
Commission Meeting

of

STATE HOUSE COMMISSION

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

DATE: December 15, 2008
9:00 a.m.

MEMBERS OF COMMISSION PRESENT:

Robert L. Garrenger, Chair
Senator Bob Smith
Senator Gerald Cardinale
Assemblyman John S. Wisniewski
Assemblywoman Marcia A. Karrow
Debra Bell
Gary Brune



ALSO PRESENT:

Gene Hayman
Acting Secretary

Robert J. Shaughnessy Jr.
Counsel

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

I think we can get started now. I believe we have a quorum. We're missing Assemblywoman Karrow, but we do have a quorum. So maybe we can get started.

We are in accordance with the Open Public Meetings Act.

I think we're going to start today by approving the minutes from our last meeting. I reviewed those, and it makes me wish I was a better public speaker. But everything seems to be in there. Do we have a motion for that?

SENATOR SMITH: So moved.

ASSEMBLYMAN WISNIEWSKI: Second.

MR. GARRENGER: Mr. Hayman, would you take a roll call for that?

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

MR. GARRENGER: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Gary Brune, from OMB.

MR. BRUNE: Yes.

MR. HAYMAN: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. HAYMAN: Senator Smith.

SENATOR SMITH: Yes.

MR. HAYMAN: Assemblyman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Yes.

MR. HAYMAN: And Assemblywoman Karrow isn't here yet.

MR. GARRENGER: All right, we're going to start with new business. And following that, we will take up the matter that seems to have brought a lot of the public out today.

Thank you for coming.

Mr. Hayman, can you tell us about agenda Item No. 4, please?

MR. HAYMAN: Block 1001.01, Lot 115, Allamuchy Township, Warren County: The New Jersey Department of the Treasury requests approval to lease a DEP residential property located at 1155 Waterloo Road to Richard and Diane Millman. The rental will be for \$1,112 per month and will be for a term of one year, with four, one-year renewal options, with annual increases based on the Consumer Price Index.

MR. GARRENGER: Do any of the members have any questions about this agenda item? (no response)

ASSEMBLYMAN WISNIEWSKI: Move it.

SENATOR SMITH: Second.

MR. GARRENGER: Mr. Hayman.

MR. HAYMAN: Deputy Counsel Garrenger.

MR. GARRENGER: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Gary Brune.

MR. BRUNE: Yes.

MR. HAYMAN: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. HAYMAN: Senator Smith.

SENATOR SMITH: Yes.

MR. HAYMAN: Assemblyman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Yes.

MR. GARRENGER: Let's move on to No. 5. Can you tell us about that one, please?

MR. HAYMAN: Block 402, Part of Lot 6, Bridgewater Township, Somerset County. The New Jersey Department of the Treasury, on behalf of the Department of Law & Public Safety, State Police, requests approval to grant an easement on property located at the Somerville State Police Barracks to the County of Somerset for the appraised value of \$7,000.

MR. GARRENGER: Any questions about that one? (no response)

Is there a motion?

SENATOR SMITH: So moved.

SENATOR CARDINALE: Second.

MR. HAYMAN: Deputy Counsel Garrenger.

MR. GARRENGER: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Gary Brune.

MR. BRUNE: Yes.

MR. HAYMAN: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. HAYMAN: Senator Smith.

SENATOR SMITH: Yes.

MR. HAYMAN: Assemblyman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Yes.

MR. GARRENGER: Next item please.

MR. HAYMAN: Block 20, Lot 1, known as the Alumni House; and Block 387, Part of Lot 1, vacant land, in Glassboro Borough, Gloucester County. The New Jersey Department of the Treasury requests approval to convey these two properties to Rowan University for appraised value of \$415,000. The property is needed by Glassboro and a developer to develop Rowan Boulevard.

MR. GARRENGER: Any questions? (no response)

Is there a motion?

SENATOR CARDINALE: So moved.

ASSEMBLYMAN WISNIEWSKI: Second.

MR. HAYMAN: Deputy Counsel Garrenger.

MR. GARRENGER: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Gary Brune.

MR. BRUNE: Yes.

MR. HAYMAN: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. HAYMAN: Senator Smith.

SENATOR SMITH: Yes.

MR. HAYMAN: Assemblyman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Yes.

MR. GARRENGER: Moving on to some Department of Transportation requests. No. 7, please.

MR. HAYMAN: Block 102, Part of Lot 8, Roselle Borough, Union County. The New Jersey DOT, Division of Right of Way, Property Management, requests approval to lease a rectangular-shaped lot that contains approximately 21,000 square feet, known as part of the former Staten Island Railroad, to On Time Transport, Inc., the adjoining property owner. The recommended lease amount is \$1,045 plus a \$690 municipal service charge, for a total rental of \$1,735 per month, the appraised lease value, with an incremental rental increase of 5 percent per year on the base rental. The lease will be on a month to month basis. The DOT is seeking to lease instead of sell because they may need the property in the future.

ASSEMBLYMAN WISNIEWSKI: Move it.

SENATOR SMITH: Second.

MR. HAYMAN: Deputy Counsel Garrenger.

MR. GARRENGER: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Gary Brune.

MR. BRUNE: Yes.

MR. HAYMAN: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. HAYMAN: Senator Smith.

SENATOR SMITH: Yes.

MR. HAYMAN: Assemblyman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Yes.

MR. GARRENGER: No. 8, please.

MR. HAYMAN: Route 9, Parcel VX39A, which is Block 141; and the adjacent Lot 12, in Howell Township, Monmouth County. The New Jersey DOT, Division of Right of Way, Property Management, requests approval to sell a rectangular-shaped parcel of vacant land containing 0.195 plus or minus acre located next to Route 9, and parallel and adjacent to the requested purchaser's property, Spray City, Inc., for assemblage for the purpose of increasing the size of the adjacent commercial property. The parcel is encumbered in its entirety with a conservation easement and a drainage easement. The recommended sale price is \$51,000, the appraised value.

ASSEMBLYMAN WISNIEWSKI: Move it.

SENATOR SMITH: Second.

MR. HAYMAN: Deputy Counsel Garrenger.

MR. GARRENGER: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Gary Brune.

MR. BRUNE: Yes.

MR. HAYMAN: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. HAYMAN: Senator Smith.

SENATOR SMITH: Yes.

MR. HAYMAN: Assemblyman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Yes.

MR. GARRENGER: No. 9, please.

MR. HAYMAN: Route 38, Westbound Mile Post 16.6, Pine Street Ramp, in Lumberton Township, Burlington County. The New Jersey DOT, Bureau of Major Access Permits, Wireless Communications Unit, requests approval to license a site for the purpose of erecting a 140-foot high monopole wireless antenna facility on State-owned property.

The approval will include the agreement into the master agreement executed between the New Jersey DOT and the individual wireless communication carriers. The proposal will generate a minimum of \$30,000 per year for five to 20 years, depending on renewal options and collocation by other carriers on the site.

SENATOR SMITH: So moved.

ASSEMBLYMAN WISNIEWSKI: Second.

MR. HAYMAN: Deputy Counsel Garrenger.

MR. GARRENGER: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Gary Brune.

MR. BRUNE: Yes.

MR. HAYMAN: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. HAYMAN: Senator Smith.

SENATOR SMITH: Yes.

MR. HAYMAN: Assemblyman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Yes.

MR. HAYMAN: Assemblywoman Karrow.

ASSEMBLYWOMAN KARROW: Yes.

MR. GARRENGER: Let's go to DEP No. 10, please.

MR. HAYMAN: Ringwood State Park, Block 1000, Lot 2, Ringwood Borough, Passaic County. The New Jersey DEP, Division of Parks and Forestry, requests approval to extend its existing 20-year lease agreement with Mansion Caterers, Inc., for use of Skylands Manor and Chapel for an additional 10 years. Mansion Caterers has invested approximately \$2 million in renovations to the bed and breakfast/conference center and the catering facility. Due to the substantial investment and the need to obtain adequate financing in light of recent renovations, Mansion Caterers has requested a longer lease.

A large number of public citizens expressed opposition to the lease extension and the lease in general. The DEP has considered the public's concern and has conditioned approval of the lease extension on a 3 percent escalation clause for the additional 10 years of the lease.

SENATOR SMITH: Two questions on that.

MR. GARRENGER: Yes.

SENATOR SMITH: First, in the background material, it indicates that the DEP will expand the parking lot to accommodate more cars. Does anybody know the number of new spaces?

MR. HAYMAN: We have Marci Green, from DEP.

MR. GARRENGER: I would also like to note for the record that there are a few members of the public who have signed up to testify about this. So before we go to completion, we should give everyone an opportunity to speak.

M A R C I D. G R E E N, ESQ.: Senator, I don't know the exact number of parking spaces, but our Office of Resource Development at DEP

has been involved in getting plans together, working with architects. And I know we're confident that it would address the parking problem.

I'm Marci Green. I'm the Administrator of the Office of Leases.

SENATOR SMITH: All right. I would like to know the numbers.

MS. GREEN: I can provide that.

SENATOR SMITH: I don't know that I have to know it before I consider it, but I'd like to know what it is ultimately.

The other question: In the background material, it says that the -- in exchange for the lease extension, the existing lease would be amended to require Mansion Caterers to provide an annual public access plan to the DEP for approval based on a model plan that was developed for 2009. The question is: Does the lease say that if you don't come to an acceptable public access plan that you then have the ability to terminate the lease?

MS. GREEN: It would be just another provision in the lease that, if the tenant defaulted on, would give DEP the general approval to terminate the lease.

SENATOR SMITH: The ability to.

MS. GREEN: Yes.

SENATOR SMITH: Okay. I have no other questions, Mr. Chairman.

ASSEMBLYWOMAN KARROW: Good morning, Marci.

You and I had an extensive conversation about this lease on Friday. And I know that there still are issues that are being hammered out. And I expressed my concern that we don't have the final lease at this point

in front of us. Can you just, for the record, talk about the changes that you are confident are going to be made?

MS. GREEN: Yes, the first thing that we were just discussing, with the public access plan-- And that was the biggest concern expressed by the public. The current lease does not require the tenant to provide public access. And we recognize -- DEP recognizes that this is an important component. It is a historic resource that DEP values and believes should be open to the public. So we did work out -- DEP did work out a plan for 2009 with the tenant, and the tenant has also agreed, and it states at the bottom of the plan that I provided to you, that we will be amending the lease to include a provision requiring the tenant to provide an annual public access plan based on the model that we drafted for 2009, subject to DEP's approval. That's the first amendment.

The other changes we were looking to make to the agreement-- We're seeking to reduce DEP's expenses in the maintenance of the building. Right now, DEP is responsible for partial payment of utilities. We would be changing that to make the tenant 100 percent responsible. And there was a reason for that when the lease was first drafted. The caterer was not running the bed and breakfast portion, and there wasn't a way to divide the utilities. And now we can separate the utilities out.

There are a couple of areas where DEP continues to do maintenance, such as the walk-in freezer, which does cost money each year to maintain. That would be a responsibility of the tenant. DEP is in the process of completing a capital improvement project on the building to rehaul (*sic*) the air conditioning system, which has plagued this building from the get-go and continues to provide problems. Once that is done,

we're going to turn maintenance and repair responsibilities over to the tenant. The DEP has been providing those maintenance and repair responsibilities.

Those are the main changes. And right now there is no escalation clause in the lease for the rent. We would be providing for the 10-year extension, 3 percent escalation clause each year.

ASSEMBLYWOMAN KARROW: Each year?

MS. GREEN: For the final 10 years.

ASSEMBLYWOMAN KARROW: Okay. And the other issue that I also raised with you was the fact that in prior years, the DEP has not been, for lack of a better term, on top of the audits. And we do -- the State of New Jersey-- The agreement is not only an annual rent, but also a portion of revenue. So can you please address how, for the record, you are planning on making sure that the audit provision is followed through? Because we always neglect this in the State.

MS. GREEN: This lease requires annual financial statements and monthly gross revenue reporting fees. And as I explained to Assemblywoman Karrow earlier, there has not always been great oversight -- not just in this lease but, unfortunately, many other leases over the history of the leasing program -- to monitor the financial situations of our tenants. I started about a year-and-a-half ago. We've been making a lot of improvements to the program, and that is one of the areas that we are making an effort to provide more oversight on.

And the tenant has provided us with a financial statement up to date. I have to say that there was some miscommunication over the years

about his responsibility -- their responsibility to do so. We do have those financial statements.

And as I explained to you on the phone, I'm going to be meeting-- I've been working with our internal auditors, not just on this lease but other leases, and this is one that we'll be discussing to see if we need more information. The lease allows us -- gives us the ability to do an internal audit in addition to their providing financial statements. So I will be meeting with them to go over -- to make sure they're comfortable with what has been provided to us.

ASSEMBLYWOMAN KARROW: Thank you.

MR. GARRENGER: I'm going to make a suggestion. It sounds like this lease is sufficiently complicated that, I think, I personally, and I think other members of the Commission, might be more comfortable if we could see the lease before we vote on this one. Do you think that that would be an option for us to do here?

MS. GREEN: Yes, that would definitely be an option. I don't know that--

The tenant is here today. I don't know if he's under some time crunch to get this accomplished.

MR. GARRENGER: My concern is merely this: You're being very forthcoming and you're providing really good explanations of what the lease currently is. But occasionally peppered into what it currently contains, it sort of leaves open questions about what it might contain. I'm sure that the lease will be fine. I have no problem with the concept of anything that I've heard so far. But I personally would have a comfort level greater than my present comfort level if I could see the actual document.

MS. GREEN: Sure, we can certainly provide that.

MR. GARRENGER: Is that a problem with anyone on the Commission? Does that seem like a prudent course of conduct?

ASSEMBLYWOMAN KARROW: Not at all. It's perfect.

SENATOR SMITH: Let me ask, did anybody come down specifically to talk about this today? We should probably (indiscernible).

MR. GARRENGER: I would be happy to-- There were three people who signed up who are welcome to testify to the extent that their concerns have not already been addressed.

MS. GREEN: And I would just like to add also that Robert Frungillo, who is the President of the company, is here. I don't know if he's signed up to speak, but if he has any issues regarding a delay of this, just give him -- request that he have the opportunity.

MR. GARRENGER: That's absolutely fine with me.

MS. GREEN: Thank you.

MR. GARRENGER: There were a few people signed up, but no one seems to be coming forward.

Here we go.

Welcome.

DEBRA MANFREDONIO: Do I come over here?

MR. GARRENGER: Absolutely.

MS. MANFREDONIO: I have a copy of the lease.

Good morning. My name is Debra Manfredonio.

ASSEMBLYMAN WISNIEWSKI: Press the button so the red light is on. (referring to PA microphone)

MS. MANFREDONIO: I'm a taxpayer from West Milford, and a long-time New Jersey Botanical Garden volunteer. On behalf of the several hundred people who have voiced their opinions at earlier meetings, I would like to express my opposition to the extension of this lease and my disappointment of the planned shortening of public access to the State's flagship Green Acres property.

Hundreds of volunteers from Passaic and Bergen counties contribute their time, their effort, and their talents to help improve the Botanical Gardens and raise money to supplement the State's chronic underfunding. In recent years, NJBG alone has contributed almost \$250,000 annually in goods, services, and financial support to the Garden. Part of that effort has included tours and public access to Skylands Manor.

Until recently, we have had a partnership with the State and its tenants. But now the situation has changed. The State has already given us assigned public access dates for several years into the future. But now we are told that these are meaningless. Instead, the tenant suggests that the public might be allowed from time to time, if they don't happen to need the building.

They have even suggested that we move our annual holiday fundraiser to January, an idea that would be funny if it weren't so sad. Since the dates we've already been given are obviously being thrown out, why should we believe anything we're being told today or any promises for the future? After 20 years of resounding success and enormous financial contributions to the State Park, our volunteers and participants consider this proposal a slap in the face. The message we are getting is that neither their efforts nor the significant income they produce have any value. We

are being told to do something else, which many of our volunteers will no doubt do, somewhere else and for some other organization.

As you consider your decision, we hope you will remember the many years of service and volunteerism spent preserving the history and grandeur of Skylands Manor and the public's right to meaningful access to their building. This lease agreement is an abuse of the public trust with very little to show for it.

I am left with one question: Is this the Garden State, or do we cater only to the wealthy? This is a poorly written lease with a tenant who has no interest in serving the public, and I oppose any extension of its term.

Thank you.

Debra Manfredonio.

MR. GARRENGER: Thank you very much for your testimony. Gene, can you tell us about No. 11?

ASSEMBLYWOMAN KARROW: Oh, sorry, there's another person.

MR. GARRENGER: I'm sorry.

I apologize, sir.

F R A N K D Y E R: That's all right.

My name is Frank Dyer. I'm a volunteer at Skylands. I do gardening, and I help with some of the Association's affairs.

The Manor and the Garden were the first purchase under Green Acres. It lost its initial intent. The Green Acres program had public access as a primary goal. Yes, the caterer is a financial help for the State and the maintenance of the Manor. But at present, the situation has infringed on public access in exchange for profitability.

We seek a more equitable decision, such that public access does not become secondary to private financial gain.

That's it.

MR. GARRENGER: Thank you.

M A J A B R I T T O N: Good morning.

MR. GARRENGER: Good morning.

Thank you.

MS. BRITTON: Thank you very much.

My name is Maja Britton. I'm a resident of Mahwah, New Jersey.

We understand that the State is seeking creative ways to deal with mounting costs in the State Park. But this lease arrangement has not provided a good return for the State in the 10 years that the tenant has occupied the building. Why should we believe that any future arrangement will have a better result?

The Company's catering and room bookings appear to be far below industry standards. Since the annual audits required by the lease have, to my knowledge, never been performed, it's impossible to know for sure. But anyone who frequents the Garden can plainly see that the building is empty most of the time. Empty buildings do not generate money.

The existing lease requires a public restaurant, a condition that was initially put in to ensure public access. It would serve hotel guests, the regional population, and Park visitors while generating income. Ten years in, there is no restaurant, and there are no plans for a restaurant. In most jurisdictions, I believe, such a significant oversight would be considered a

breach of lease. The tenant does provide breakfast for overnight guests on several of the ground-floor rooms, but the public is not invited. Wouldn't it be better to have a real restaurant there, with real income, where everyone is welcome?

We also object to this lease extension because the tenant's marketing plan is inappropriate to the site and inadequate to provide a reasonable return. The company operates high-end wedding halls, and with a complete lack of imagination has imposed the same business model on this very different facility.

Skylands Manor is only being marketed to the bridal market with high-end budgets, meanwhile this part of New Jersey is growing rapidly and there is a need in the area for facilities to serve the regional population and their guests, as well as users of the State Parks such as bird-watchers, history buffs, horticulture fans, hikers, bikers, cross-country skiers. No effort is being made to market to any such groups, so the building continues to sit empty much of the time and the public is locked out.

Skylands Manor should be a living building with hotel, and restaurant, and catering guests, and the public all enjoying and protecting its historic beauty.

The people in whose name it was bought should be allowed regular access, yet the access plan we have recently been provided is: "Maybe if we don't need it you can use it," and also it limits the number of days even further.

The State's very first Green Acres property should represent public access at its best instead of being totally dominated by a private company with very little interest in serving the state or its citizens. The

tenant's exclusionary attitude does not serve the public, and the poorly executed lease does not serve the State's financial goals.

With thanks for your time and attention, I urge you not to extend this unproductive lease and, indeed, to consider a new tenant at the earliest opportunity.

And before I leave, I'd like to leave you with some of the brochures which the volunteers have raised money to pay for.

MR. GARRENGER: Thank you very much.

MS. BRITTON: Thank you.

MR. GARRENGER: Is there anyone else on this item?

Go ahead.

G. P. A. R A I N E R: Good morning.

Thank you for the opportunity to speak to you.

My name is G.P.A. Rainer. I'm coming from Mahwah, New Jersey, today. And I simply want to say that I am concerned about the future of the State Botanical Garden that was purchased with State taxpayer funds. Because much of the operation of the Garden is supported by the work of hundreds of volunteers who each spend literally thousands of hours of effort in beautifying and maintaining the Gardens.

The volunteer association has as its primary fund-raising effort, every year, a holiday open house. In the new plan that was submitted -- the draft public access plan suggests that this holiday fundraiser, which for the last 20 years has been held in the first week of December -- to which people from all over northern New Jersey plan to bring their families -- that this could now be held either right after Thanksgiving or in January. If you can

imagine a holiday open house fundraiser being held in January and drawing any public visitation-- My mind won't stretch that far.

So the other concern that I have is that this draft public access plan is really not a public access plan at all because every point of it says, "The public may have access as long as we don't need it. And we may, if we decide, allow you to do something." It's very difficult for anyone to plan any kind of event if they are subject to being told three months before the event that you can't have the space after all.

And I reiterate that this property was purchased with public funds and is the State Botanical Garden. Very few states have a state botanical garden. And that access for the public should be limited in this fashion seems a very sad state of affairs.

So I'm hoping that you will consider carefully and not extend the lease for this tenant under these conditions of cutting back the amount of effort that the volunteers can expend to keep the Gardens going.

At the time, it was a private garden owned by Clarence Lewis. Mr. Lewis had 63 gardeners taking care of the property. The State's budget allows for a much smaller number, and the balance -- the slack is taken up by volunteers. So these people need to have support in their efforts to keep our Botanical Garden for the state in good condition, and growing, and thriving.

So thank you very much for your attention. And I hope you will reconsider.

Thank you.

MR. GARRENGER: Thank you very much.

SENATOR CARDINALE: Before you go, can I ask you a question?

MS. RAINER: Yes.

SENATOR CARDINALE: I think we got a picture of the conflict over the holiday party. That does not seem to me to be something that can't be resolved.

MS. RAINER: Yes.

SENATOR CARDINALE: And if that were resolved, do you see any incompatibility between the operation of the Botanical Gardens and the operation of the catering facility, were we to resolve that portion of the issue?

MS. RAINER: I believe always that people of good will can work together and figure out solutions to problems. The difficulty has been that the Mansion Caterers company has been very high-handed in all of its dealings with the volunteers. And even as just a member of the public visiting the park, when they have an event going on, there are ropes barring the public from access to certain parts of the State Botanical Garden because they are using it. This is in the summertime, particularly, when they have part of their catered events outdoors. But it means that the public is told, "Now this is a private property, and you don't have access." If they were not so high-handed in their dealings with this public property, I'm sure that a resolution can be achieved. But the attitude seems to be generally that, "We have the right to do anything we want. And you are the poor cousins who sit--"

I'm not complaining for myself. I merely see that for the public the access is limited. And this private business operation is given priority

over the public's use of its own property. So that is the concern I have. I'm not certain that things can be resolved with this particular company, because the experiences have been so bad and so consistently bad. But I don't see why there shouldn't be the possibility of someone operating these kinds of events in this beautiful venue and yet not making the public feel like they are not permitted to enter their own Green Acres parkland.

SENATOR CARDINALE: Thank you very much.

MS. RAINER: Thank you.

MR. GARRENGER: Thank you.

One more person.

ROBERT FRUNGILLO: Good morning.

My name is Robert Frungillo, from Mansion Caterers.

Thank you for the opportunity for me to speak here today.

I won't be long. I'll be brief. But I was not going to get up here and speak. But unfortunately, I feel like I should at this point.

Eight years ago, the State went out to bid for the Skylands Manor. In fact, let me backtrack. Ten years ago, it went out to bid, and then it went back out to bid eight years ago. Not one single person bid on the Skylands Manor. My company, eight years ago, was the only company that bid. At that point, we were awarded the bid.

In the negotiations and the writing of the lease, which was presented to me from the State, there was never one mention of public access to the building.

Please understand, I come here in front of you all today -- and I come here in front of you willing to have public access. Remember, when we negotiated and things were written down, it was never mentioned that X

amount of days were going to be -- I'm in the catering business -- that they were going to be taken away from me.

With that being said, to this day I stand in front of you saying that public access has always been important to us. We've always allowed public access. And if you do look at the draft that we have come up with, with the DEP, public access is there, and there are many dates that are definite and not negotiable, meaning there is much more public access in the future than there is currently now. So I don't really understand that public access part of it.

When we took over the Skylands Manor, the building was basically falling apart. The ground level was perfect, don't get me wrong. It looked great. The second and third floor -- the infrastructure of the building was collapsing. We feel, if we didn't come in and put approximately \$2 million into the Skylands Manor, there would be nothing there right now.

So we come to you today-- And just on a note about public access. And the reason there are signs up when there's a wedding around the perimeter of the building is because the ABC, Alcohol Beverage Control, required us to do that because of drinks going out. There's certain perimeters where they cannot walk past with liquor. That's why we try to confine those areas.

And it is open to the public. Now it is an overnight conference center. The rooms are open to the public where they weren't -- the second and third floor were never open to the public.

With that being said, if there are any questions, I'd be happy to answer any. I just wanted to introduce myself at this point.

Is there anything I can answer for anybody?

SENATOR SMITH: A couple questions: Number one, are you making money?

MR. FRUNGILLO: Yes, sir.

SENATOR SMITH: Okay. Is there any resistance to any of the proposals that the DEP has put into the lease? I mean, why is it that there isn't a final lease? That's a better question.

MR. FRUNGILLO: Why is there no final lease?

SENATOR SMITH: Yes.

MR. FRUNGILLO: I believe the public access was one of the big issues to finalize -- to go final with the final lease. We have a 20-year lease now, which we're into already. We're looking for the extension of that.

SENATOR SMITH: When does the 20-year lease expire?

MR. FRUNGILLO: We have 17 years left.

We had-- Just to further answer that, if you don't mind.

SENATOR SMITH: Sure.

MR. FRUNGILLO: We have-- Out of our \$2 million of renovations, we feel, according to the lease -- and I didn't know you didn't have the lease -- many of those renovations were the State's responsibility: ceilings that were falling, electric that didn't work, plumbing that didn't work properly, getting all the approvals from the State and all. A big part of that was, we felt, the responsibility of the State. To get financing for us to handle that -- that's why we want to move forward with the extra 10 years and not have the State pay that roughly \$600,000 or \$700,000 of those renovations -- of that portion.

SENATOR SMITH: What is the currently understood, agreed upon, public access term in the new lease?

MR. FRUNGILLO: Well, in the lease, sir, there's absolutely no mention of public access at all.

SENATOR SMITH: In the existing.

MR. FRUNGILLO: Yes, sir.

SENATOR SMITH: Yes. What is the term in the new lease?

MR. FRUNGILLO: I think you have a draft here. Would you like me to read it?

SENATOR SMITH: Yes.

MR. FRUNGILLO: Okay. Public tour schedule-- There are -- I'll just read as it's written -- the draft public access plan for Skylands Manor. Currently -- and please correct me if I'm wrong -- I believe there are nine or 10 Sundays during the course of the year that there's a public tour that is run by the Skylands Association, plus a holiday tour. So there are 10 dates that they have currently and a holiday tour.

The first Sunday of every month -- this is my proposal to them. I'm proposing, "The first Sunday of every month Skylands Manor will be available to the Skylands Association for tours subject to the following: The first Sunday of January, February, March, and April is guaranteed." So right off the bat we're guaranteeing them four of the nine or 10 dates they had already. "The first Sunday of the remaining months, May through December, are conditionally available to the Association for tours. In the event that Mansion Caterers books an event on those dates, it may cancel any of those dates no later than three months prior to the date, providing

we give notice to the Association and the Superintendent of Ringwood State Park.

“Mansion Caterers will make the Manor available to the Association for tours during” -- I’m sorry, “for tours during any other weekend events scheduled by the Skylands Association, such as the plant sale and harvest fest, provided that Mansion Caterers has not events booked on those dates. Mansion Caterers can confirm the availability of these dates three months prior to the date.”

So basically what we’re saying is, three months prior to a tour, if there’s not a wedding, we would be more than happy to, at that point, sign off on giving them the date, also keeping in mind -- we’re also saying the four months are guaranteed.

“The Manor will be available to the Skylands Association for tours one weekend a month,” so we’re adding tour dates right on top of that. “The Skylands Association may request unlimited additional days from us, Mansion Caterers, if Mansion Caterers does not have an event scheduled on that day. The Association may conduct tours on those dates. Mansion Caterers can confirm the availability three months prior to the date.”

So what we’re trying to say is, instead of locking in 10 dates during the course of the year before the year starts-- I’m in the catering business. To survive, my work is Friday, Saturday, Sunday. That’s when we do our business. We’re giving up half of the dates; and the other half, we’re telling them if there’s nothing available (*sic*) they can come in, including Saturdays -- three months prior. We feel three months prior is enough time to get notice out to people.

The holiday event -- we had two proposals for them. The first proposal for the holiday event was to -- Skylands Manor -- beginning the-- We wanted to take the-- The first proposal was the current date they have -- we wanted to basically eliminate the Saturday and Sunday. Come in the day after Thanksgiving, Sunday night, and run through Friday night during the same exact week they have now. So I didn't want to eliminate it totally for December. I just wanted to free up that Saturday for the business.

My other proposal was to possibly put that holiday event to January and allow them-- I'm very-- I think we're all very busy in December. I understand it's a holiday event. I thought actually having it in January you'd get more people to come in. There are so many things going on in the month of December. But I do understand the Skylands Association's concerns. I always have.

Let me just finish here. Well, that's basically the holiday event. And keep in mind, the holiday event and the tours were never mentioned in the current lease or at any point during our conversations with the State.

SENATOR SMITH: Question for the DEP: Is the Skylands Association party at the table in the discussion of the leases?

MS. GREEN: We held two public hearings, and we received a lot of comment. We came back to Trenton and evaluated all of the comments. We then met with Mr. Frungillo a few times. Actually, we met with the Skylands Association and told them that we're hearing them, we hear their concerns; a lot of things were brought up in the hearing that we were not aware of, and that that's the purpose of a public hearing, and that we would be considering them as we move forward and figure out what we were going to do.

We then met with Mr. Frungillo a couple of times to see if we could reach an agreement on public access. We had promised the Skylands Association that we would meet with them before today to go over with them what we had agreed upon, and we did. We met with them. Assistant Commissioner Cradic and I went there a couple of weeks ago and met with them.

We're trying to strike a balance. We have two sides, two different views, and two competing interests, and we're trying to strike a balance. We took their concerns, and we thought we struck that balance as best we could for the State's interest, for the public's interest, and for the Association's interest. We value the Association and all that they do for the Botanical Gardens. I agree with everything they said. They contribute a lot. And we don't want to disrespect them, we don't want them to go away. But at the same time, we have -- we feel we have an obligation, under the lease, to keep this going.

And I just want to mention, this is not an uncommon type of venture. The National Park Service has lodges all over in -- you know, Glacier Park. You go there, and they're upscale. They're not necessarily the most affordable places. And these are the kinds of things we're looking into in the State. And the Legislature has actually mandated to DEP to look into -- to enter into more of these public-private partnerships. And we believe this public-private partnership is a really good example.

SENATOR SMITH: I don't think anybody disagrees with that, especially in light of the testimony that the caterer has put so much money into the facility and the condition it was in originally. I think you all-- The only -- it's a small question, but it's a question. You know, you have a

bunch of volunteers here where they've been continuing to keep the place beautiful in terms of the Botanical Gardens. If there's a way to minimize the degree of irritation, it would be a wonderful thing.

With regard to the public access plan that was described to us, how far did that go in meeting their concerns, in your opinion?

MS. GREEN: I think on a broad -- on a general scale, it meets their concerns, because we're actually providing more public access than was ever required and that was ever provided.

Mr. Frungillo is opening that building up to any day that he does not have any events scheduled, with the caveat that he has to give three months -- with three months notice.

SENATOR SMITH: Right. How many days, sir, did you have the facility booked last year?

MR. FRUNGILLO: Yes, sir. We did 70 wedding last year.

SENATOR SMITH: Seventy different days out of 365 days.

MR. FRUNGILLO: Yes, sir.

SENATOR SMITH: Okay. And the way you understand this would work -- if you hadn't given them notice more than three months before, that date is automatically opened to them for tours?

MR. FRUNGILLO: It's locked in. It would be their date.

We book -- usually we're anywhere from four months to a year-and-a-half out. If you ever planned a wedding, it's usually not three months out. It's usually four months to a year-and-a-half out. So we feel at that time -- striking that happy medium -- where we have those guaranteed dates already. We even offered -- they never -- I believe they never once had a tour on a Saturday, as far as I'm concerned. I'm saying we have an

opportunity here. And we don't do events every Saturday. That's our prime day, but not through the course of the year. We're saying, "You can even open them up on Saturdays too."

SENATOR SMITH: Okay. And is the reason there isn't a final lease because these terms were recently finalized?

MS. GREEN: Yes, and we have the existing 20-year lease that was entered into in 2004. Typically we wait until after we get State House Commission approval to execute it. This is just going to be an amendment. It will be one page summarizing the term extension and the other terms that I discussed that would be changed, like the caterer paying the utilities and the 3 percent increase for the final 10 years. So we do have a lease. This is just amending a few of the provisions.

ASSEMBLYMAN WISNIEWSKI: Mr. Chairman, I have just a couple questions.

The purpose for the lease is to enable you to get financing?

MR. FRUNGILLO: That is the driving force of this lease. And again, that plays into--

ASSEMBLYMAN WISNIEWSKI: Of the extension.

MR. FRUNGILLO: Yes. And that plays into a percentage of that \$2 million -- we feel, as the lease was written, was the situation where the State would have to reimburse us.

ASSEMBLYMAN WISNIEWSKI: This \$2 million has already been invested into the property?

MR. FRUNGILLO: Yes, sir.

ASSEMBLYMAN WISNIEWSKI: So you're essentially refinancing?

MR. FRUNGILLO: Yes, sir.

ASSEMBLYMAN WISNIEWSKI: Okay. And you had said-- You used the phrase *catering* and *conference*, but then you said you were booked for 70 weddings. Do you have anything other than weddings?

MR. FRUNGILLO: As of four months ago, the final phase of the renovation, which was the overnight rooms, is open and available. The overnight rooms are on the second and third floor. That does not stop it. Currently, there are tours going on when we have guests staying upstairs. So that wouldn't interfere with that.

ASSEMBLYMAN WISNIEWSKI: And then one of the other issues that was raised is about a restaurant.

MR. FRUNGILLO: Yes.

ASSEMBLYMAN WISNIEWSKI: A public access restaurant.

MR. FRUNGILLO: Yes.

ASSEMBLYMAN WISNIEWSKI: That currently does not exist.

MR. FRUNGILLO: We've been talking to the State extensively about a location and a building onsite to open a seasonal restaurant. So conversations have been going on for years with that. It just--

ASSEMBLYMAN WISNIEWSKI: For years?

MR. FRUNGILLO: Yes. We've been going back and forth with the-- We're looking basically-- We don't think it would work inside the Manor House, but there are some other small properties and buildings on the-- It's 1,000 acres. There are other buildings where we could maybe,

possibly come into and open that seasonal restaurant. We don't think people are going to find us there.

ASSEMBLYMAN WISNIEWSKI: Okay. Thank you.

MR. GARRENGER: Is there anything further?

ASSEMBLYMAN WISNIEWSKI: Do we need a motion to table?

SENATOR SMITH: Is there any issue, just timing-wise, in terms of this? We want to see the final lease amendment -- this goes to the next State House Commission meeting. Does that create a problem?

MR. FRUNGILLO: We've been going back and forth with the banks. Everyone understands the climate of the economy now. We're basically at a standstill with them. Obviously, I'm at your mercy, so whatever has to happen-- We keep putting them off with conversations and meetings, and they were anticipating this meeting anxiously.

SENATOR SMITH: Does the Skylands Association have a board of trustees?

MS. GREEN: I believe it does.

SENATOR SMITH: You know, it would be a wonderful thing if the caterer would offer one of his members to be an associate member or a liaison so that that person can go to their meetings. That way, there would be better lines of communication. The two of you really have to live together to make this all work. And communication is always key.

MR. FRUNGILLO: We're willing to -- anything we need to do. We've always been up front, and we've always laid everything out with this. So absolutely.

SENATOR SMITH: Okay.

MR. GARRENGER: Is there an issue you'd like to raise?

MS. BRITTON: Yes, I would like to (indiscernible) (speaking from audience)

SENATOR SMITH: You have to identify yourself.

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

MS. BRITTON: The NJBG Skylands Association made Mr. Frungillo a member of our Advisory Board when he first entered the premises. He never bothered to work with us, he never attended a single meeting. And at the last public hearing, he declared that he had not even known the organization existed until a year or two ago.

I'd also like to take issue with the public access plan, where the only confirmed dates that I can find are January, February, March, and April. We have, in the past, not done tours in January and February, because the public is generally not interested in going to a garden in the middle of the snow unless they're skiing, in which case it's a great place to go.

The other dates are with three-month confirmation. I have on my desk a piece of paper from the State tourism department wanting information for their calendars six months in advance. I am unable to provide it because I do not know whether or not those dates will be accessible.

And finally, regarding the Christmas event: Yes, Mr. Frungillo is saying the week after Thanksgiving is available, with the exception of Saturday and Sunday, which is, of course, the two nights of the week when

the public is best able to attend such a matter. And the very idea of shifting a Christmas event to January I find ludicrous.

Thank you very much.

MR. GARRENGER: Thank you.

Is there a motion on this?

ASSEMBLYMAN WISNIEWSKI: Move to table.

SENATOR SMITH: Second.

MR. HAYMAN: Deputy Counsel Garrenger.

MR. GARRENGER: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Associate Director Brune.

MR. BRUNE: Yes.

MR. HAYMAN: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. HAYMAN: Senator Smith.

SENATOR SMITH: Yes.

MR. HAYMAN: Assemblyman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Yes.

MR. HAYMAN: Assemblywoman Karrow.

ASSEMBLYWOMAN KARROW: Yes.

MR. GARRENGER: Thank you.

No. 11, I believe, is next.

MR. HAYMAN: Block 1132.01, Lot 24.02, Hamilton Township, Atlantic County: The New Jersey DEP requests approval to convey a total of 0.484 acre, in fee, to Hamilton Township, to allow the

construction of a marginal access/connector road between the jug handle at the intersection of Wrangleboro Road and Route 322/40 and McKee Avenue. In addition to conveying 0.354 acre of right-of-way for the road project, the Township has requested DEP to quitclaim 0.130 acre gore area to clarify a boundary adjacent to the project area.

As compensation, the Township will convey four parcels totaling 15.538 acres to DEP to be added to nearby parkland. The value and acreage associated with the compensation area total \$16,5000; are greater than those associated with the disposal area, which is \$700.

MR. GARRENGER: Is there a motion?

ASSEMBLYWOMAN KARROW: Move.

ASSEMBLYMAN WISNIEWSKI: Second.

MR. HAYMAN: Deputy Counsel Garrenger.

MR. GARRENGER: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Associate Director Brune.

MR. BRUNE: Yes.

MR. HAYMAN: Senator Smith.

SENATOR SMITH: Yes.

MR. HAYMAN: Assemblyman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Yes.

MR. HAYMAN: Assemblywoman Karrow.

ASSEMBLYWOMAN KARROW: Yes.

MR. HAYMAN: Senator Cardinale left the room.

MR. GARRENGER: Next item, Veterans Memorial Park.

MR. HAYMAN: Veterans Memorial Park, Block 6101, part of Lot 4, Egg Harbor Township, Atlantic County: The New Jersey DEP, on behalf of the Township of Egg Harbor, requests approval to legalize the diversion of up to 0.191-plus or minus acre and the disposal of up to 0.108-plus or minus acre of Veterans Memorial Park in order to accommodate improvements to Ocean Heights Avenue in the vicinity of the roadway's intersection.

To compensate for the combined diversion and disposal, the Township shall dedicate \$10,000 to improve existing Township-owned parkland.

ASSEMBLYMAN WISNIEWSKI: Move it.

SENATOR SMITH: Second.

MR. HAYMAN: Deputy Counsel Garrenger.

MR. GARRENGER: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Associate Director Brune.

MR. BRUNE: Yes.

MR. HAYMAN: Senator Smith.

SENATOR SMITH: Yes.

MR. HAYMAN: Assemblyman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Yes.

MR. HAYMAN: Assemblywoman Karrow.

ASSEMBLYWOMAN KARROW: Yes.

MR. HAYMAN: Senator Smith (*sic*) is still not in the room.

ASSEMBLYMAN WISNIEWSKI: Cardinale.

MR. GARRENGER: Senator Cardinale.

MR. HAYMAN: Senator Cardinale, I'm sorry.

MR. GARRENGER: Department of Human Services requests.

MR. HAYMAN: The process for establishing the amount payable by responsible parties for the cost of care and maintenance of individuals in State and county psychiatric hospitals is contained in the New Jersey Statutes Annotated, Title 30. Chapter 4 of Title 30 confers upon the State House Commission the specific and exclusive authority to fix the per capita cost rates which each county shall pay for the eligible services.

The Fiscal Year '09 Appropriations Act changed the effective percentage of county participation in the payment for the reasonable cost of maintenance and clothing of county patients in State and county psychiatric facilities from 10 percent to 12.5 percent. As a result, it is necessary to revise several pages in the governing rate-setting methodologies for both the State and county facilities.

Pursuant to NJSA Title 30:4-78, the State House Commission is requested to approve the proposed provisions.

MR. GARRENGER: Assemblywoman Karrow had a question.

Do we have someone from DHS here?

MR. HAYMAN: Mark Stein.

ASSEMBLYWOMAN KARROW: Good morning.

This past budget has the rate going from 10 percent to 12.5 percent for the co-pay. I know that in 1990 or '91 there was a negotiation between the counties and DHS to set the rate at 10 percent. And it was raised in this budget, without discussion with the counties, to 12.5 percent.

So I have two questions: One, is there any discussion of it going any higher than that this year in this next budget? There are rumors going around it might go to 15 percent for next year.

ROBERT GRZYB: We can't answer that question, unfortunately.

ASSEMBLYWOMAN KARROW: You don't know?

Okay. I guess for the record, my big concern is that-- My understanding is that the Warren County Freeholder Board has told the Department of Human Services in Warren County that they're going to have to cut perhaps \$250,000 from their budget because of this increase on services from community not-for-profits that are serving the community at large. Has anybody done an analysis of what this rate increase is going to do to the counties?

MR. GRZYB: Yes, I'm Bob Grzyb. I'm the Finance Director for Human Services.

We project that for calendar year 2009, with the change in rates for county psychiatric hospitals, we estimate that it would cost the county an additional \$3 million. In regard to the State psychiatric hospitals, we estimate an additional cost to the counties of approximately \$8 million.

ASSEMBLYWOMAN KARROW: But have you done an analysis about what the trickle-down impact is going to be in cuts in local, not-for-profit services with this rate increase for counties, under the cap law, that can't afford to pay that additional 2.5 percent?

MR. GRZYB: No, we have not. We have just come up with the estimates applicable to each of the counties.

ASSEMBLYWOMAN KARROW: Okay. So we're going to increase the co-pay for frail and fragile population services, and not really have an understanding, on the county side -- when this was a negotiated agreement 15 years ago and there was no negotiation for this increase now, there was no discussion with any of the county human service agencies as far as what this budget change was going to be to them, there's no contingency plan -- you have no idea what the impact is going to be.

MR. GRZYB: Basically, we're not parties to those negotiations. We're involved with the rate-setting process.

ASSEMBLYWOMAN KARROW: Okay. Thank you.

MR. GARRENGER: Are there any other questions about this, which I believe is a generalized statutory change?

SENATOR SMITH: Move it.

DEPUTY TREASURER BELL: Second.

MR. HAYMAN: Deputy Counsel Garrenger.

MR. GARRENGER: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Associate Director Brune.

MR. BRUNE: Yes.

MR. HAYMAN: Senator Smith.

SENATOR SMITH: Yes.

MR. HAYMAN: Assemblywoman Karrow.

ASSEMBLYWOMAN KARROW: No.

MR. HAYMAN: Assemblyman Wisniewski has--

SENATOR SMITH: He left his vote in the affirmative.

MR. HAYMAN: Okay. Senator (*sic*) Wisniewski voted yes.

SENATOR SMITH: Make him Assemblyman.

MR. HAYMAN: Assemblyman Wisniewski. (laughter)

SENATOR SMITH: Senator Vitale would be very (indiscernible).

MR. HAYMAN: The next item fixes the rates to be charged to counties for various clients residing in State institutions and programs pursuant to the Commissioner of Human Services' recommendations. It lists five specific hospitals and the per diem rates in the record.

MR. GARRENGER: Are there any questions? (no response)

SENATOR SMITH: Move it.

DEPUTY TREASURER BELL: Second.

MR. HAYMAN: Deputy Counsel Garrenger.

MR. GARRENGER: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Associate Director Brune.

MR. BRUNE: Yes.

MR. HAYMAN: Senator Smith.

SENATOR SMITH: Yes.

MR. HAYMAN: Assemblywoman Karrow.

ASSEMBLYWOMAN KARROW: No.

MR. HAYMAN: And Assemblyman Wisniewski--

SENATOR SMITH: Left his vote in the affirmative.

MR. HAYMAN: --in the affirmative.

MR. GARRENGER: Okay, No. 15.

MR. HAYMAN: This fixes the rates to be charged to the State for various clients in the county psychiatric hospitals. The in-patient and out-patient rates are listed in the record.

MR. GARRENGER: Any questions? (no response)

Is there a motion?

SENATOR SMITH: Move it.

DEPUTY TREASURER BELL: Second.

MR. HAYMAN: Deputy Counsel Garrenger.

MR. GARRENGER: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Associate Director Brune.

MR. BRUNE: Yes.

MR. HAYMAN: Senator Smith.

SENATOR SMITH: Yes.

MR. HAYMAN: Assemblywoman Karrow.

ASSEMBLYWOMAN KARROW: Yes.

MR. HAYMAN: And Assemblyman Wisniewski left his vote in the affirmative.

SENATOR SMITH: Correct.

MR. GARRENGER: No. 16, please.

MR. HAYMAN: This is a prior period adjustment -- a revised calendar year 2008. The rate was developed for Hudson County Meadowview Hospital in order to reflect the cost increases for mandated improvements at the facility and an unanticipated decrease in the number

of patients receiving psychiatric services during the calendar year. The new in-patient rate should be \$924.50.

MR. GARRENGER: Is there a motion?

SENATOR SMITH: So moved.

DEPUTY TREASURER BELL: Second.

MR. HAYMAN: Deputy Counsel Garrenger.

MR. GARRENGER: Yes.

MR. HAYMAN: Deputy Treasurer Bell.

DEPUTY TREASURER BELL: Yes.

MR. HAYMAN: Associate Director Brune.

MR. BRUNE: Yes.

MR. HAYMAN: Senator Smith.

SENATOR SMITH: Yes.

MR. HAYMAN: Assemblywoman Karrow.

ASSEMBLYWOMAN KARROW: Yes.

MR. HAYMAN: And Assemblyman Wisniewski in the affirmative.

MR. GARRENGER: With respect to No. 7 (*sic*), we're going to need a motion to sit as the Judicial Retirement System.

Is there a motion?

ASSEMBLYWOMAN KARROW: Moved.

SENATOR SMITH: Second.

MR. GARRENGER: We're now sitting as the Judicial Retirement System.

MR. HAYMAN: The first order of business is the approval of the minutes of the meeting held October 6, 2008.

SENATOR SMITH: So moved.

DEPUTY TREASURER BELL: Second.

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

MR. HAYMAN: The second item is the confirmation of death claims and retirement survivor benefits.

SENATOR SMITH: So moved.

DEPUTY TREASURER BELL: Second.

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

MR. HAYMAN: The third item is the financial statements as of June 30, 2008.

DEPUTY TREASURER BELL: Moved.

SENATOR SMITH: Second.

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

MR. HAYMAN: The fourth item is the approval of the readoption of the current administrative rules of the Judicial Retirement System within NJAC 17:10-1.

DEPUTY TREASURER BELL: Move.

SENATOR SMITH: Second.

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

Is that all the business as the Judicial Retirement System?

MR. HAYMAN: Yes.

MR. GARRENGER: All right. So we need a motion to return to constituting ourselves as the State House Commission.

SENATOR SMITH: So moved.

DEPUTY TREASURER BELL: Second.

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

All right. I think we've completed the new business. I think that we now turn to the old business, which should be of interest to the folks in the audience. We have a number of folks who've signed up to testify, as well as some State elected officials who we're going to call up first.

But I think before anyone talks, I think it would be beneficial if we were to call on Gene to just recap what happened in the March meeting and, to the extent necessary, fill in any blanks. I would ask Bob Shaughnessy, Counsel to the State House Commission, to fill in. And then we'll hear from folks at length.

Thank you.

MR. HAYMAN: At the March 2008 meeting -- State House Commission meeting, the Commission approved Treasury's request to dispose of 130 acres and buildings at Greystone by auction, with the minimum bid to be determined. The approval only allows Treasury to begin the process of determining if the State can derive any value from the remaining property, with the full knowledge that legislation would be required to sell the property.

As in the past, when we had large properties to sell, such as MPDC and Marlboro, this was basically the same process we followed. We went to the State House Commission initially. When terms and conditions were finally arrived at, we came back. And, of course, legislation is required.

In this particular piece, there are two laws that have to be addressed. The first law, in 1999, requires that any property deemed to be appropriate and usable for State parkland be transferred to the Department of Environmental Protection. As part of the disposal process, there is a

thing called the Real Review Process, where notices are sent to all State departments. In response to that, DEP indicated that the land that remained at Greystone, because of the buildings and other things, really wasn't appropriate for State parkland use.

I think Mr. Shaughnessy can address the 2001.

MR. SHAUGHNESSY (Counsel): Yes.

A review of the 2001 legislation provides certain restrictions on use of the property. Those restrictions on use of the property do not prevent or preclude any sort of disposal of the property, but they'd be subject to those items. Correspondingly, I know in March the State House Commission took action. That action, obviously, would be subject to those restrictions, but would not be consistent with that legislation whatsoever. Otherwise, I agree with what Mr. Hayman said.

MR. GARRENGER: Senator Cardinale, you had a question.

SENATOR CARDINALE: Not so much a question as a suggestion: When we dealt with this issue in March, we were not aware -- I don't believe -- at least I know I was not aware, and I don't find it anywhere in the notes -- that there was legislation that affected the use of the property. And I would think that as a -- opposed to going forward -- that if there is legislation that has an impact on a particular piece of property, expressing essentially the intent of the legislation with respect to that property -- that before -- that it at least be included in the packet of information that is provided to us.

I know it's a matter of public record, but I'm not that good. I can't know everything that has gone on forever back into the past with

respect to every piece of property in the state. I need help, and I'm asking for that help, with respect.

MR. HAYMAN: That suggestion is very good, and that will be done in the future.

MR. GARRENGER: That's a very reasonable request, Senator.

SENATOR SMITH: Just one question before we get started with the testimony, and that is: As I understand the powers of the State House Commission -- that even if there was legislation unencumbering the property for open space use, despite this earlier resolution that was done we still have to come back to the State House Commission before any conveyance can occur. We have to review all terms and conditions of any conveyance, correct?

MR. GARRENGER: I believe that's correct. I believe that would be consistent with all of our past practices.

Is that correct, Gene?

MR. HAYMAN: That's right.

SENATOR SMITH: All right. So the earlier resolution doesn't provide a blank check to do anything with the property. It just simply says, "Do your due diligence," I guess.

MR. HAYMAN: Right.

SENATOR SMITH: All right.

MR. GARRENGER: And the only additional thing that I would add is, under the current statutes, any disposal that's over \$500,000 requires separate legislative activity. So there's nothing that the State House Commission could finally do on its own with respect to any parcel that's valued at over \$500,000.

With that said, Senators, Assemblymen.

A S S E M B L Y M A N A L E X D e C R O C E: Thank you very much.

We thank the Commission for hearing us this morning.

Quite obviously, there's a lot of interest in this parcel. Back in the late '90s, we developed bills that would make sure that the property was held in perpetuity and would be kept in vacant status or to be used either as recreational facilities or even a hospital. One hundred and ninety acres were used for a brand new hospital that's in place now and finally being used. And the balance of the property -- most of it which is available right now -- is vacant and, frankly, should stay that way, as far as I'm concerned. There are those who would like to see it be used for passive recreation, and some want to use it for ball fields, and soccer fields, and things like that.

The '99 is very clear. I think we should stand with the '99 law. And I think one of the reasons I'm here representing the people we brought down this morning is the fact that they all want to see this property be kept the way it is presently.

Now, we understand that the State has certain liabilities here. But at the same time, this parcel-- If you check with DEP, I think you'd find it very hard for anyone to ever develop this property for anything other than passive recreation or recreational facilities. The existing buildings that are on that property are in trouble. They need to be cleaned up. My understanding is that it will take in excess of \$30 million to clean that parcel up. I don't know anybody who has that kind of money to gamble on.

I think it would be better, frankly, that the State, one day, take care of its responsibility and clean that property up and then do what we've done in the past -- is give it to Morris County to be developed in a way that's consistent with the wishes of the residents in the municipalities.

We have several mayors who are here today. I'm sure they're going to give you their views on the property, as well as the Senator, and Senator Pennacchio, and Assemblyman Webber. But the fact remains that this is a parcel that should be left as it is right now. And the law should certainly be adhered to. It was passed in 1999. There was a subsequent law, as mentioned, in 2001. I think those two pieces of legislation should stand.

SENATOR ANTHONY R. BUCCO: Thank you, and good morning.

Thank you for the opportunity to address you today on this parcel.

Just to go back to 1999, during the Whitman administration-- It was also rumored at that time that the administration was looking to hire real estate agents to develop Greystone -- sell it and develop it. And that's why the legislators out of the 24th, 25th, and 26th districts -- all of us who encompass Morris County -- put the legislation through to preserve that parcel of property that the State owned.

In 2001, we were looking again to see what could be done with the property at Greystone. And I had Jim Allen -- at that time, a former employee of the State of New Jersey -- research where we could get some of that property and transfer it to the County of Morris for \$1, and have them develop it into recreational facilities.

I have to say, there was some concern about transferring it for \$1. But the County of Morris spent over \$10 million of taxpayers' money in Morris County to preserve that and make recreational facilities. And that's what the thrust of this whole thing was. And the legislators in the 24th, 25, and 26th districts embraced -- about building a new facility -- a new Greystone facility on 100-plus acres. We had no problem with that, nor did the mayors, or the surrounding municipalities have a problem with that. And we were very pleased to be there for the ribbon cutting of the new facility several months ago. So it's not a question of Greystone being there. It's a question of open space.

We have been bit -- hit very hard in Morris County with the Highlands Act. I mean, you're trying to preserve property with the Highlands Act in the Highlands area, which we all border on and are all part of, and now we're looking to develop it.

Also, about, I would say, six or seven years ago, I approached the McGreevey administration, where I had a possible tenant for that main building at Greystone, again at no cost to the State. St. George's University out of Grenada was interested in putting in a nursing facility there. I could get nowhere with the administration -- with McGreevey's administration. I had meetings. I had Grenada -- St. George's representatives come up and speak to Human Services, and nothing ever happened. And it's the same thing with the Corzine administration -- nothing has ever happened. We have the ability to do something with that property which I think would be more conducive for the surrounding area -- a nursing facility or something other than that -- other than a development. Because it will only tie up traffic, it will make it a nightmare trying to get around that area.

ASSEMBLYMAN DeCROCE: If I might add, Tony just began to touch on-- The fact of the matter is, the services-- If that property were to be developed in any way whatsoever, it worries us, because God knows what they might try to use it for sometime. The services would certainly impact each of the municipalities, despite the fact that most of the properties in my hometown of Parsippany-Troy Hills -- it would impact both Morris Plains, Randolph, and Denville. And it would be horrendous -- as Tony mentioned -- be horrendous with traffic, maintaining the services that are necessary, and being able to take care of the people in that area.

I'm not at all sure, frankly, based on some of the most recent information that I've gotten from DEP, that it really, truly can ever be built on, but I've seen things happen in the past, and it makes you a little nervous. But I'm here to ask that the Commission respect the '99 law and make sure that the property stays as it is, as required in both the '99 law and the 2001 law.

Thank you.

MR. GARRENGER: Thank you.

Good morning.

SENATOR JOSEPH PENNACCHIO: Good morning.

Thank you, Commission members, for having us here today.

I just want to echo some of the thoughts of my fellow legislators. And I think I can speak with some authority, as a former Morris County Freeholder, to say that one of the jewels of our public policy up there is our open space policy. We take it very seriously. We spend, currently, well over \$20 million a year to back up our words with deeds.

The \$10 million that Senator Bucco spoke about wasn't just the creation of recreational areas, it's also the remediation of a lot of hazmat materials and a lot of bad things that were left back there. We know that. Some of the existing buildings that we were able to use -- we didn't seek to profit from them. We gave them to nonprofits, therefore trying to reach and better the lives of the people, not only in Morris County, but some of those not-for-profits, quite frankly -- they stretch out to all over the State of New Jersey. And we're very proud of that.

Morris County has always mirrored New Jersey in its open space policy. Morris County is a good steward of that resource. And recognizing this, past legislation has made it abundantly clear that surplus Greystone property must and should be preserved as open space. It's difficult to understand how a state can talk about purchasing open space as a State public policy, and yet the open space that we have, that exists, there's some thought to selling that off.

More important than this dichotomy of public policy -- that's a euphemism for another word -- is a sense of fairness, equal protection, administration of the law, and State policy to all, no matter where we live, whether it be Morris County, or South Jersey, or North Jersey, urban or suburban areas. Let's not rewrite the laws for the benefit of developers, but rather let's once again renew our commitment to open space and the enjoyment that it can be used for, for our generation's future and all of future generations.

Any questions? (no response)

Thank you very much.

MR. GARRENGER: Thank you.

Assemblyman Webber.

A S S E M B L Y M A N J A Y W E B B E R: I too want to thank the Commission for having us today.

And I want to share with you a little bit about why this is such an important issue to the 26th and 25th legislative districts.

In addition to echoing what Assemblyman DeCroce, Senators Bucco and Pennacchio have told you, I really want to share with you how important it is to the people of Morris Plains, my hometown, and Parsippany as well. But we have a lot of folks who came down from Morris Plains very early this morning -- Parsippany and surrounding towns as well. But they feel very, very strongly. We gave them some coffee and kept them awake. (laughter) And I thank them for coming, because this is one of the most gratifying issues and experiences I've had in the Legislature this year.

I'll tell you a little story. I picked up my first grade daughter at a Christmas party yesterday afternoon. And when you show up at the Christmas party, and the moms there are circulating a petition to preserve Greystone and send it down to this Commission, you know that it's an issue that's impacting your communities.

And when I talk to the Mayor and he says the topic of conversation at the Dunkin' Donuts on Sunday morning is, "Hey, what are they doing with Greystone? Can we keep it the way it is?" you know it's an important issue to your constituents. And I think it would be difficult to overstate to the Commission how important it is for Parsippany and Morris Plains that the '99 and 2001 laws be respected and remain unchanged. The impact on traffic on Hanover Avenue, and Central Avenue, and Route 10 in the morning, going eastbound, is difficult to overstate.

And that's why we're here to make very clear to the Commission that the people who live in this area, the people who will be impacted by development if that's what occurs with this property, don't want it and feel strongly enough about it that they'll wake up. For every person who is here that came with us, there are 10 more who have to take care of their kids or go to work this morning and didn't have the opportunity to come down and share with you, and vote with their feet by arriving at the Commission meeting to express their views.

I understand the function of the State House Commission. And the Executive Branch needs to designate this as surplus. And in order to do anything with the land, even convey it to the municipalities or the county, eventually to use it as recreation or other open space purposes-- My suggestion to the Commission is that you respect the law. And today in the resolution -- any resolution you vote on if you do approve it -- would be to approve it pursuant to -- or if there is disposal of this land, that you dispose of it consistent with existing State law. It's not enough to say that we'll dispose of it consistent with State law because, as you know, if you hire a broker to market this land, and a price comes back that's quite attractive to the State for sale of the land for development, for residential purposes or other purposes, the statute can be changed. And this issue has already been debated, it's already been voted upon by the Legislature twice. And what we're asking you to do is: any action you take today, codify, respect, and act only subject to the restrictions that are in State law. And it would be as simple as voting today and not letting the State dispose of this land other than for recreation and conservation, historic preservation, or

farmland preservation purposes, rather than leave it to the whims of a future legislature to auction off this land for development.

MR. GARRENGER: Assemblywoman.

ASSEMBLYWOMAN KARROW: I have a question for Gene.

When this got released from the State House Commission in March for Treasury to start the action of soliciting for auction-- How far has it gotten, and what steps have been taken to date?

MR. HAYMAN: It hasn't gone far at all. Actually, we were in the process of doing a PA 1 assessment of the properties and having surveys done. So they've just been completed. That's as far as we are with the process.

ASSEMBLYWOMAN KARROW: So would the-- If this goes forward at this point, would the intention be that any notices of intent by the State would include the restrictions, as per the legislation, over this land, and that it would be solicitations for bidders who would be willing to do recreation, open space?

MR. HAYMAN: If that's the route we end up going. You have to look back to MPDC and Marlboro -- how there were open space issues at both of those places, how there were contamination issues at both of those places. We worked with Montgomery Township with MPDC. We ended up getting \$5.95 million out of property that they wanted for \$1. They ended up getting an insurance policy to clean up the property. So everybody came out a winner. There was-- Out of 256 acres, 140 of those acres were restricted to open space. We also sold 120 acres to the farmland preservation there at MPDC.

So it's not an issue of not preserving property, it's an issue of trying to derive some value for the State.

ASSEMBLYWOMAN KARROW: I understand that. My concern though is: Marlboro, demographically, is very, very different than where Greystone sits, as far as congestion, and traffic, and population, as well as in the Highlands. So it's a very different issue. In comparing Marlboro to Greystone, it's very, very different.

MR. HAYMAN: No, but MPDC had a lot of the same traffic issues, too, in Montgomery Township. They have traffic problems -- no longer there, so--

ASSEMBLYWOMAN KARROW: I mean, I was working for Treasury in '99 and 2001, as you know, for the Division of Property Management and Construction. I very much remember all of this legislation and the intent that was there. And it really was-- The thrust was not to allow residential -- no high-impact -- to try to keep it in the uses that were currently there: hospitals, recreation, open space. So, I mean, I really remember the intent of the law at the time, because it was such a big discussion for two years. So I am concerned about letting this be very open-ended at this point.

MR. HAYMAN: Well, I think we have the obligation to see if there is some value that can be derived from the property, whether it's -- we end up selling it to the county. The county, just in July, came out with developers to look at the property for a retirement community. So it's not like they're not thinking along those lines also.

ASSEMBLYWOMAN KARROW: Are there any--

SENATOR PENNACCHIO: Just very respectfully, when you say they may get some money out of it-- In Morris County, the residents, taxpayers, are notoriously being shortchanged when it comes to getting money back from the State, respectfully. Whoever did the numbers -- I think the last count was \$0.14 for every dollar that we send in. Fine.

But when it comes to keeping something that quite frankly the taxpayers have been burdened with, as far as some of the safety issues, some of the education issues -- the fact that we've been good stewards of the land, as well as good neighbors of the hospital itself, I think that also has to be taken into account.

And again, some of the things that we're doing, whether it be recreational facilities for kids that are handicapped -- that was never there before -- whether it be copartnering with the not-for-profits -- this is something that the county itself is doing, not seeking any resources from the State. And, quite frankly, I think that we should--

The word *reward* is a bad word. What we want-- We just want to be treated equally, as well as some of the other people in the state when it comes to some of those resources.

MR. GARRENGER: Thank you.

Senator Smith.

SENATOR SMITH: Are we going to have DEP up, because I have three questions for them?

MR. GARRENGER: Do we have someone from DEP present?

MR. HAYMAN: Yes.

SENATOR SMITH: First of all, the one issue that really got my attention was the question of the Highlands. Is this in the Highlands preservation area, or the Highlands planning area, or neither?

MR. HAYMAN: It's in the planning area.

SENATOR SMITH: It's in the planning area.

MR. HAYMAN: Yes.

SENATOR SMITH: Okay. So if that was in the preservation area, there wouldn't even be a discussion at this point, correct? (affirmative response)

Number two: My recollection -- and, again, I'm getting as old as Senator Cardinale here -- is that the State, in the late 1990s, conveyed a substantial portion of this property to Morris County for \$1. Am I right?

J U D E T H P I C C I N I N I Y E A N Y, E S Q .: I'm Judeth Yeany, from the Green Acres Program.

My understanding is that the 1999 legislation said that if the portion were to be declared surplus by Treasury, that it should be offered to DEP, and they could accept whatever portion they deemed suitable as State parkland.

It's been explained to me that the 2001 legislation essentially functioned as the declaration that the property was surplus -- at least the portion that ended up being transferred to the county. So there's a defined area in the 2001 legislation where it says if it's deemed surplus, it needs to be transferred for \$1.

SENATOR SMITH: All right. Do you have any idea how large that property was?

MS. PICCININI YEANY: The only number I'm familiar with is what's left. I think what we're talking about now is 195 acres, roughly.

MR. HAYMAN: It's 130.

DEPUTY TREASURER BELL: The original, Gene.

SENATOR SMITH: I think it's 130. But how about the original conveyance to Morris County?

MS. PICCININI YEANY: The total property is 671 acres. I believe that we're talking about 195 being left, Gene?

SENATOR SMITH: I think 130.

MR. HAYMAN: No, 130.

DEPUTY TREASURER BELL: I believe it was 340, but Gene would have the documents.

UNIDENTIFIED SPEAKER FROM AUDIENCE:
(indiscernible)

SENATOR SMITH: For the record, someone is saying, from the audience, 302 acres was conveyed to Morris County -- correct?

MS. PICCININI YEANY: DEP didn't transfer it, so I wasn't familiar with the actual number.

SENATOR SMITH: Okay. And that was for \$1, which is a pretty good deal. Montgomery, I believe, paid several million dollars for their property.

But that being said, the State did that and it's a good thing. Preservation of open space is at the top of their list.

Did I also hear that this property is contaminated?

MS. PICCININI YEANY: My understanding is that there are issues with the buildings themselves. I've heard asbestos mentioned over

the years. And I've heard that there are issues with underground storage tanks and contamination on the site.

SENATOR SMITH: Has anybody evaluated the cost of cleanup associated with these properties?

MS. PICCININI YEANY: Well, I heard a \$30 million price tag earlier, but I don't know where that number came from.

MR. HAYMAN: We've just had the PA 1 assessment completed. The next step is to go back to the engineering firm, and they'll come up with some value.

SENATOR SMITH: Okay.

Well, it sounds like we're very premature in this. We don't have all the information available to us. And so one of the key items that I'd be interested in is, what is the cost of the cleanup of the property, what kinds of contamination are on it? I think that's something we need to know when we deliberate on this property.

That's all I have, Mr. Chairman.

MR. GARRENGER: Thank you very much.

Do we have further elected officials to address the Commission?

MAYOR FRANK J. DRUETZLER: Good morning.

My name is Frank Druetzler. I'm the Mayor of Morris Plains.

Next to me is former Mayor of Parsippany, Mayor Mimi Letts.

Let me just try to clarify a couple of statements that were made here.

The county got 302 acres. They have spent, so far, about \$10 million -- a lot of buildings, a lot of cleanup, still more to come. So it's more than \$1. And they've done a pretty good job so far.

SENATOR SMITH: Mayor, when you say cleanup, do you mean there was contamination on the property that was conveyed?

MAYOR DRUETZLER: Yes.

SENATOR SMITH: And the county has undertaken the cleanup?

MAYOR DRUETZLER: That was the agreement when they got that property. They were responsible. They couldn't go back and sue the State, and make them clean up. They were responsible for asbestos or whatever they found. There was an old coal plant there. There are a lot of issues. And they've worked diligently over the years to try to move that forth.

I want to go back to your actions on, I guess, March 13, or whatever date it was. To me, that was the beginning of a process. You may not say that you're going to do that, but that is the beginning of a process. And we're here today to ask you not to do that process.

And I want to also mention that the State has hired Cushman & Wakefield to market the property. I came down--

I want to say also that Greystone-- I'll give you a little history. Greystone is surrounded by five communities: Parsippany -- it's in Parsippany -- Morris Plains, Morris Township, Denville, and Randolph. We've all had some issues with Greystone over the years with elopements. We formed a Greystone Security Committee, with members of each one of those towns -- their police chiefs, the prosecutors offices, members of Greystone -- and we resolved a lot of those.

And for all those years -- many years -- it always was, "You know, the people of New Jersey have always said open space is very dear to

them, and they want to keep it.” And today it seems anytime someone sees a piece of vacant property, they want to develop it. For many years people have always wanted to buy Greystone. Under the Whitman administration, there were plans for condos, and apartments, and you name it. And that’s when, as Senator Bucco pointed out, the legislation came in 1999.

And the legislation, I thought, was very clear. If it was declared surplus, it would go to the DEP for -- Treasury would move it to DEP for a State park, recreation, farmland preservation, or historic preservation. It’s in that legislation. It’s clear.

When that legislation was signed, we all felt wonderful, because we all thought -- just like when you buy Green Acres property, you don’t have to worry about it being sold anymore. And here we see the beginning of the unraveling of that legislation. They don’t make any more land. I guess if you’re looking for dollars, they can print more dollars, but they don’t make any more land.

We certainly do not wish to see-- I think I’m speaking for all the people who came down, and all the people in not only those communities, but certainly in Morris County. I think the people of New Jersey feel the same way.

I’m going to let Mayor Letts -- former Mayor Letts speak a little.

FORMER MAYOR MIMI LETTS: Thank you, Frank.

And thank you, folks, for giving us the opportunity to be here this morning.

I served from ’94 through 2005. And during that time, we had a lot of dealings regarding Greystone. It started when the original

discussions about building a new hospital started. I became concerned about what would happen to all of the Greystone property. And so I sat down with representatives from the Department of the Treasury, and they agreed that if the State ever decided to divest of any of those properties, they would let the town know, because we were interested in preserving this property. We felt that it had great cultural significance, environmental significance.

And from an infrastructure standpoint, it was important to look at this, because Greystone had been a totally self-contained entity. And the town had never developed any type of service provisions for that entire part of the town. So changing that, and developing that, would change an awful lot with regard to the town. So anyway, they agreed that they would let us know if they decided to do anything.

So a couple of years after that, you could imagine how shocked I was when one of our reporters -- maybe Mr. Ragonese (phonetic spelling) - - called to ask me how I felt about the plan that the Governor had to develop Greystone. I was shocked, I was very upset, and very, very pleased that once the word got out, with the help of a lot of citizens from surrounding towns and our elected officials, we were able to get some legislation put together that, once it was passed, we felt would permanently preserve these properties at Greystone. And so now here we are in 2008 finding out that maybe what we thought was a permanent solution isn't a permanent solution.

So one other thing I wanted to address-- You know, the discussion about the need for the State to get some kind of payback for this property-- Some of the things you have to realize is that the communities,

particularly Parsippany, have been paying an awful lot to the State for in-kind services. For example, we educated all the children of the people who used to work and live on the premises. They don't live there any more. And we did that, and the State didn't reimburse us for that. Parsippany provides the fire service now. There was a time when Greystone had their own fire department, there was a time it had its own police department, that it had its own ambulance service. Now the municipality provides all of those services to the State hospital. We get no reimbursement for that.

So, in effect, the State is being reimbursed a great deal in the way of these services for that property. So we really ask you to consider reversing the prior action to put this up for auction.

And I thank you.

SENATOR SMITH: I have a question.

MR. GARRENGER: Senator.

SENATOR SMITH: First of all, I have sympathy for the situation. Come to Piscataway, New Jersey. I have Rutgers Married student housing. We get \$6 million worth of children every day into our school system. We don't get reimbursed a dime. Welcome to our world.

The first transfer, the 302 acres which apparently everybody thought was clean and pristine--

MAYOR DRUETZLER: I think that we all knew.

SENATOR SMITH: You knew that it was contaminated?

MAYOR DRUETZLER: Absolutely. There's contaminate--

SENATOR SMITH: So the county undertook the cleanup.

MAYOR DRUETZLER: Yes.

SENATOR SMITH: Just so we know what the option--

MAYOR DRUETZLER: And I can tell you this: I was a freeholder for a number of years before I decided not to run. So I was there when that happened.

SENATOR SMITH: Terrific.

Just so we know what all the options are, because I think there's going to be an evaluation about-- First of all, I want to know how much contamination there is on the property. But I did hear that \$30 million figure, which was an eye-opener. Do you think there would be any interest on the part of the county freeholders in undertaking the cleanup of this property if it was conveyed? Because the earlier comment from one of the elected officials was, "You, the State, clean it up, and then transfer it to us for a park." That's a little bit over the edge, and it's not the way in which you did the first 302 acres, where we gave you the property, and then you were responsible for the cleanup. Saying spend \$30 million and then transfer it is a little over the top.

MAYOR DRUETZLER: Let me say that \$30 million is a tremendous amount of money. For me to -- I can't state that for the freeholders.

SENATOR SMITH: How about kicking the tires to see if there's some interest?

MAYOR DRUETZLER: Let me tell you, Senator, I will be very happy to kick the tires and try, over a period of time, to get some of that property preserved, whether it's a community purchasing some, or the county purchasing some, or a combination of those things. And, in fact, the county has an offer to Treasury that they delivered in March for around 12 acres, three roads, knocking down one of the buildings that's there to pay

value under open space. I think more of that can happen. That's a benefit, certainly, to the State, it's a benefit to the citizens.

Let me go back to the 302 acres. There were a number of residential homes there. Those homes, instead of being knocked down, they have been rehabbed and are used for psychiatric people in transition. You're always looking for homes for those people. There are six of them being used. And when the finishing of all the movement in Greystone, the additional three homes will be done the same way. In my community, right there, is a battered women's shelter and transitional housing; and the property is right next to it that the State wants to sell. We always looked at that, and they looked at it. We bought Green Acre property in back there to buffer them and to make it private for them. I wouldn't want to see it developed next to them. I want to see that kept open space.

There are so many stories like that here. I think the county has always been a good steward of property. I think the communities around Greystone have been good stewards of property. We want to -- want you to, if you would, reverse your action and certainly let us try to work with the Treasury, with the State of New Jersey, with our communities.

SENATOR SMITH: See, you know what, respectfully, I think that's a big mistake. Just personally, I want to know what the degree of contamination is. What's the cost of cleanup? You can't make any financial decisions about this property without knowing the extent of that. So I think we're actually doing the right thing by trying to see what is the highest and best use of the property, which may be parkland, and who should be the owner, and who should be doing the cleanup. If you don't do those evaluations, this property just sits out in limbo, and then you do have

the potential of things happening you're not happy with. But until you have fully evaluated, you really can't even make an intelligent decision about what you're going to do with the property.

MAYOR DRUETZLER: Well, there are some areas, though, that probably have a lot of contamination where most of those buildings are. And there are some areas that are just plain open space that should--

SENATOR SMITH: I don't know. (laughter)

MAYOR DRUETZLER: I'm just trying to inform you.

MR. HAYMAN: Could I address this? (affirmative response)

First of all, the county did make an offer for the portion of the property that has very few buildings on it. The State didn't reject that. What they said was, "We don't want to do anything piecemeal. Let's get an idea of what the whole thing is together."

And another thing, Mayor Druetzler, C&W wasn't hired just to market Greystone. C&W was hired back when Mr. McCormick was Treasurer, when there was this whole asset sale agenda that everybody was pushing. And they were hired, at that time, to help us realize how we handle these large, complex properties. And that's-- It fell into that. They weren't hired just to market Greystone.

MAYOR DRUETZLER: But, you know, when there is no more Green Acre funding, why would you want to sell property? Why would you want to sell open space? It makes, to me, no-- It's not a good policy. It's not practical sense or vision for the State of New Jersey.

MR. GARRENGER: Assemblywoman, do you have a question?

ASSEMBLYWOMAN KARROW: I do.

First of all, I just want to say to the two Mayors, thank you so much for coming. It's really wonderful to see such nonpartisan participation to save a piece of land. I've gotten to know Mimi through the Highlands Council, and Frank on the Five County Coalition when I was a Freeholder in Hunterdon. And it's just really wonderful to have you both come together across the aisle to try to save a piece of land. I want to say thank you so much for both coming together.

I would really like to get, somehow -- either through the legislators representing this piece of land, or through the two of you -- to the freeholders: exactly what the financial costs have been, burdened by the Freeholder Board in Morris County -- all the costs that they did outlay so far in cleaning up the original piece of land that they got, how much money they've been spending.

Also, Mayor Letts, you represented all of these new costs that are being borne now by the town, as far as police and fire, rescue service, that were not there before. And there are other hospitals in the state that do get payments in lieu of taxes for those reimbursements. I don't think any college town gets that kind of money back, in all due respect to Senator Smith, but there are a number of State facilities that do have reciprocal agreements with municipalities that have volunteer police and fire, as well as paid -- paid as well -- that do enjoy getting some remediation in financial direct payment back to the town to offset those costs. And you definitely should explore that with the State. You shouldn't be singled out as a town with a State facility that does not get some offset for providing those services that are new to you.

MS. LETTS: Now you tell me. (laughter)

ASSEMBLYWOMAN KARROW: I don't represent you, sorry.

MS. LETTS: No, thank you.

ASSEMBLYWOMAN KARROW: But I would be very interested, on behalf of the State House Commission, to see exactly what your costs are that you are bearing and how it relates to the cleanup costs and everything else as part of this whole package. I am on record saying I support the municipalities in Morris County being able to get the smallest impact possible on this land, if no impact at all. It is, and should be, remaining as open space, just because it's in the planning area. We've had these discussions for a long time. Mimi knows this better than anybody, that the Federal government wanted all 800,000 acres preserved. It was the State that bifurcated the aquifer, not God. So we don't really know what your aquifer looks like under Greystone. And it is critical that we get it cleaned up, because I am sure there is water below that ground.

MAYOR DRUETZLER: Just one last statement, I know other people want to talk. When the county got the property, the estimate at that time was \$15 million to clean it up. They have more to do. We probably-- I'm sure the county will get to that number. We just knocked down one of these dilapidated buildings. And as they got to -- ripped up the bottom floor, they found this ash -- this coal ash. And, of course, now they brought the DEP in.

I don't know how you determine how you're going to find that by doing a study. It certainly wasn't expected, but it's there. And we don't know what -- a lot of things that happened there. To the best of our knowledge, this place has been there for over 100 years. But it is a cost.

It's something the county was willing to do back then, and we'll see what we're willing to do in the future.

But I thank you. I would like to see you rescind that.

Once again, let other people speak.

MR. GARRENGER: Thank you.

Do we have additional folks who want to testify on that?

(affirmative responses)

Come up in an orderly way.

MAYOR ALLEN NAPOLIELLO: My name is Allen Napoliello, and I am Mayor of Randolph Township.

First of all, I want to thank you for giving me the opportunity to speak to you this morning. I come to you on behalf of my fellow council members and the 26,000 residents who reside in Randolph Township.

The State of New Jersey has undertaken several positive initiatives in recent years with regard to addressing the Greystone Hospital. The completion of a new hospital and the transfer of a portion of the campus to Morris County are certainly looked upon as extremely beneficial actions, and you ought to be congratulated.

Today, your Commission will be considering an action that will not be consistent with prevailing law. The current law calls upon the State to dedicate the Greystone property for parks, farms, open space, or historic purposes. We look upon your administration to propose deviation from the law as a breach of the public trust.

New Jersey has been served by several governors who have relied upon short-term financial gimmicks to address State financial woes. Each of these actions have resulted in eventually causing greater harm than

good, cumulatively leading to the many dilemmas, both fiscal and social, that are strangling our beloved State today.

An attempt to auction the remaining Greystone property, in many way, is reminiscent of the pension holidays and bonding schemes of recent years. The auctioning of and resultant private development of Greystone will overwhelm local infrastructure, generating more traffic on already congested roads and creating the need for new classrooms. The burden placed upon local property taxes in the municipality or county level to address these needs and other associated services will carry forth long into the future, well after the one-time cash infusion into State budget is forgiven.

I am perplexed and frustrated by the State House Commission's agenda at a time when the Green Acres trust is not capable of funding the many pending applications for open space acquisitions. The Commission is considering stripping away and selling acres that are already publicly owned.

In closing, I ask you -- I ask that you and the representatives serving the State House Commission consider three important questions. One, is it appropriate to violate past commitments made to host communities? Two, is the one-time financial benefit just another game of smoke and mirrors to address our State's financial problems? Three, will future generations of New Jersey residents forever lose a resource that could have greatly enhanced quality of life so important to our Garden State?

I beg of you to evaluate this issue from a long-term perspective, well beyond the next election cycle, and to comply with the laws that are currently in place to preserve this resource to the benefit of all residents.

Thank you.

MR. GARRENGER: Thank you.

MAYOR P. TED HUSSA: Hi. Thank you for letting all us come down here today.

My name is Ted Husa. I'm Mayor of Denville, which is less than a mile from the property.

I have three letters which I would like to quickly read into the record. One of them is from myself, and one is from an organization called Greystone Park Historical Project.

MR. GARRENGER: Who are these letters to?

MAYOR HUSSA: Well, one is to the Governor, through this committee; and one is to the State House council, and the other one is to the State House council.

MR. GARRENGER: And have these been mailed, or are you just going to provide them now?

MAYOR HUSSA: I can provide them now.

MR. GARRENGER: Thank you.

MAYOR HUSSA: I have copies of them.

“What I'd like to say is, I'm very much in favor of supporting existing legislation that would preserve the State lands at Greystone Park for land conservancy, for open space, for recreational purposes, and for historical purposes. I write on behalf of 17,000 Denville residents that to do otherwise would be a breach of the public trust. The State lands at Greystone Park are less than a mile from Denville. This close proximity allows us to consider it feasible to share recreational fields with Parsippany or Morris County, where those potential recreational fields lie. Denville is

in urgent need of more recreational fields as our population increases and sporting opportunities to our youth increase.

“We firmly believe we raise our youth to stay out of trouble and be productive citizens as far as we provide opportunities for their activities. We are currently quantifying our rising needs. Recreational fields at Greystone would represent an important shared opportunity for Denville, as well as other towns in Morris County.

“More importantly, I write to you about the absolute urgency of preserving the historic Kirkbride building that stands on these grounds. The historic significance of this 150-year-old building cannot be overstated to Morris County and the region. To preserve the building is an opportunity that if lost by this generation of politicians by shortsightedness will always and forever be regretted. Demolishing this building is simply not an option.

“I am currently working together with a group of interested individuals to form a steering committee to investigate -- this is from the grassroots level -- all the possibilities of fundraising, preservation, and future use of this wonderful, historic facility.

“I humbly ask on behalf of the thousands of people interested in preserving the Kirkbride building that you postpone any plans to auction it until Morris County realizes what a great historic loss this would be and until the various parties interested in preserving -- preservation can sufficiently organize to handle the logistics of the task.”

And this is from an organization, again -- Greystone Park Historical Project. And the Chairperson is Kimberly Beatty, who could not be here today.

“I am greatly concerned with the recent attention to the requirements of the 1999 and 2000 (*sic*) laws and the property on Central Avenue and Greystone Park. I feel that they should remain as they are and not be changed. Upon changing Greystone Park’s current status of open space, it will cause great historical tragedy.

“If the land remains open space, it would mean a great economic boost for Morris County and the State of New Jersey. Renovation of the property into a place commemorating what historic breakthroughs occurred there could open many jobs for residents of Morris and neighboring counties, therefore lower unemployment rates and help the families of those who are without work.

“With the national attention that Greystone has, I believe that it can be a great tourist attraction. In my opinion, I feel people would want to come explore the site either as a ruin, such as the Eastern State Penitentiary --” she gives a Web site, not the location -- “or a fully operational complex of business, like that of Kirkbride in Traverse County, Michigan.”

You may or may not be aware, there are many of these Kirkbride buildings around the country. This happens to be the second oldest one.

“All the current plans are beneficial to Morris County, which include ball fields, a hockey rink, and the works of -- a public dog park. Keeping the Kirkbride intact will add a reminiscence of the history of what the newest additions are sitting on. It deserves appreciation.

“Please consider keeping this great piece of New Jersey history. Again, I can’t express how great of an opportunity this could be for the

county and the State. These buildings are rare to find intact as the one at Greystone island. It could offer so much.”

And this is from Marion Harris, Morris County Trust for -- Chairperson, Morris County Trust for Historic Preservation.

She says, “We urge you to respect the requirements of the 1999 and 2001 laws, and to decide against unrestricted marketing of the Greystone property. The provision that it be retained permanently as open space or for other benign uses is a wise one, far more beneficial to the local community and to the state at large than would be development.

“We should point out that all open space is not alike. Athletic fields are often considered open space, but they are, in fact, a form of development, contributing to runoff and to environmentally destructive uses like parking, lighting, and noise pollution.

“Further, though open space is financially more desirable than new construction of any kind, when the building already exists on a site it is more beneficial to reuse it than to demolish it. This benefit increases exponentially when the building is historic.

“The community has already suffered the loss of the portion of the Greystone complex that was transferred to Morris County ownership over the objections of the preservation community, and despite the opinion of the State Historic Preservation Officer that all of the buildings were eligible for the register listing. The County declared them past saving, and we have lost them. In their place we are to have ball fields. This politically expedient decision deprives the community of assets that cannot be replaced due to a decision based on ignorance of their value.

“The State now has a chance to counter this irreversible destruction. The Kirkbride building, still in State hands, is significant both for its architectural distinction and for its association with innovation in the field of psychiatric treatment. Although the demolition of the rest of the complex severely degrades this significance, the Kirkbride building remains stripped of its structural context and deteriorated from neglect, but still at least with us, providing some idea to future generations of the nature of Greystone’s importance. Because of the challenge involved in restoring such a large, magnificent structure, we recommend that it be mothballed properly right now, not simply abandoned as at present until a solution is found for its use. We would look favorably on the public-private partnership that would bring in the required funds. We would not object to residential use that did not include the construction of new ancillary buildings and that also did not reduce the contextual open space. We would ask the State to require that use of this open space be limited to passive recreation such as trails or natural preserves, which calls for minimal soil disturbance and other kinds of change of the natural state.

“We do not believe that the protective legislation mentioned above anticipates the preservation of the Kirkbride building. We do not (*sic*) believe that the State’s primary responsibility now is protecting that building. We agree with the neighboring municipalities that ordinary residential development would be counterproductive on this site, but we caution against the creation of an unlimited open space project that fails to protect the building.”

I know I’ve taken a lot of time. I’d just like to-- In case some people have never seen it, I’d just like to share with you a few pictures of

the Kirkbride building. It is a magnificent building which if we lose we will all regret it. It's historic in nature, and it's a one-of-a-kind. I anticipate the destruction costs alone would probably be rivaling the cleanup costs. And there are many people in Morris County who would like to be involved in a restoration project.

And I just-- In closing, I would just like to add a couple of the possible uses that have been circulated: naturally, a museum for mental health; cultural arts center for art, music, and history. It could be a wonderful university administration building. It could be a center for nonprofit organizations, which there are many of in Morris County. It could be government buildings. It could be a county recreational center. It could be an expansion of Rutgers University. Rutgers does have offices right nearby -- Hanover Avenue. And it could be affordable housing for impaired and disabled, which I suspect would fulfill the entire COAH requirement for the whole county. So I would have to go on record as saying that demolishing this building is not an option.

Thank you very much.

MR. GARRENGER: Thank you.

SENATOR SMITH: I have a question for the Mayor.

MR. GARRENGER: Senator.

SENATOR SMITH: Mayor, what you say about the Kirkbride building is extremely impressive.

When you, and Mayor Letts, and Mayor Napoliello, and the other Mayor are talking to your freeholders, why don't you bring that up as well? Remember, life is a two-way street.

MAYOR HUSSA: Yes.

SENATOR SMITH: Costs of cleanup are a major issue, cost of historic preservation are an issue. And I can tell you right now the State of New Jersey is broke. Our expansion of responsibilities -- the chances of that are probably slim to numb -- none -- probably numb too. (laughter)

But in any case, go back to your freeholders and see if there is some willingness to do the cleanup and some willingness to do the historic preservation.

MAYOR HUSSA: I will most certainly do that.

SENATOR SMITH: So we at least know what the options are.

MAYOR HUSSA: Thank you very much.

MR. GARRENGER: If you could leave those letters with the Secretary so that we can give them to their intended recipients.

MAYOR HUSSA: Thank you very much.

MR. GARRENGER: Thank you.

We have a number of folks who have signed up. Some indicated they wanted to testify, some indicated they did not. To the extent that the points have not already been made, if folks want to come up and address the Commission that will be very welcome.

Thank you.

MAUREEN MURRAY: Thank you for having us.

My name is Maureen Murray, and I've lived in Morris Plains for going on 10 years now.

My partner Sue and I have actually started a petition drive in Morris Plains and some of the towns that surround Greystone, and we'd like to submit it today. We have, so far-- After a week-and-a-half, we have 385 names. And a lot of these folks were blindsided by this. They had no

idea it was happening. They're very, very much against any kind of development in Greystone.

Also, we think that statewide it really sets a dangerous precedent and signals developers that New Jersey's open space is fair game. Today, Greystone; tomorrow it could be the Pine Barrens or another historic landmark. So we think it opens a very dangerous Pandora's box.

So please don't let New Jersey become the unfortunate stereotype that a lot of people think it is. We know that New Jersey is better than that. And the concerned citizens of Morris County are watching what happens today very closely.

And also, this has been a very not bipartisan but nonpartisan venture on all of our parts. We have our army of soccer moms out there hitting the streets for us. And we think that our signatures will probably reach in the thousands. So as a registered Democrat, I think it's pretty sad that we have to be here pleading for open space.

So we hope that you will please do right by all of us and adhere to the existing State law.

SUE RICCARDELLI: Hi.

My name is Sue Riccardelli, and I am also a resident of Morris Plains for about 10 years. And my backyard butts up into the area that is looking to -- for possible development. And some of the points that we've been making around town, when we meet with the soccer moms and other concerned citizens, that I would like to bring up is the tax burden and the quality of life issue that would result from any potential development of Greystone.

We have the environmental impact to our water resources. As former Mayor Letts said, we would have to educate the students -- the new incoming students if this was developed as residential housing. There would be a major burden on our roads and our -- just our general infrastructure. Traffic, and the pollution that would come with it -- with the increased traffic -- would be tremendous. Our property values-- How would this impact our property values? And then again, a major, major issue for, I know, the residents of Morris Plains is the influx of deer. We've already seen more and more deer come into our backyards from when the new hospital was built. They are-- They outnumber the number of pets in the community. It's crazy. And a lot of folks worry about additional traffic accidents, Lyme's disease, and then also any kind of developments that they make to their home -- you have to make sure everything that you have to beautify your land or your property is deer-resistant. And the deer have to go somewhere, and they'll be pushed into our yards.

And the other issue is flood zones. Some of the land that is being looked at for development is in the area of the Whatnung Brook. And Maureen and I live right next to the Whatnung Brook.

MS. MURRAY: It floods, always.

MS. RICCARDELLI: Any time there is a forecast of any major rain, we have the fire department on call to help us sandbag. So I can only imagine what this would do -- any development would do to our property.

MS. MURRAY: And our neighbors' as well. And other parts of town are also affected. The Brook kind of wraps around town. And any kind of heavy rains, people do have flooding. So we can only imagine that this would get worse.

MR. GARRENGER: Thank you.

I don't mean to interrupt you. I just got called out of the room by the building security who want to know if we -- when we're going to finish, because the room is booked from 11:30 on.

I said that I did not anticipate that we would necessarily be done, because there are a lot of folks who may or may not have overlapping things to say. So they're trying to find an alternate accommodation. But at 11:30, it seems like we are going to get ejected from this room.

MS. MURRAY: Okay.

MR. GARRENGER: I just ask everyone to be as brief as possible.

MS. MURRAY: Yes.

MR. GARRENGER: In light of the fact you came a long way, we appreciate that.

ASSEMBLYWOMAN KARROW: Chair, I'm also in that commitment at 11:30, so that will, I think, break up the quorum.

MS. MURRAY: Well, I appreciate you allowing us--

MR. GARRENGER: If you have a motion, we should make it before then.

MS. MURRAY: I appreciate you allowing us to be here today to at least represent the citizens of Morris Plains and other surrounding communities on this issue.

MR. GARRENGER: Thank you.

MS. MURRAY: Thank you.

MS. RICCARDELLI: And we're keeping the petition going.

COUNCILMAN JOHN CESARO: Good morning.

DEPUTY TREASURER BELL: Good morning.

Please just introduce yourselves and--

COUNCILMAN CESARO: Sure.

The red button is on. I can speak?

DEPUTY TREASURER BELL: Yes.

COUNCILMAN CESARO: Thank you.

Good morning and thank you for having us here today, giving us an audience.

I'm John Cesaro. I'm the Council President of Parsippany-Troy Hills.

Obviously myself, and Council Vice President Grossi, and the rest of us came down here because this treasure is important to us and it's important to the rest of Morris County. And I know many, many people that I speak to in my travels around town are very, very interested in this property and investment of this property -- emotionally, and also with their families. They enjoy looking at it, they enjoy walking through, they enjoy driving by it. So I believe I speak for many residents in Parsippany. And I hope I can always speak on behalf of this Council with reference to this beautiful treasure in Morris County -- that it would definitely be a mistake to move forward with the proposed plans.

SENATOR SMITH: Just an FYI, because there is some misunderstanding. There's no proposed plans for anything. We're not selling anything, we're not conveying anything, we're not doing anything other than, as I understand it, understanding the extent of the pollution and what is the best use of the property.

And I'm hoping your freeholders come back and say, "We'd like to have this property. We're willing to pay for its cleanup, and we'd like to do historic preservation." Then you've got a real deal on the table that's worth talking about.

But to phrase this meeting as though we're-- We're not doing a thing to it.

COUNCILMAN CESARO: I understand.

SENATOR SMITH: There's no action even in front of us.

COUNCILMAN CESARO: Mr. Senator, I understand.

SENATOR SMITH: Yes, but don't say it that way. That's the political way of saying it. We're not here to hurt anybody in Morris County. We love Morris County. It's a great county in the State of New Jersey. We love everybody in Morris County. We love open space.

But don't misconvey what's going on. We're not conveying property today. We're doing nothing today.

COUNCILMAN CESARO: Senator, I didn't come all the way down here from Parsippany -- believe me -- to play politics. I appreciate the time you're giving me, believe me. I'm only here on behalf of the beautiful treasure that we have in Morris County.

Sometimes being in the different circles I travel in, I get different understandings of what's going on. But in no way, shape, or form to imply anything else that's going on except to protect this treasure. That's why I'm here. That's why I came down from Parsippany.

COUNCILWOMAN ANN F. GROSSI: My name is Ann Grossi. I'm the Council Vice President for the Township of Parsippany.

And as you all know, this property actually is in Parsippany. And we have contributed, as former Mayor Letts has said, to the upkeep without compensation to the town for State-owned property. And, quite frankly, the Township of Parsippany would bear the brunt of this property being sold to a developer.

Now, while I understand the Assemblyman's (*sic*) position that nothing actually is being done right now--

ASSEMBLYWOMAN KARROW: Senator.

COUNCILWOMAN GROSSI: Oh, Senator, I'm sorry.

It's setting the groundwork to move this property into private development.

And the town of Parsippany, quite frankly, is not prepared, nor can we afford to have this land developed. We don't have the infrastructure to support it. We do not have the school buildings to support it. And as you know, the schools are 70 percent of the Township's costs. And we cannot afford to have this property developed by private development.

MR. GARRENGER: Respectfully, private development has come up a lot. Using the property as a nursing school has come up. Various different uses have come up. A list was read to us.

COUNCILWOMAN GROSSI: Yes.

MR. GARRENGER: I think that we're doing a disservice if we do not pay attention to what the actual statute says. This Commission is a creature of statute. We cannot do anything that is inconsistent with the statute, nor can we tie the Legislature's hands with respect to what they can do in a future statute.

Right now, the statute says -- Chapter 345 of P.L. 2001, Section 1F-2, with respect to the Greystone Park Psychiatric Hospital property not conveyed under Section A of this Act. That was the 302 acres for \$1. No portion of that property shall be used for any purpose other than recreation, conservation, historic preservation, farmland preservation, or the administration of programs and a provision of services by the Department of Human Services.

This body is not authorized to ignore the statute, nor can we put restrictions on what a future legislature can do. Development is not in there. We can't authorize development, we can't sell it for development. We never have. We're not going to today, we're not going to in the future.

COUNCILWOMAN GROSSI: I appreciate that. And I would hope that whatever happens to the Greystone property -- I would urge everyone to continue to make sure that it falls within the guidelines set by the -- in that legislation. That's my concern.

MR. GARRENGER: We're all here to follow the statute. We can't do anything but that, nor can we tell the Legislature -- which could abolish this body tomorrow if it wanted to -- what to do in a future law or what it can and can't do in a future law.

As we talked about earlier, if this property were to be proposed to be sold, it would not only have to come back through here; if there were terms and conditions that led to a sale for over \$500,000, it would require a vote of the entire Legislature.

So we appreciate you all coming out here today.

To Senator Smith's point earlier of which words you choose -- "in violation of previous statutes" -- really not possible for this body to do that and probably not an appropriate way of talking about this.

I'm sorry. If you have anything else to add, go ahead.

COUNCILWOMAN GROSSI: I appreciate that.

Thank you.

COUNCILMAN CESARO: I concur with Councilwoman Grossi. I hope the spirit and letter of the law you just quoted is followed.

MR. GARRENGER: Thank you very much.

Good morning.

GERALDINE SILK: Hi.

My name is Geri Silk. I'm a resident of Morris Plains. I used to ride my bike around Greystone. I'm a dance therapist. And I was fortunate to work there very part-time, under a CETA grant from the Arts Council of the Morris Area.

And I believe that this particular hospital and grounds -- not just for Arlo Guthrie and his heirs, but -- has a particularly unique historical significance that I think we're just beginning to understand in the light of the relevancy of historic preservation in our county.

I just hope that we can, as you say, develop this treasure and keep it for ourselves and for our heirs.

Thank you so much.

MR. GARRENGER: Thank you very much.

ARTHUR H. HENDRICKSON: Good morning.

MR. GARRENGER: Good morning.

MR. HENDRICKSON: I'm Arthur Hendrickson, a 52-year resident of Parsippany.

I urge this group to stay with the pact that the State made with the residents of Morris County and the residents of Parsippany when the two pieces of legislation that we've talked about -- 1999 and 2001 -- were made. Don't violate that pact with the residents of Morris County and Parsippany.

Thank you.

MR. GARRENGER: Thank you.

Is there anyone further? (affirmative response)

Step right up.

Push the button.

D A V I D J. K R A E M E R: Dave Kraemer. I'm a resident of Parsippany.

MR. GARRENGER: Good morning.

MR. KRAEMER: Good morning.

I'd like to thank the committee, as everybody else did.

And in the spirit of the proceedings, I'd just like to say if you could take into consideration all the people who have spoken here today, the surrounding communities-- They planned their communities around knowing that Greystone was preserved. It's not going to directly impact me because I'm on the other side of town. But it is going to directly impact me, because the open space that they assumed was going to be there may not be there, and they're going to have to find it other places, which probably don't exist in our area.

They did the same thing prior to Craftsman Farms/Stickley Museum, which has turned out to be a great resource for Morris County. They've done it with Jockey Hollow, and so forth. If you take this and actually put it to other uses, I can see where they're going to have challenges throughout the area. And that's why we're so -- how to put it -- intent on preserving it the way it is -- as open space -- because if that's not open space, what around it is going to be?

That's it.

Thank you.

MR. GARRENGER: Thank you.

Thank you for coming.

A D A M M c G O V E R N: Hello.

My name is Adam McGovern, and for three years I served as the head of Parsippany's Historic Preservation Advisory Committee. And I thank you for this opportunity.

I just wanted to point out a few things. I know that there is nothing with the force of law that can be done here. But I do think that, from what I've read in the paper, inquiries have been made with a commercial developer. It seems to be a troubling step toward the possibility of the property being sold for private development. And, obviously, it has over 100 years history as a public trust. It was social service in the case of the hospital. And it's a precious treasure of open space.

So I'm hoping that in addition to -- rather than reaching out or making overtures to private developers, even as an inquiry for value, that you'll be reaching out and the administration will reach out to the experts that you have on hand, specifically in DEP and the State Historic

Preservation Office, and in advocacy groups like Preservation New Jersey, which have a lot of experience in how to do these deals of taking these very distressed, old properties -- including the historic Kirkbride building, which should be saved -- and working some miracles in finding the funding in ways that don't have to come out of the coffers of the State.

And I think that would be certainly in keeping with the spirit of what we're about here, and things like what Senator Bucco tried to do with the nursing school.

I hope that overtures like that could be revisited by the current administration. Because I don't think there's been seriousness about that, and it could have been, and still can be, a way for -- that an outside source can have a very beneficial impact on this that has maximum service to the public and, perhaps, a minimum draining of the resources of the government.

Thanks.

MR. GARRENGER: Thank you.

Just to reiterate, the nursing school would require a statutory change too. That's not a permitted use under the current statute.

MR. McGOVERN: It had been mentioned with some-- You brought it up a few times, and I wasn't sure if you were bringing it up as a possibility or as a problem.

MR. GARRENGER: I brought it up because Senator Bucco brought it up.

Is there anyone further?

ASSEMBLYWOMAN KARROW: Can I--

MR. GARRENGER: Absolutely.

ASSEMBLYWOMAN KARROW: I would just suggest-- Having sat here through all of this -- and I very much support the idea of following the intent of the '99 and 2001 legislation. But I think it really is in the best interest of all parties concerned, especially the freeholders in Morris County, to allow the course of action to continue so that we can really investigate the cleanup, as per Senator Smith's suggestion.

I just had a sidebar with Mayor Druetzler to make sure that the freeholders also put together, as well as the Mayors, a package to show us what has been spent to date, what's going to be continuing to be spent to date, as far as cleanup; as well as service costs to now take care of Greystone as part of their responsibility, with Human Services removing some of their prior services like security -- I shouldn't say *security*, but I guess Human Service policing, perhaps.

And then hopefully we'll have some more information at the March meeting, and we can revisit exactly what these costs are involved; and move on, on a course of action that makes sense for everybody.

SENATOR SMITH: I think the Assemblywoman is right on target. We need more information. We want to do the right thing by the taxpayers and citizens of not only our state but of Morris County as well. And it would really be most appreciated if the Mayors who took the time to travel to come down here today would contact their freeholder boards to see whether or not they're willing to consider the same kind of a deal -- namely that you would be responsible for cleanup, just as you were for the first 302 acres; and secondly, the degree to which you're willing to do historic preservation.

I mean, I don't think there's anything that's not on the table that would not be good for everybody here. People have to understand the State of New Jersey is broke. We have to start with that as a starting point. Once you get beyond that point, let's talk about all the options.

ASSEMBLYWOMAN KARROW: And with DEP here also, regarding what kind of money might be available to help in the cleanup under either -- under some kind of underground storage tank remediation fund through Treasury, which holds that fund for State property; or brownfields. But trying to find some money to help remediate whatever is there as well. Maybe we can get a little summary of grant funding or DEP funding that's available through the Treasury Department or DEP.

MR. GARRENGER: There is one final--

If that ends the Greystone discussion, there is one additional matter that is on our agenda. It had to do with an inquiry that was initiated by Senator Cardinale, who is not here anymore.

Gene, can you summarize that one, real fast?

I'm just saying, it's on the agenda.

Gene, can you talk about the last agenda item, please, that Senator Cardinale's--

MR. HAYMAN: Yes, actually this was a discussion of the acceptability of the clarification received from Human Services on the October 6, '08 State House Commission. There was an agenda item conditionally approved depending on whether there was an acceptable explanation of how Human Services chose a particular vendor.

A summary was sent to all the members, and it was specifically at Senator Cardinale's request. So I assume he's all right with it. He left no message saying he had a problem with it.

SENATOR SMITH: I've reviewed it. I have no problem with it either. I don't know if we need to take any action.

MR. GARRENGER: I don't believe we do.

MR. SHAUGHNESSY: It was approved subject to (indiscernible). It's approved.

MR. GARRENGER: Fair enough.

Is there any further business? (no response)

SENATOR SMITH: Motion to adjourn.

DEPUTY TREASURER BELL: Second.

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

Thanks a lot everyone.

(MEETING CONCLUDED)