved.

And I'm sorry, but I neglected, at the outset of the meeting, to mention -- and the Chair kindly mentioned it to me -- that we have received comments from Jean Public, which have been -- two sets of comments; one set dated October 18, and I believe the other set dated October 19. They will be -- they have been distributed to the members, and they will be incorporated into the records of the State House Commission.

And I believe Ms. Sachau is also here today, and may want to be heard a couple of times.

On to No. 4 -- RPR 07-14A through 07-17D, East Jersey State Prison, Block 908, part of Lot 10, Woodbridge, Middlesex County.

Treasury seeks State House Commission approval to amend the deed approved by the State House Commission at its June 16, 2014, meeting for the direct sale of 15.5 +/- acres of land and improvements, located at the East Jersey State Prison, to Woodbridge. At the time, the

Township proposed a site that is largely occupied by up to 100 apartments, -- some including special needs apartments -- and a recreation use that would include an indoor soccer complex. Deed restrictions were placed on the property. It is now requested that the deed restriction stating that the use of the property for recreational use will also include -- that previously included an "indoor soccer complex" be changed to an "outdoor recreational area." This change in use is due to a large area of wetlands that will not allow for the construction of an indoor soccer complex.

The remaining deed restrictions remain in full force. Should this matter be approved by the State House Commission, a corrective deed will be prepared and recorded.

Do any members have any questions or comments about this matter? (no response)

Hearing none, any members of the public want to be heard? (no response)

Hearing none, may I have a motion?

SENATOR SMITH: Move it.

ASSEMBLYMAN RIBLE: Second.

MR. SHAUGHNESSY: Second; motion and second.

Ms. Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Ms. Schermerhorn.

MS. SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Mr. Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Rible.

ASSEMBLYMAN RIBLE: Yes.

MR. SHAUGHNESSY: That matter is approved.

On to No. 5 under Old Business. This is Route 10, Section 4, Parcel VX4B, Block 100, adjacent to Lot 18, Township of Livingston, Essex County.

DOT is requesting approval to convey parcel VX4B -- having an area of approximately 1,955 square feet -- to KRG Livingston, LLC, for \$25,000.

The conveyance of parcel VX4B was originally approved at the June 30, 2016, State House Commission meeting for \$23,000. At the time, the parcel was noted as having a smaller area of approximately 1,763 square feet. It was subsequently determined that the parcel contains 1,955 square feet, which resulted in a higher appraised value of \$25,000.

Do any members have any questions or comments about this?

(no response)

Any member of the public want to be heard on this matter? (no

response)

Hearing none, motion?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Second?

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Motion and second; thank you.

Ms. Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Ms. Schermerhorn.

MS. SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Mr. Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Rible.

ASSEMBLYMAN RIBLE: Yes.

MR. SHAUGHNESSY: Okay; that matter is approved.

On to No. 6, the final matter under Old Business.

This matter is at Brendon T. Byrne State Forest, Block 897, part of Lot 1.01, Pemberton Township, Burlington County.

DEP requests approval to execute a seven-year lease agreement, with options to renew for two additional five-year terms, with J. J. White Inc., who is the tenant -- which is the tenant. The tenant approached the DEP and expressed a willingness to enter into a longer farm lease agreement in order to invest in new cultivars of blueberry plants which require five years of growth before they are at maximum fruit production. DEP requested this item be tabled at the June 30, 2016 State House Commission meeting to allow time to research certain questions by the members about the tenant's use of adjacent lands.

I note that DEP's answers to these questions have been provided with the members' materials.

The annual rent for this lease agreement will be \$1,320 for each year of the initial lease term, for a total of \$6,600 for the initial term.

Do any members have any questions or concerns about this matter?

SENATOR SMITH: What's a *cultivar*?

MR. SHAUGHNESSY: I don't know; I read it, but I don't know. I assume it's a crop. Does DEP know what that is?

Sir, are you--

J A M E S S C H R O E D E R, Esq.: (off mike) Yes, sir; James Schroeder and Joseph Darlington, J. J. White Farms. We are just here to appear and answer any questions.

MR. SHAUGHNESSY: Terrific; we appreciate that.

SENATOR SMITH: What's a cultivar?

J O S E P H D A R L I N G T O N: (off mike) A cultivar is a variety of blueberry; for instance, in this case--

MS. MELICK: Excuse me, could you please move up and sit down so we can actually record what it is you're saying.

Thank you.

MR. DARLINGTON: A cultivar is a subdivision of a species. So in this case, we're talking about Highbush blueberries; a cultivar is a specific genetic version of that kind of blueberry.

In this case, what we are proposing to do is to plant the cultivar that was named after my great-aunt after she passed. She was the one who domesticated the Highbush blueberry, and we would like to be able to

continue cultivating blueberries at Whitesbog, the original farm on which the Highbush blueberry was cultivated 100 years ago.

MR. SHAUGHNESSY: I'm sorry I didn't have the specificity, Senator.

SENATOR SMITH: Well, he answered the question.

I have a second question then. Looking at the background material, there's a mention of a freshwater wetlands violation; and that the tenant is applying for a freshwater wetlands exemption that, if approved, would take care of the violations. Could you give us 60 seconds on what that's about?

MR. DARLINGTON: I'll try.

Yes, we had a Notice of Violation. We've been trying to sort that out so that we can proceed. We have -- at this point, legislation has changed about wetland usage, specifically regarding cranberries and blueberries. That legislation was signed into law in January of this year. And in July, we submitted a new request for agricultural exemption. So far we haven't heard back from DEP where that stands. But our plan is to do whatever we need to do to try and make that right.

SENATOR SMITH: Okay; thank you.

MR. SHAUGHNESSY: Does anyone else want to be heard on this matter -- anyone from the Department or the public?

B A R B A R A S A C H A U: (off mike) I signed up to be heard; and I (indiscernible).

MR. SHAUGHNESSY: I did see that -- on this item, and one other. Please come on up; thank you.

MS. SACHAU: I am not in favor of this lease at all. This is public land; this is State land for the use of New Jersey's nine million citizens who need open space.

The citizens of this state have been paying for at least 30 years, maybe longer than that, to save open space for their use; and also for the use of birds, wildlife, and trees. The trees make oxygen for us to breathe; they do a lot of other good things. There's no reason to take State land for these kinds of leases. It's absolutely wrong; and it is, in fact, an incursion on the taxes that people pay to save open space. It turns around and lets citizens pay, and pay, and pay on local taxation, county taxation, and State taxation to save that land where wildlife can be. And that wildlife is essential to all of us, and so are the birds and everything else. They're essential to our health.

And to start giving it away -- drib, by drib, by drab -- for farm use is wrong. Farmers have many, many programs throughout this state to help them to grow; they have many programs. And the taxpayers pay for those programs too. I see no reason why the farmers got into our State parks, our State forests, our State Wildlife Management Areas. There's no reason for this. It's incursion, actually.

And then they pay such low rates. We pay huge amounts to buy this land, and then they come along and they want to pay a few bucks a year to use that land. I mean, they do do a valuable service, but this land is not for them; this land was never saved for them. It should not be used by them.

I mean, we need to save that open space. The fact of the matter is, many studies have been done that show that people who get out

into the forests, the parks, the reservoir lands, and all that -- they are healthier because of that. And to take away that land from the nine million people who've been paying taxes to save it, is wrong. It should not go on at the State House Commission; it should not go on, especially not when the farmers can go rent land from private landowners. The land is out there; that's where they should be. They shouldn't be taking land away from our State land.

There are also national programs that let farmers and help farmers to grow. But they should not be in the State lands that all of us have paid for. That's the wrong place for them to be.

I ask you to vote "no."

Thank you.

MR. SHAUGHNESSY: Thank you for your comments.

Anyone else want to be heard on this matter? (no response)

Hearing none, do I have a motion on this matter?

SENATOR CARDINALE: So moved.

ASSEMBLYMAN RIBLE: Second.

MR. SHAUGHNESSY: Motion and second.

Ms. Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Ms. Schermerhorn.

MS. SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Mr. Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: I'm voting yes, but I do note in the record that this has the recommendation of the DEP to go forward with it. So, "yes."

MR. SHAUGHNESSY: And Assemblyman Rible.

ASSEMBLYMAN RIBLE: Yes.

MR. SHAUGHNESSY: That matter is approved; that's No. 6. So now we begin New Business--

MR. SCHROEDER: Thank you very much.

MS. SACHAU: Awful; absolutely awful.

MR. SHAUGHNESSY: --which is No. 7 on our agenda. RPR 15-04; this is the former North Jersey Developmental Center, Totowa Borough, Passaic County.

The New Jersey Department of the Treasury, on behalf of the New Jersey Department of Human Services, requests approval to dispose of the property known as the North Jersey Developmental Center, which has been declared surplus to the Department's needs. It has been determined that an auction process is not suited to the disposition of this large and complex property, due to complex redevelopment concerns. Therefore, it is recommended that a modified sales approach -- as set forth in the proposed memorandum of agreement in substantially final form that has been distributed to the members -- would likely result in a more efficient disposal and cost-savings to the State, as well as assist the Borough of Totowa to more directly manage its economic redevelopment.

The State will convey property to the Borough which, in turn, will convey the lands to the designated redeveloper.

The appraised value of the property is based upon the land being cleared of all improvements -- demolish, in other words -- and environmental conditions remediated. The estimate for demolition and environmental cleanup is \$10,051,000. The appraised value of the property is \$14,500,000. The minimum bid requirement would be \$4,449,000, which is the difference between the appraised value of \$14,500,000 and the estimated demolition costs and environmental cleanup costs of \$10,051,000.

I know we have folks from -- or on behalf of Totowa here today. But do any of the members want to be heard on this matter?

SENATOR SMITH: I'd like -- I have a couple of questions.

MR. SHAUGHNESSY: Sure, Senator Smith.

SENATOR SMITH: So what is the -- and I'm looking at the background information -- what is the financial considerations in the transfer to Totowa? What is it that the State receives?

MR. SHAUGHNESSY: Fair enough.

Please identify yourself.

MR. TIGHUE: Robert Tighue again, from DPMC, Treasury.

Can you repeat the question?

SENATOR SMITH: Yes, what is the financial consideration passing between the State and the Totowa Borough?

MR. TIGHUE: There is no-- The State will receive the proceeds of the sale. Totowa will be issuing an RFP out to developers, and they can determine what type of development they would like on the site. But the State receives the proceeds. The minimum bid would be the \$4 million-and-change.

SENATOR SMITH: Okay.

MR. TIGHUE: Okay?

And I should mention that the RFP has been issued; and there were six responses already, five of which are at or above the minimum bid. The one did not have a price. So it looks like it's going to happen.

SENATOR SMITH: What's proposed on the site by the Borough?

MAYOR JOHN COIRO: Good morning. I'm Mayor John Coiro of Totowa.

So what's asked for, or what's thought about, on the site is a combination of assisted living, an office building, and a medical park. So that's what's in our vision -- and a data center as well. That's our vision for the site once it's cleared and cleaned.

SENATOR SMITH: Right. How big is the property?

MAYOR COIRO: It's, more or less, about 138 acres.

SENATOR SMITH: So one last question: For Totowa Borough, how did you guys end up on COAH obligation?

MAYOR COIRO: I'm sorry?

SENATOR SMITH: How did Totowa Borough end up in the current COAH -- Council on Affordable Housing -- affordable housing--

MAYOR COIRO: Yes, yes. We're still working through that. So we're in front of--

SENATOR SMITH: A judge.

MAYOR COIRO: -- a judge.

SENATOR SMITH: Okay. I noticed that when you described what's in the RFP, there's no housing component.

MAYOR COIRO: That's correct.

SENATOR SMITH: Generally, judges -- COAH judges, the ones who have been assigned these cases -- they want to know every piece of open property that is in your town. Has this proposal been run by the judge in the COAH case?

MAYOR COIRO: So the presentation we make to the judge-- And actually, concurrently, we're in front of the judge this morning asking for an extension of time because they're waiting -- the judge wants to wait for the Supreme Court to rule on this gap period that you may be familiar with.

SENATOR SMITH: Right.

MAYOR COIRO: So in our plan, we have addressed what we believe our needs are for the Council on Affordable Housing's requirement. And we presented that to the judge. So I don't know that the judge--

SENATOR SMITH: But there's been no ruling?

MAYOR COIRO: There's been no ruling. So the judge knows about this property; I don't know how well. I can't answer for him how well he knows the RFP, but he's aware of this property

SENATOR SMITH: Okay.

I follow that litigation; I wouldn't say closely, but generally. And what I've been hearing is that the Mount Laurel judges are very concerned about any development that goes forward before the new plan has been accepted. How would the-- You said the judge knows about this property. How does he know about the property? What's the way in which he knows?

MAYOR COIRO: Because he asked us a question about it, and we answered his question.

SENATOR SMITH: Oh, okay.

MAYOR COIRO: He's familiar-- It's Judge Brogan, and he's familiar with the area. So he did ask us a question about the property.

SENATOR SMITH: Okay. Well, this advice is worth what you're paying for it-- (laughter)

MAYOR COIRO: Okay; understood, understood.

SENATOR SMITH: --and I would suggest to you that before you award your RFP, that you get some clearance. Because until your plan is certified, every piece of property is subject to judicial review -- as a suggestion. Other than that, I don't see a big issue with it, but be careful.

MAYOR COIRO: Yes, so not to belabor it, Senator, but the assisted living was placed in there for that reason as well.

SENATOR SMITH: Okay.

MAYOR COIRO: So there is -- one of the options of the developer -- redeveloper would be to put assisted living there.

SENATOR SMITH: Okay.

MAYOR COIRO: And our understanding is that would help qualify, if we need to -- if we need to. So yes, this is a fluid process, as you know. And I will take your advice as well.

MR. SHAUGHNESSY: Any other members have any questions?

I'd like to welcome Assemblyman Moriarty; we know you were stuck in traffic. Thank you for your participation.

ASSEMBLYMAN MORIARTY: Thank you. I am sorry for being late.

MS. MELICK: I just have a question between what is before the State House Commission -- whether that's the entirety of what you're doing, or it seems that there are some other properties that were part of your RFP.

J O N A S O O K W E E, Esq.: Hi; my name is Jona Sook Wee; we serve as Special Counsel to the Borough of Totowa on this redevelopment matter.

Just to explain that there was a lag between the tax map records, which reflect the property that's also part of this item No. 7 -- that's Block 154, Lot 19. However, the tax map records, versus the tax map itself, reflect the old allocations of this property. So that, also, the records themselves reflect an additional lot -- Block 154.01, Lot 1. And while that's not necessarily currently what you have before you, they are comprised of the same property. It's just a lag in the administrative records.

So for purposes of our RFP, we were over-inclusive. So if someone looked at the map versus the record, or the record versus the map, they would understand that it's the entire 138-acre site.

MR. SHAUGHNESSY: Thank you.

MS. MELICK: Thank you.

And then I have one other question -- that the asset disposition form on G; it talks about costs. If the Borough is unsuccessful -- and it talks about preparation of an engineering study in the amount of dollars -- blank.

MR. TIGHUE: Correct. So in order to move this forward, we had asked Totowa to put up the money for the engineering study so we

could come up with a net value. We had said that we would reimburse them at closing; and the cost of that is \$76,978.

MS. MELICK: Thank you.

MR. TIGHUE: You're welcome.

MR. SHAUGHNESSY: Any other members have any questions? (no response)

Anyone else from the public want to be heard on this matter?
(no response)

Hearing none, is there a motion?

ASSEMBLYMAN RIBLE: Motion.

MR. SHAUGHNESSY: Motion; second?

MS. MELICK: Second.

MR. SHAUGHNESSY: Motion and second.

Ms. Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Ms. Schermerhorn.

MS. SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Mr. Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: And Assemblyman Rible.

ASSEMBLYMAN RIBLE: Yes.

MR. SHAUGHNESSY: This matter is approved.

MAYOR COIRO: Thank you.

MR. TIGHUE: Thank you.

MR. SHAUGHNESSY: On to No. 8, RPR 16-15, 1944 East Landis Avenue, Vineland Developmental Center, East Campus, Block 3201, part of Lot 1, Vineland, Cumberland County.

Treasury, on behalf of the New Jersey Department of Human Services, requests approval to lease a house on the grounds of the east campus of Vineland Developmental Center to Big Brothers/Big Sisters of Cumberland and Salem Counties, a non-profit organization. Big Brothers/Big Sisters provides mentoring and counseling services to at-risk children who are without a family support system.

The lease will be for a term of five years. An annual rent of \$1, upon all of the same terms and conditions as the previous lease. The tenant shall continue to be responsible for all utilities and maintenance associated with this property.

Any members have any questions, or concerns, or comments about this? (no response)

Anyone from the public want to be heard on this matter? (no response)

Hearing none, may I have a motion?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Second?

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Motion and second.

Ms. Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Ms. Schermerhorn.

MS. SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Mr. Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Assemblyman Rible.

ASSEMBLYMAN RIBLE: Yes.

MR. SHAUGHNESSY: This matter is approved.

No. 9, RPR 17-01, the former Vineland Developmental Center, West Campus, 860 North Orchard Road, Block 2101, Lot 53, City of Vineland, Cumberland County.

Treasury, on behalf of the New Jersey Department of Human Services, recommends the conveyance of the former Vineland Developmental Center West Campus to the City of Vineland. The property consists of about 60 +/- acres of land improved with the former Department of Human Services buildings that have been vacant for over five years now, notwithstanding efforts to both sell and lease the campus.

The property is now in need of demolition. The appraised value is \$1, based on the as-is condition of the campus. The value includes

the estimate of demolition of the buildings and environmental cleanup, which range from \$2 million to \$3 million.

The City of Vineland has agreed to take on any and all added risks associated with the clearing and environmental cleanup of the site. This transfer will benefit the economic development of the City of Vineland, and will eliminate carrying costs and liability risks to the State, therefore it is recommended that the property be transferred to the City for nominal consideration.

Any members have any questions or concerns?

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Yes, Senator Smith; please.

SENATOR SMITH: Why are we doing No. 9 different than we did No. 7?

MR. SHAUGHNESSY: My take on it is -- it's a valuation issue. But if--

Mr. Tighue, again.

MR. TIGHUE: Can you repeat the question again? I'm sorry; I had a hard time--

SENATOR SMITH: Well, in No. 7, where we're dealing with Totowa Borough--

MR. TIGHUE: Correct.

SENATOR SMITH: --and allowing them to own the property, go forward with the development of the property--

MR. TIGHUE: Correct.

SENATOR SMITH: --from the municipal side. We recognize that there's cleanup and demolition costs, but at the end of the day, we're

supposed to -- *we*, the State of New Jersey -- are supposed to get the proceeds of the sale.

MR. TIGHUE: Correct.

SENATOR SMITH: So here -- and again, you're not talking about 3 square feet; you're talking about 60-plus acres--

MR. TIGHUE: No, right; I understand. So two main differences -- one, the land value -- the net land value in Totowa was much greater than the land value in Vineland when we-- And when we did the appraisals, the net value in Vineland came out to be 0, or possible negative or positive -- but right in the middle of \$1. So we felt that there was no value there to that land with the buildings on it.

SENATOR SMITH: Well, stop for a second.

MR. TIGHUE: Sure.

SENATOR SMITH: The value of the land is a function of the zoning. If Vineland says, "You know what? We're going to get 16 units per acre and it's 60 acres," the value of that land is now through the roof.

MR. TIGHUE: Right.

SENATOR SMITH: Now, I don't know that they're going to do it, or they're not going to do it--

MR. TIGHUE: No; so, yes--

SENATOR SMITH: --but why don't you give yourself a failsafe mechanism such that if there is a sales price -- a positive sales price, why don't we, the State of New Jersey, get it, as opposed to selling this for \$1?

MR. TIGHUE: Vineland is going to be the actual redeveloper in this case; in fact, I can bring up the-- Sandy, come here. And they have--

The appraisal was based on their plan, which was to make this into an industrial park. So the value of the land was based on the property being cleared as an industrial park. The industrial park value ended up being about the same as the demolition costs.

SENATOR SMITH: Okay. But that's at the moment.

MR. TIGHUE: Excuse me?

SENATOR SMITH: That's at the moment.

MR. TIGHUE: Correct.

SENATOR SMITH: The plan is a plan for the future.

MR. TIGHUE: Correct.

SENATOR SMITH: It hasn't been actualized. Vineland could change its mind, and say "We're going to rezone this to" -- whatever that is, it's worth a lot of money. So why don't you protect the State, wherein if the-- And if there is proceeds from the sale, and if Vineland covers the cost of cleanup, maybe that is a credit against it, but if for some reason it gets rezoned to something that has some significant value, the State gets paid. Why are we giving away 60 acres for \$1?

S A N D R A F O R O S I S K Y: Excuse me.

Hi; I'm Sandy Forosisky. I'm the Director of Economic Development for the City of Vineland.

SENATOR SMITH: Right.

MS. FOROSISKY: This property is along our industrial corridor. It was the City's plan to expand our industrial parks, because we are-- The City has very little land left. And because of its location along Mill Road and access to Route 55, we felt the best use was industrial. It has been rezoned *industrial*. Vineland sells clear, improved, industrial land with

roads, and water, and sewer for \$35,000 an acre. It's Cumberland County; it's the poorest county in the state. So \$35,000 is the market rate.

We agreed to take on demolition, abatement, infrastructure -- we will be way underwater. I mean, the value of the land, 60 acres; and then you can't sell 60 acres because you've got -- roads and everything. But I think Bob said it came out to \$2-point-some million?

MR. TIGHUE: The appraised value, yes.

MS. FOROSISKY: Yes, now--

SENATOR SMITH: Yes, \$2,232,000

MS. FOROSISKY: Right. But the City is probably going to spend close to \$5 million to create the industrial park, so that's why they agreed to turn it over for \$1. And I do believe you're cutting out the one building?

MR. TIGHUE: Yes. Part of the campus currently includes the Learning Center, which is a school, which is currently being leased to the Vineland Public School District. That's probably the only building that has value, and that is not part of this transfer.

MS. FOROSISKY: I'd like to add, too, that by creating an industrial park, you're creating employment for the poorest county, highest unemployment in the state. You're creating ratables for a distressed city. And you will have returning revenues to Treasury, because creating new businesses is new State taxes--

SENATOR SMITH: Right.

MS. FOROSISKY: --and employment taxes.

SENATOR SMITH: I'm not opposed to that. I think that's a great concept; it should go forward. God willing, the industrial park gets

developed, and there are new ratables and new jobs. That's not the issue I'm raising. The issue I'm raising is, suppose that the land is sold for more than your costs of cleanup and demolition. Shouldn't the State have a piece of that?

MS. FOROSISKY: Well, if you-- Listen, if you think there's going to be a-- (laughter)

SENATOR SMITH: And by the way, it looks very unlikely that that's going to happen.

MR. TIGHUE: It's unlikely. But I think an important distinction is that with Totowa -- and what you'll find next meeting is Woodbridge -- is that they are selling the property to a developer. In this case, the City is actually the developer. They have a set price for their land that they are selling to encourage business and jobs in that area; that they act as the developer, which is a lot different than if we're selling it to a private entity. So we know the prices are set.

SENATOR SMITH: At the moment.

MR. TIGHUE: And I think the risk of not doing this would be -- we carry the cost and the liability.

SENATOR SMITH: I'm a big fan.

MR. TIGHUE: Right.

SENATOR SMITH: I'm suggesting that you do do it; I think this is a great idea. The only thing I'm saying is that, at the end of the day, if it turns out you sell this for more than the cost of cleanup, the State should have that piece. I mean, it's not that I'm saying, "Don't do it."

MR. TIGHUE: I understand.

SENATOR SMITH: I'm a big fan of this.

MR. TIGHUE: I understand.

SENATOR SMITH: But we're supposed to be protecting the taxpayers. And when somebody says, "I'm selling 60 acres for \$1" -- and I know there are all these extenuating circumstances; all I'm saying is protect the State's back, where if the costs of what the City receives is more than the \$3 million--

MR. SHAUGHNESSY: Senator--

SENATOR SMITH: --we get the benefit of it.

MR. SHAUGHNESSY: Senator Smith.

MS. FOROSISKY: But this is the City.

MR. SHAUGHNESSY: Senator Smith, may I interject, just for a second?

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: We have a member who has to leave; Assemblyman Moriarty (*sic*) has another commitment and he has to go.

MR. KOTLER: Assemblyman Rible.

MR. SHAUGHNESSY: Assemblyman Rible. So Assemblyman Rible, on these-- Are you going to be leaving your votes?

ASSEMBLYMAN RIBLE: (off mike) I left my votes; yes.

MR. SHAUGHNESSY: Okay.

MS. MELICK: Thank you.

MR. KOTLER: And they're in favor of all the items, including the Judicial Board?

ASSEMBLYMAN RIBLE: Yes.

MR. KOTLER: Thank you.

MR. SHAUGHNESSY: Okay; thank you, Assemblyman.

I'm sorry to interrupt.

SENATOR SMITH: No, it's not really an interruption. I'm for the project; I can't wait to vote "yes" for it.

MR. TIGHUE: Okay. (laughter)

SENATOR SMITH: I am just suggesting that we put a little tail condition on this, that if--

MR. TIGHUE: I understand.

SENATOR SMITH: --the sale's prices are more than the cost of cleanup incurred by the City, that the State gets the benefit of that.

MS. FOROSISKY: Cleanup, and infrastructure, and everything we have to do to create an industrial park.

SENATOR SMITH: Are you guys doing the infrastructure?

MS. FOROSISKY: Yes, yes we are.

SENATOR SMITH: So--

MS. FOROSISKY: It is City-owned.

SENATOR SMITH: Perfect.

MS. FOROSISKY: The City is a government entity--

SENATOR SMITH: Perfect.

MS. FOROSISKY: --that's a distressed city that gets aid from the State.

SENATOR SMITH: I'm in, I'm in.

MS. FOROSISKY: Okay. (laughter)

SENATOR SMITH: I'm in, I'm in, I'm in; I swear I'm in. (laughter)

MS. FOROSISKY: I mean, it's circuitous. (laughter)

SENATOR SMITH: I'm just saying-- So yes; the tail would be that if the City sells the land for more than the cost of the infrastructure, cleanup, and demolition, that the State gets the proceeds. And that way I can feel in good conscience that we protected the taxpayers' interest. It doesn't hurt your project.

MS. FOROSISKY: No, no.

SENATOR SMITH: Let's go have a party; let's go, build, develop, get jobs.

MS. FOROSISKY: I mean, and you do understand that's an ongoing thing.

SENATOR SMITH: But I want to get the money for the State--

MS. FOROSISKY: It's an industrial park that we will sell lots, over time. It's not like *a* sale of the 60 acres.

SENATOR SMITH: Yes; it could take a while.

MS. FOROSISKY: Yes, but keep account. I mean, I'm-- I would love for it to go--

SENATOR SMITH: Yes, I don't think it's that--

MS. FOROSISKY: If it goes blue -- if it goes blue--

SENATOR SMITH: And I would just like to make that suggestion. I don't think it's a big deal; unless somebody does think it's a big deal. I mean, I'm happy to hear the other side of it.

MR. SHAUGHNESSY: Do any other members have any questions, comments?

Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes, I just have a question about -- what is Vineland's commitment to this? I don't see in my binder any resolution, any letter, any-- You know, is this -- in what form is the commitment, and is it from the Mayor and the governing body? Because I know that--

MS. FOROSISKY: Oh, yes, yes. The City already rezoned it industrial; we've been working on this for a couple of years. And we've already started the process with SHPO to get approval. We are going to apply for U.S. EDA infrastructure money to help, because we know the costs are going to be very high. But our plan is to start -- we're applying for the grant right now.

ASSEMBLYMAN MORIARTY: Yes, I just wanted to make sure that the governing body is all in--

MS. FOROSISKY: Yes, I thought--

ASSEMBLYMAN MORIARTY: --rowing in the same direction, because I know there's an election there for a new Mayor; there's an election for a new slate of Council.

MS. FOROSISKY: Yes, but this transcends any new Mayor. We've all agreed that this -- they supported the rezoning of it as industrial. In fact, we did reach out -- Senator Van Drew knows that we all support this as an industrial park, so-- I mean, they support it; take--

ASSEMBLYMAN MORIARTY: Okay, I also support Senator Smith in his request that we just have something that protects the State if, for some unknown reason, this sells for an incredible amount of money, well beyond what is anticipated -- that we, as guardians of the State money,

need to get some of that money back for the State. So other than that, I have no further questions.

MR. TIGHUE: Can I ask to clarify that? Because as we know, this will be several industrial lots sold individually, which could take 10 to 15 years. So are we putting a limit on the amount of time? So in 15 years, if the value is based on real estate values going up, they would still be obligated to pay us the difference? Is that what we're asking?

SENATOR SMITH: Yes, real estate values go up, the cost of infrastructure goes up. You know, costs of clean up goes up. So I think, at some point, you're going to have a fixed amount -- whatever the infrastructure and the cleanup costs and the demolition costs are. And God willing, the values do go up.

MR. TIGHUE: Sure; we all do.

SENATOR SMITH: I mean, I hope for a bigger ratable base for the town. But as guardians of the taxpayers' money, I don't think it's unreasonable to ask that when the park is fully sold, that there be an accounting; and if the proceeds -- the payment of the land cost to the City exceeds the demolition, the infrastructure, and the cleanup, that we get the difference.

MR. TIGHUE: Okay.

SENATOR SMITH: I don't think that's hard to do, is it?

MR. SHAUGHNESSY: So if hearing no other comments -- public, or from the members -- do you want to make a motion to that effect?

SENATOR SMITH: Motion to amend the transaction the way described.

MR. SHAUGHNESSY: Is there a second to that motion?

ASSEMBLYMAN MORIARTY: Second.

MR. SHAUGHNESSY: Okay; motion and second.

I'll call the roll.

Ms. Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Ms. Schermerhorn.

MS. SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Mr. Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: No.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Assemblyman Rible has been marked
in the affirmative; okay.

MR. SHAUGHNESSY: The motion carries?

MR. KOTLER: Yes.

MR. SHAUGHNESSY: The motion carries.

Okay, now we're on to DEP -- Environmental Protection
requests.

No. 10, Wildcat Ridge Wildlife Management Area, Block
20001, part of Lot 3, Township of Rockaway, Morris County.

DEP requests approval to convey approximately 0.073 +/- acres in fee to Daniel Luzzi, an adjoining landowner, to resolve an encroachment that existed at the time of the State acquisition of the property.

The proposed sale price is \$32,000. And that matter is submitted for your consideration.

Any members have any questions or comments?

SENATOR SMITH: What was the nature of the encroachment?

JUDETH PICCININI YEANY, Esq.: Judeth Yeany from the DEP Green Acres program.

The encroachment at the time of acquisition was a corner of a parking lot that, at the time, was covered with gravel. Right now, it has since been paved; but it's just the edge of a parking lot.

SENATOR SMITH: For a commercial facility?

MS. PICCININI YEANY: A restaurant, I believe.

SENATOR SMITH: A restaurant; okay. And the-- Judeth, do you have any discomfort with not having an actual appraisal on this?

MS. PICCININI YEANY: No, we don't. We applied commercial assessments; they seem to be pretty in line with comparable sales in that area. So we valued this little sliver as if it were part of the overall restaurant site and we think it's a fair price for that small area.

SENATOR SMITH: Okay.

MS. PICCININI YEANY: I should point out -- it wasn't noted in the agenda, but the price of the land is \$29,000; and we're recouping \$3,000 for technical costs.

SENATOR SMITH: Okay.

MR. SHAUGHNESSY: Any other members have any questions or comments? (no response)

Anyone from the public want to be heard on this matter? (no response)

Okay, I will call the roll.

Oh, a motion, please.

SENATOR SMITH: So moved.

SENATOR CARDINALE: Second.

MR. SHAUGHNESSY: Motion and second.

Ms. Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Ms. Schermerhorn.

MS. SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Mr. Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Assemblyman Rible has been marked in the affirmative.

On to the next matter, No. 11, Project Cape May Point State Park, Block 792, Lot 8, Township of Lower, Cape May County.

DEP is requesting approval to convey approximately 0.115 +/- acres of vacant, undeveloped land to the Rutherford family, the adjoining landowners.

In exchange, the Rutherfords will convey to the State of a 0.258 acre of vacant, undeveloped land to the DEP. In addition, this land swap will facilitate DEP's acquisition of approximately 17.6 acres of nearby land, also owned by the Rutherford family, as the proposed land exchange will improve road access to the 17.6 acres of land to be purchased by the State.

The purpose of this conveyance is to further the preservation and restoration of the Cape May area, and the long-term goal of expanding and linking Cape May Point State Park and Higbee Beach Wildlife Management Area, both of which are adjacent to the 17.6-acre tract to be acquired by DEP.

Do any members have any questions or comments about this matter?

SENATOR SMITH: Yes, I didn't have too many cups of coffee today, but for whatever reason, I have a lot of comments.

What does it mean by "this land swap will facilitate NJDEP's acquisition"? What's to facilitate there?

MR. SHAUGHNESSY: Ms. Yeany makes a reappearance.
(laughter)

MS. PICCININI YEANY: The small area that we would acquire from the Rutherfords as part of a direct exchange, and not a purchase, provides a second access point on the road for the larger parcel that we're looking to buy. So without that parcel, we have one entranceway; with this parcel, we would have two.

SENATOR SMITH: Okay.

MS. PICCININI YEANY: I believe that's depicted on that map.

SENATOR SMITH: And why is it that the Rutherfords want that piece of property?

MS. PICCININI YEANY: Well, this is basically a tiny little, postage stamp in a larger privately owned parcel. It's been that way since 1961. The husband has passed away; the wife is settling the family's affairs, as far as the land. They've sold other property to us in the past. But the area where the little tiny parcel is, is under contract to a third party, a private party for sale. And they need to clear up that inholding for that sale to go through.

SENATOR SMITH: Okay; thank you.

MR. SHAUGHNESSY: Any other questions or comments from the members? (no response)

Any members of the public want to be heard with regard to this matter? (no response)

Hearing none, may I have a motion?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Second?

MS. MELICK: Second.

MR. SHAUGHNESSY: Motion and second.

Ms. Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Ms. Schermerhorn.

MS. SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Mr. Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Assemblyman Rible noted -- marked in the affirmative.

That matter is approved.

The last DEP matter on the list is project Wyncrest Open Space, Block 147, Lot 13, now part of Lot 3.02, Borough of Tinton Falls, Monmouth County.

DEP is requesting approval to legalize the unauthorized disposal of 2.46 acres of parkland. In March 2000, the Borough sold the Wyncrest Open Space property to the adjacent landowner for inclusion in an existing car dealership.

To compensate for this unauthorized disposal of 2.46 acres of parkland, the Borough will dedicate, for recreation and conservation purposes, a 24.6-acre parcel -- that's 10 times -- of forested lands, located elsewhere in the Borough.

Do any members want to be heard?

SENATOR SMITH: Yes, I do.

MR. SHAUGHNESSY: Senator Smith, please.

SENATOR SMITH: Sorry, again.

The compensation that's proposed is the dedication for recreation and conservation purposes of 24.6 acres. Is that already on their Open Space inventory?

MR. SHAUGHNESSY: Good question. Let's see if someone from the DEP can answer that.

JESSICA PATTERSON: Good morning; Jessica Patterson, Green Acres Program.

The property is not on the roster at this time. It was a property that was acquired by the Township, or the Borough, for this purpose. It was specifically dedicated for this purpose -- for compensation.

SENATOR SMITH: What did the town pay for it?

MS. PATTERSON: Do you have that number?

KIRA S. DABBY, Esq.: (off mike) The value of the land was \$3,080,000. But I don't know if I have what the town actually paid for it. But that's what it was appraised at (indiscernible).

MS. PATTERSON: We have an amount that the property was appraised for, but I don't have the acquisition number right in front of me.

SENATOR SMITH: What was it appraised for?

MS. PATTERSON: It was appraised for \$3,080,000; that's for the 24.6 acres.

SENATOR SMITH: Is it developable?

MS. PATTERSON: Yes.

SENATOR SMITH: Okay.

MS. PATTERSON: It had a previous approval for development.

SENATOR SMITH: On the property?

MS. PATTERSON: Yes.

SENATOR SMITH: What did the Borough of Tinton Falls receive for the 2.46 acres that apparently was sold to the car dealership?

MS. PATTERSON: They sold that for \$170,000.

SENATOR SMITH: And how will the Borough dedicate the property for recreation and conservation purposes?

MS. PATTERSON: At this point, they've already acquired it; it's being held right now. It will probably be passive recreation at this point.

SENATOR SMITH: Will there be a deeded restriction?

MS. PATTERSON: Yes.

SENATOR SMITH: Okay.

All right, did anybody get their hand slapped for selling our property?

MS. PATTERSON: That's the 10 times -- the 10:1 ratio.

SENATOR SMITH: Okay. And whatever lawyers were involved -- shame on them. And whatever title company was involved, shame on it.

MS. PATTERSON: Yes.

SENATOR SMITH: But it sounds like you're getting good value. As long as the deed of restriction is there, I don't have any other issue.

MR. SHAUGHNESSY: Thank you, Senator.

Any other questions of comments from the members on this transaction? (no response)

Hearing none, any members of the public want to be heard?

I believe Ms. Sachau--

MS. SACHAU: Barbara Sachau.

MR. SHAUGHNESSY: You indicated No. 6 and No. 12 you wanted to be heard on; this is No. 12.

MS. SACHAU: First of all, it's awfully hard to hear Mr. Smith in the back.

SENATOR SMITH: I'm sorry.

MS. SACHAU: I wish that he would turn up his microphone so you can hear clearly everything he says--

SENATOR SMITH: Sure; you're absolutely right.

MS. SACHAU: --on this issue. This issue and other issues, because to me and to other citizens of the state the environment is very important. And protecting our parkland, and forests, and wildlife areas is extremely important; in fact, it's one of the most important reasons we live here, still, in New Jersey.

So, you know, we need to hear every word you say. And you're the only one questioning any of this. Evidently, everything on this issue just goes through with a "yes" approval, which is kind of amazing since the environment is extremely important to all of us. And I find the negligence on the part of the State in overlooking what happened here to land that the taxpayers paid for to be astonishing -- absolutely astonishing and upsetting that such a thing could happen. That a car dealership could get land and nobody in the town or the state knew this was going on at the time; it just went through? Where were the lawyers in this situation?

SENATOR SMITH: I take a little defense of the State is in order. The State--

MS. SACHAU: Well, I'm offended by this land--

SENATOR SMITH: And you should be. But let me just point out that the State would not know when the seller's attorney -- who would apparently be the Township attorney -- would put together--

MS. SACHAU: They didn't--

SENATOR SMITH: Let me--

MS. SACHAU: Title insurance?

SENATOR SMITH: May I answer your question, ma'am?

The State would not know when two private parties were selling land -- that somebody put in the deed a description of property that wasn't owned by them. But the entity that is supposed to identify that and raise flags is the title insurance company. The title insurance company is supposed to examine the title on all the property being conveyed--

MS. SACHAU: Yes.

SENATOR SMITH: --and say, "Yes, they own it, and it's free and clear," or "There are easements on it," or whatever. So either the title company did or did not identify them; and if they did identify them, then both attorneys on each side of the transaction need a slap on the hand because they're supposed to recognize that you can't sell land that you don't own.

But the State would never even know about the transaction until after it occurred. And apparently, somehow, the State found out that somebody sold land that we owned; and that's when, I guess, they took them to task. And now they're getting 10 times the value of the land.

Or am I missing it, Jessica?

MS. PATTERSON: This is not State land; this is municipal-held land.

SENATOR SMITH: Okay.

MS. PATTERSON: So this property was sold from the Borough to the private entity. At that time, the title company did not pick it up; it was a subsequent sale between two private property owners.

SENATOR SMITH: The Borough wasn't involved?

MS. PATTERSON: Wasn't involved in the second sale. They had already sold the property. That second time a title company picked it up then, and that was in 2009. That's when the Borough brought it to our attention.

SENATOR SMITH: Okay.

MS. SACHAU: I'm not clear about what this property that the State now -- is the State supposed to get back these 24 acres?

MS. PATTERSON: It's municipal; municipal -- the Borough--

MS. SACHAU: The municipality will get the land back, even though the State lost -- the State taxpayers lost the land?

MS. PATTERSON: This is not -- it's not State property that was disposed of; it's municipal property that was disposed of. There are no State lands in this transaction.

MS. SACHAU: It says here it was 2.46 acres of parkland. That's Green Acres land?

MS. PATTERSON: Municipal parkland that's encumbered by Green Acres.

MS. SACHAU: Yes, Green Acres tax money went into that land.

MS. PATTERSON: There was no-- This is an unfunded piece of property, so there was no direct Green Acres assistance, either at the acquisition or the development of the property.

MS. SACHAU: Something seems really negligent here that it was going on.

MR. SHAUGHNESSY: Anyone else have any further comments? (no response)

MS. SACHAU: And you know-- And we do have to have a concern for the environment in all situations here. Because this was parkland, and it was for birds, and wildlife, and trees; and then it turned into a car dealership. So, yes, it is upsetting, and it's upsetting that somehow this just went through.

And, you know, I would like to see a real concern here from the members of the Commission and Committee on saving our environment. It's really important to us, and it's important to our children who need to live in New Jersey. Otherwise, we'll all have to leave.

Thank you.

MR. SHAUGHNESSY: Thank you.

ASSEMBLYMAN MORIARTY: I just want to comment.

Please don't think that the people up here aren't looking out for the environment; we are. And I think in this case, although something that shouldn't have happened, happened, what did happen was the system worked. They're penalized; they're paying 10 times the price. And now over 24 acres are being protected that could have been developed. So yes, it never should've happened; but the system worked, they were caught, and they're paying a hefty fine.

So I just wanted to add that.

MR. SHAUGHNESSY: Thank you, Assemblyman.

Okay, with regard to this matter-

SENATOR SMITH: I have a question.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: I'm looking in the background information, and there was a public -- several public hearings on this. And we have an issue with regard to whether or not we are following the statutory requirements with regard to diversions of property. We've been waiting for six months for a legal opinion, which unless we're getting it under the closed--

MR. KOTLER: Yes.

SENATOR SMITH: Are we getting it today?

MR. KOTLER: Yes, you will.

SENATOR SMITH: All right; so with regard to this, are we kosher?

MR. KOTLER: Yes.

SENATOR SMITH: We are; okay. Thank you.

MR. SHAUGHNESSY: Any other questions or comments? (no response)

If not, may I have a motion?

SENATOR CARDINALE: So moved.

MS. MELICK: Second.

MR. SHAUGHNESSY: Motion and second.

Hearing none, may I have a motion?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Second?

MS. MELICK: Second.

MR. SHAUGHNESSY: Motion and second.

Ms. Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Ms. Schermerhorn.

MS. SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Mr. Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: And Assemblyman Rible is in the affirmative.

No. 12 is approved.

That matter is approved.

We are now on to DOT requests.

So we are at No. 10 -- pardon me, we are at No. 13 on the agenda.

This is project Route S3, Section 4, part of Parcel 22D, Clifton, Passaic County.

DOT is requesting approval to lease a vacant piece of excess land, identified as part of parcel 22D of the Route S3, Section 4 project in

the city of Clifton, County of Passaic, having an area of approximately 142 square feet, to the adjoining property owner, 300 Route 3 West, LLC, for placement of an identification sign.

The sign will be limited in size to a maximum height of eight feet, and a maximum width of six feet. The lease is month-to-month, and the monthly rental is \$34, which is the appraised value.

Do any members have any questions about this matter? (no response)

Any member of the public want to be heard on this matter? (no response)

Hearing none, may I have a motion?

ASSEMBLYMAN MORIARTY: I have a question.

MR. SHAUGHNESSY: I'm sorry; Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Maybe a counter--

What kind of sign is this? Is it something that's going to be erected on this piece of ground -- very small piece of ground? And \$34 or \$39 a month, I think we should-- It's not even worth our consideration. I mean, I think that we should be charging more money.

J A M E S D A R R A R: Yes, my name is James Darrar. I'm the Realty Specialist 4, Property Management, DOT.

What we have is -- the property owner is a gas station with an identification sign. And what happened is that the DOT did a project where we put up sound walls, and now you can't see the gas station. So what happened is that people are, like, seeing the gas station at the last second and trying to make a turn in.

So the Project Manager came to us and said, "What can we do to try and alleviate the situation?" So we were able to clear a little area so they can take their existing identification sign and move it closer to the highway so when you're coming down Route 3, you can actually see it before you're on top of it. So it actually -- it will create a little bit of a safer situation.

So that's what it is -- it's a-- They have a sign saying "\$2- whatever a gallon of gas." Now it's going to be a little closer to Route 3, so that when you're coming down you can actually see it. They still have to get all municipal approvals they would need; we've got some parameters saying, "We don't want it bigger than this or this. You still have to go to the town and see what they say as to what you can put there." But he could put nothing there until he has the lease.

ASSEMBLYMAN MORIARTY: Well, that at least gives me some better information to go on, because it seems like it may actually be a safety concern because of something we did. We affected something that may end being unsafe -- where people are trying to pull in. So that helps me a little bit.

Is it a fixed sign? Is it going to be in the ground forever, or-- Do you know?

MR. DARRAR: It's-- It will be -- I'm sure they will be looking to have a permanent structure that will be-- As long as the lease is in effect, as long as they get the necessary approvals they would need from the municipality. So if they have an identification sign, I'm sure it has foundation that is supporting. This will be a little closer.

ASSEMBLYMAN MORIARTY: It's \$34 a month?

MR. DARRAR: I don't know anything about the appraisal side; I'm sorry. I was--

ASSEMBLYMAN MORIARTY: Okay, thank you. And thanks for illuminating me on the safety aspect.

Thank you.

MR. DARRAR: You're welcome.

MR. SHAUGHNESSY: Any other members have any questions or comments? (no response)

Anyone from the public want to be heard on this?

Oh, yes.

MS. MELICK: I have one question.

MR. DARRAR: Sure.

MS. MELICK: How long do you think this lease will be for?

MR. DARRAR: If he wants to have the ability to keep a sign, he'll have to keep the lease in place. It's a month-to-month, though. Unfortunately, when they build a sound wall, they don't go look to see, you know, I guess what's up ahead. So now the sound wall is in place; and you're coming down the highway, you don't really see your gas station, I guess, until you get closer to it.

MS. MELICK: Okay; thank you.

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

May I have a motion on this?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Motion; second?

MS. MELICK: Second.

MR. SHAUGHNESSY: Okay, motion and second.

I'll call the roll.

Ms. Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Ms. Schermerhorn.

MS. SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Mr. Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: And Assemblyman Rible has been noted in the affirmative.

That matter is approved.

No. 14, Route 44, Section 5, part of Parcel 34, Township of Logan, Gloucester County.

DOT is requesting to lease the property identified as part of Parcel 34, having an area of about 3,741 square feet and adjacent to Lot 4, Block 1201, to the adjacent residential property owner, Deborah and Thomas Boroughs, for extension of their front yard so that their son can have a greater area to use his motorized wheelchair.

The proposed lease is a month-to-month, with a monthly rental of \$42.50.

Do any members have any questions or concerns about this matter? (no response)

Hearing none, any member of the public want to be heard? (no response)

Hearing none, may I have a motion?

SENATOR SMITH: Move it.

MR. SHAUGHNESSY: Motion; second?

SENATOR CARDINALE: Second.

MR. SHAUGHNESSY: Motion and second.

Ms. Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Ms. Schermerhorn.

MS. SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Mr. Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Assemblyman Rible is noted in the affirmative.

That matter is approved.

No. 15, Route 4, now Route 71, Section 20, Parcel VX6B, Borough of Brielle, Monmouth County.

DOT is requesting to sell a vacant piece of land, having an approximate area of 3,117 square feet, to the only adjacent property owner, 715 Union Avenue, LLC.

The recommended sale price is \$17,000, which is the appraised value.

Any members have any questions or comments on this? (no response)

Hearing none, any member of the public want to be heard? (no response)

Seeing none, may I have a motion?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Motion; second?

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Ms. Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Ms. Schermerhorn.

MS. SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Mr. Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Assemblyman Rible has been noted in the affirmative.

That matter is approved.

No. 16 on the agenda: Route 92, Section 1, Parcels VXR5B2, VXR5C2, and VX53B, Township of East Windsor, Mercer County.

DOT is requesting approval to sell a vacant piece of land identified as the above parcels, and having an approximate area of 1.851 acres, to the entity The Blackpoint Group, LLC, who has a contract to purchase the only adjoining property.

The recommended sale price is \$389,000 -- which is the appraised value -- and only after the entity acquires title to the only other adjacent property.

Do any members have any questions on this transaction?

SENATOR SMITH: Well, I guess -- can we have the DOT person come forward?

MR. SHAUGHNESSY: Sure, Senator.

Mr. Darrar is up to bat again.

SENATOR SMITH: Yes.

So there is a reduction in the value of the property being sold by \$93,000. When you look in the background information, it says we have a 0.741 +/- acres parcel of land that NJDOT has been using for a detention basin on property owned by the adjacent property owner. So just like we were a little critical of the lawyers and the title company involved in one of our prior matters, how is the DOT locating this stuff on property they don't own?

MR. DARRAR: The property, I guess when they built it, they looked at some (indiscernible) to show we bought it. What they didn't realize is -- we didn't buy it, because we allowed the property owner the ability to retain this little X parcel. So I can't say what the designer did, and the comps they did; why they-- I just assumed, without going back and doing a deed search to show that it wasn't-- This will be an opportunity for us to fix the situation.

SENATOR SMITH: Yes, I get that it's a fix, and it sounds like everything is on the up-and-up in terms of appraised values. But just like the lawyers should have gotten their hands slapped on the last one, whoever was behind this miss should have their hand slapped.

MR. DARRAR: They're probably all gone (laughter) -- those people who designed the project. This is all 133 -- long before I came up to the headquarters office. So I don't know.

SENATOR SMITH: All right; thank you.

MR. DARRAR: You're welcome.

MR. SHAUGHNESSY: Okay; any other members have questions or comments? (no response)

Anyone from the public want to be heard? (no response)

Hearing none, may I have a motion on this matter?

ASSEMBLYMAN MORIARTY: I'll make a motion.

MR. SHAUGHNESSY: Second?

MS. MELICK: Second.

MR. SHAUGHNESSY: Motion and second.

Ms. Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Ms. Schermerhorn.

MS. SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Mr. Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Assemblyman Rible is in the affirmative.

That matter is approved.

No. 17 is Route 55, Section 11, Parcel VX90B2B, Township of Franklin, Gloucester County.

DOT is requesting to sell a vacant piece of land located in the Township of Franklin, County of Gloucester, having an approximate area of 0.092 acres -- 4,020 square feet -- to the only adjoining property owner, Vargo Properties, LLC, for assemblage to the adjacent residential property.

The recommended sale price is \$2,000, which is the appraised value.

Any members have any questions or comments on this? (no response)

Hearing none, anyone from the public want to be heard? (no response)

Hearing none, I'll call the roll.

MR. KOTLER: Motion.

MR. SHAUGHNESSY: Motion; thank you, Counselor.

SENATOR SMITH: Motion; so moved.

MR. SHAUGHNESSY: Motion; second?

MS. MELICK: Second.

MR. SHAUGHNESSY: Ms. Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Ms. Schermerhorn.

MS. SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Mr. Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Assemblyman Rible, again, in the affirmative.

The last DOT matter is project Route 280, Section 7, Parcel VX122B and VX123B, Newark, Essex County.

DOT is requesting to sell a vacant piece of land, having an area of 3,050 +/- square feet.

The property will be sold at auction to the highest bidder. The minimum starting bid is \$15,000, which is the appraised value.

That matter is submitted for consideration.

Any member have any questions or comments? (no response)

Hearing none, anyone from the public here want to be heard on this matter? (no response)

If not, may I have a motion?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Second?

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Motion and second.

Ms. Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Ms. Schermerhorn.

MS. SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Mr. Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Assemblyman Rible. (no response)

That matter is approved. Assemblyman Rible has been noted in the affirmative. That matter is approved.

That concludes the State House Commission initial agenda.

May I have a motion to adjourn as the State House Commission, and convene and sit as the Board of Trustees of the Judicial Retirement System

ASSEMBLYMAN MORIARTY: I'll make that motion.

MR. SHAUGHNESSY: Second?

MS. MELICK: Second.

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

Any opposed? (no response)

We are sitting as the Judicial Retirement System (*sic*).

First, I need approval of the minutes of the meeting held on June 30, 2016.

Only one point of clarification: The minutes reflect the members in attendance including Acting Director Ridolfino. I think he was unable to attend that day, and actually Associate Director Jacki Stevens was in attendance. So with that clarification, do I have a motion for the acceptance of the minutes?

SENATOR SMITH: Move them.

MR. SHAUGHNESSY: Motion; and second?

MS. MELICK: Second.

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

Opposed? (no response)

Those minutes are approved.

ASSEMBLYMAN MORIARTY: Not voting.

MR. SHAUGHNESSY: Okay.

ASSEMBLYMAN MORIARTY: I was not present.

MR. SHAUGHNESSY: Thank you, Assemblyman.

Next I need a Confirmation of the Death Claims, Retirements, and Survivor Benefits, as distributed to the members in the JRS package.

Do I have a motion for that?

MS. MELICK: So moved.

MR. SHAUGHNESSY: Second?

SENATOR CARDINALE: Second.

MR. SHAUGHNESSY: Motion and second.

I'll call the roll on this.

Ms. Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Ms. Schermerhorn.

MS. SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Mr. Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Assemblyman Rible is in the affirmative.

That matter is affirmed.

The last matter in the Judicial Retirement System is receipt -- I need a consideration of receipt of the Financial Statements from April 2016 to June, 2016.

Any members have any comments or questions? (no response)

Anyone from the public want to be heard? (no response)

Hearing none, may I have a motion to receive the financial statements?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Okay; motion.

ASSEMBLYMAN MORIARTY: Second.

MR. SHAUGHNESSY: And second; okay.

I'll call the roll.

Ms. Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Ms. Schermerhorn.

MS. SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Mr. Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: And Assemblyman Rible is in the affirmative.

That's approved.

Now may I have a motion to adjourn as the Board of Trustees of the Judicial Retirement System and reconvene as the State House Commission?

ASSEMBLYMAN MORIARTY: I'll make that motion.

MR. SHAUGHNESSY: Motion; second?

MS. SCHERMERHORN: Second.

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

Any opposed? (no response)

Okay; so we are now back sitting as the State House Commission.

It's my understanding -- we have one Executive Session matter. So we would need a motion to go into Executive Session to receive advice from the Attorney General's Office.

May I have a motion on that?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Okay; motion.

MR. RIDOLFINO: Second.

MR. SHAUGHNESSY: Motion and second.

All in favor? (affirmative responses)

Any opposed? (no response)

Okay; we will then go into Executive Session to receive legal advice from the Attorney General's Office, as noted in the agenda.

May everyone leave the room for a bit, please?

(Commission convenes into Executive Session at 9:11 a.m.)

(Commission returns from Executive Session at 9:29 a.m.)

MS. MELICK: And we need a motion to close, right?

MR. SHAUGHNESSY: Motion to adjourn.

ASSEMBLYMAN MORIARTY: I'll make that motion.

MR. SHAUGHNESSY: Okay; second?

MS. MELICK: Second.

Thank you very much for your time and patience.

MR. KOTLER: Thank you.

ASSEMBLYMAN MORIARTY: Thank you.

(MEETING CONCLUDED)