

STATE HOUSE COMMISSION
PROPOSED MEETING AGENDA

September 18, 2023 – 9:00 a.m.

Email: StateHouseCommission@treas.nj.gov

****MEETING WILL BE HELD REMOTELY VIA THE FOLLOWING:**

Teams Meeting:

[Click here to join the meeting](#)

Meeting ID: 216 348 510 216

Passcode: wMNCPg

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Phone Conference ID: 225 566 728#

Formal action may be taken at the meeting.

CALL TO ORDER:

- ~ Assad Akhter, Senior Director of Government Affairs
(on behalf of Governor Philip D. Murphy)
- ~ Aaron Binder, Deputy State Treasurer
(on behalf of State Treasurer Elizabeth Maher Muoio)
- ~ Tariq Shabazz, Acting Director Office of Management & Budget
- ~ Senator Bob Smith
- ~ Senator Steven V. Oroho
- ~ Assemblyman Paul D. Moriarty
- ~ Assemblyman John DiMaio

OLD BUSINESS:

1. Approval of the June 8, 2023, State House Commission (SHC) Meeting Minutes--
The verbatim record of the June 8, 2023, SHC meeting will serve as the official minutes.

DEPARTMENT OF THE TREASURY REQUESTS:

2. Project: RPR 14-12, Greystone Psychiatric Hospital, Block: 10003, Part of Lots: 3 & 4, Township of Denville, Morris County

Requesting Party: The State of NJ, Department of the Treasury, on behalf of the Department of Human Services, is requesting approval to lease a portion of land located on the grounds of the Greystone Psychiatric Hospital to American Tower Corporation for the continued maintenance and operation of a radio transmission tower, related equipment and an equipment building, together with access to the site. American Tower Corporation is the current tenant, however the current lease and all renewal options are expiring and a new lease must be approved. This action was previously approved by the State House Commission at its meeting of June 12, 2017.

Terms: The lease will be for a term of five (5) years, with three (3) successive, five (5) year renewal options. The annual rent for the first year shall be \$53,000, with a 3% annual rent increase, based on the previous year's rent. There will be a co-location fee (subletting tower space to other cell phone companies) of twenty-five percent (25%), of any fees, rent and/or other income American Tower Corporation receives from a co-locater. All proceeds from the previous lease had been sent directly to the Greystone Psychiatric Hospital's Patient Welfare fund. The Department of Human Services has requested that the payments for this new lease continue to be sent to that fund.

3. Project: RPR 23-11, Former DCF Regional Day School, 15 Jean Street, Block: 901, Lot: 6, Morris Township, Morris County

Requesting Party: The State of NJ, Department of the Treasury, on behalf of the Department of Children and Families, is requesting approval for the direct sale of 7.80(+/-) acres of land and improvements (includes 11,869 sq. ft. former DCF Regional Day School) located at 15 Jean Street, Morris Township, to the Town of Morristown or Government Agency

Terms: The property will be sold at the appraised liquidation value of \$580,000. In the event the direct sale does not occur, Treasury will dispose of the property via an internet auction at a minimum bid price, determined by an appraisal.

NEW BUSINESS:

DEPARTMENT OF THE TREASURY REQUESTS:

4. Project: RPR 23-19, Trenton Psychiatric Hospital, 100 Sullivan Way, Block: 36302, Part of Lot: 1, City of Trenton, Mercer County

Requesting Party: The State of NJ, Department of the Treasury, on behalf of the Department of Human Services, is requesting approval to lease a portion of the water tower located at 100 Sullivan Way, also known as the Trenton Psychiatric Hospital, to DISH Network, LLC for the installation, operation and maintenance of a cellular antenna.

Terms: The lease shall be for a term of five (5) years, with three (3) successive, five (5) year renewal options. The annual rent for the first year shall be \$48,000, with a three percent (3%) annual increase, based on the previous year's rent. The lessee will be responsible for all improvements, permits, approval of improvements, and real estate taxes (if applicable).

5. Project: RPR 23-20, Ancora Psychiatric Hospital, 301 Spring Garden Avenue, Block: 6801, Part of Lot: 1, Township of Winslow, Camden County

Requesting Party: The State of NJ, Department of the Treasury, on behalf of the Department of Human Services, is requesting approval to lease a portion of the water tower located at 301 Spring Garden Avenue, also known as the Ancora Psychiatric Hospital, to DISH Network, LLC for the installation, operation and maintenance of a cellular antenna.

Terms: The lease will be for a term of five (5) years, with three (3) successive, five (5) year renewal options. The annual rent for the first year shall be \$48,000, with a three percent (3%) annual increase, based on the previous year's rent. The lessee will be responsible for all improvements, permits, approval of improvements, and real estate taxes (if applicable).

6. Project: RPR 24-01, Edison MVC Inspection Station, Block: 3.04, Part of Lot: 1.21, Township of Edison, Middlesex County

Requesting Party: The State of NJ, Department of the Treasury, on behalf of the NJ Motor Vehicle Commission, is requesting approval to grant a permanent easement consisting of 241 (+-) square feet of land, on the grounds of the Edison

Motor Vehicle Commission Inspection Station, to the Middlesex Water Company (MWC) for the construction, operation and maintenance of the water facilities that are part of the MWC's water supply interconnection project.

Terms: Since this action directly benefits the State, the easement will be granted for \$1.00.

7. Project: RPR 24-02, Stockton University, Block: 875, Part of Lot: 1.01, Galloway Township, Atlantic County

Requesting Party: The State of NJ, Department of the Treasury, is requesting approval to assign the remaining forty-eight (48) years of a ninety-nine (99) year lease with Bacharach Institute for Rehabilitation, Inc. (formerly known as the Betty Bacharach Home for Afflicted Children, Inc.) ("Bacharach"), located on the grounds of Stockton University, to AtlantiCare Health Systems, Inc. ("AtlantiCare").

Bacharach is ceasing its operations of the rehabilitation center, leaving the building constructed pursuant to the Lease vacant. The lease to Bacharach was originally approved by the State House Commission at its meeting of June 14, 1973 for the construction, maintenance, and operation of a rehabilitation center and related medical and health activities. The lease was approved for ninety-nine (99) years, commencing on July 1, 1973, and terminating December 31, 2071. The assignment would allow AtlantiCare to assume all rights and obligations as the tenant under the current Lease with Bacharach.

AtlantiCare which operates a medical center immediately adjacent and contiguous to Bacharach's existing facility, seeks to have the Lease assigned to it and have the Lease amended to eliminate certain specified use, building height and coverage restrictions to allow for improvements to, or redevelopment of, the existing Bacharach structure. All of this is intended to allow AtlantiCare to expand its medical facility into and onto the premises governed by the Lease.

Terms: AtlantiCare is requesting modifications to the current lease, which include deleting the limitations restricting the use of the premises to a rehabilitation center and related medical and health activities. In place of the deleted limitations, requiring adherence to all use bulk standards as set forth in the Galloway Township Zoning Ordinance (as may be amended or varied through the issuance of variance relief). Deleting the limitations restricting the height of the structure to three stories and limiting building coverage to twenty-five percent (25%) of the leased premises.

The reassignment and modifications are subject to approval by the State House Commission and by Stockton University's Board of Trustees, who are scheduled to meet September 20, 2023.

DEPARTMENT OF TRANSPORTATION REQUESTS:

8. Project: Route 280, Section 7, Parcel: VX90B, Block: 1888, Adjoining Lot: 10, City of Newark, Essex County

Requesting Party: The NJDOT, requests approval to convey a vacant piece of surplus land identified as Parcel VX90B of the Route 280, Section 7 Project, Block: 10 in the City of Newark, Essex County. The property is in the R-3 Residential Zone and conforms to be a buildable residential home site having an approximate area of 5,754 square feet (0.13 acre).

Terms: The property will be sold at public auction to the highest bidder. The minimum asking price is One Hundred and Twenty Thousand Dollars (\$120,000), which is the appraised value.

9. Project: Route 280, Section 7, Parcels: VX212B, VX213B, VX214B, VX215B, Block: 1879, Lots: 1,2,3,4, City of Newark, Essex County

Requesting Party: The NJDOT, has declared the property identified as Route 280, Section 7, Parcels VX212B, VX213B, VX214B, VX215B, Block 1879, Lots 1,2,3,4, in the City of Newark, Essex County to be surplus to the department's needs and is requesting approval to sell the property. This rectangular area of land, having an area of 8,264 square feet (+-) or 0.190 acre (+-) is located in the R3-Third Residential Zone at the intersection of 1st Street and Sussex Avenue. The property is buildable and was formerly four residential single-family houses and is now vacant land. The site is deemed to be large enough to accommodate three (3) two-family dwellings. The County of Essex and City of Newark have expressed no interest in acquiring the Parcels for public use.

Terms: The property will be sold at public auction with a minimum starting bid of \$455,000, which is the appraised value.

10. Project: 314 16th Street, Parcels: 2R75A and R75B, Block: 115, Lots: 3 & 4, Borough of Carlstadt, Bergen County

Requesting Party: The NJDOT, is requesting approval to annul the drainage easement on Parcels 2R75A and R75B, located in the Borough of Carlstadt, Bergen County. A right to construct and maintain a subsurface drain, headwall, and appurtenances, was originally established in the 1960's on Parcels 2R75A and R75B by NJDOT for potential road widening. When Paterson Plank road was eventually widened in 2010, new drainage was installed at a different location but the restrictions on Parcels 2R75A and R75B remained in place. This easement is on property owned by Orion IV 314 16th Street, LLC. Orion IV 314 16th Street, LLC is asking for the removal of this restrictions so they can proceed with their distribution and warehousing project.

Terms: The easement right is to be annulled at a cost to the property owner, Orion IV 314 16th Street, LLC. The recommended price is \$4,700, which is the administrative determination of value to annual NJDOT's right to construct and maintain a subsurface drain, headwall, and appurtenances.

11. Project: Route 38, Section 4, Parcels 40, VX45A2, VX52B, Block: 42, Lot: 1, Township of Hainesport, Burlington County

Requesting Party: The NJDOT, is requesting approval for the exchange of NJDOT owned excess land located in Hainesport Township, Burlington County, acquired as Route 38, Section 4, now known as Parcels VX45A2 and VX52B, for Parcel 40 which is owned by BTC III Hainesport LC Urban Renewal LLC (BTC, LLC). Parcels VX45A2 and VX52B have a combined total of 25,299 (+-) square feet or 0.581 (+-) acre, and are part of an existing ramp along Route 38 that is being exchanged for Parcel 40, which contains a total of 70,649 (+-) square feet or 1.622 (+-) acres. The exchange will not occur until construction is complete and the new ramp is in service.

Terms: VX45A2 and VX52B are to be conveyed in fee to BTC, LLC along with a drainage easement to be maintained by NJDOT, in exchange for Parcel 40. The exchange will include relocating a jug handle along Route 38, with construction costs paid for by BTC, LLC. The appraised value of NJDOT owned Parcels VX45A2 and VX52B is Sixty Thousand Dollars (\$60,000) total. The appraised value of BTC, LLC owned Parcel 40 is Three Hundred Eleven Thousand and Six Hundred Dollars (\$311,600), not including construction costs. The purchaser accepts that there is no cash consideration because of the difference in land values or for construction.

DEPARTMENT OF ENVIRONMENTAL PROTECTION REQUESTS:

12. Project: Pemberton Rail Trail Park, Block: 787, Part of Lot: 4, Township of Pemberton, Burlington County

Requesting Party: The NJDEP, on behalf of the Township of Pemberton, requests approval to allow the diversion of 0.061 (+-) acre of the Pemberton Rail Trail Park in connection with the installation of a new 8-inch gravity sanitary sewer line, located in the Township of Pemberton, Burlington County. The proposed diversion is needed to allow for the subsurface installation of a sanitary sewer line to provide service to a new proposed development known as "Four Seasons at Rancocas Creek" located immediately adjacent to the park. The proposed sanitary sewer line will connect into an existing larger 18-inch gravity sewer main already located within the park. The existing and proposed sewer lines will be owned and maintained by the Township.

Terms: To compensate for the proposed major diversion, the Township proposes to accept ownership of, and encumber with Green Acres restrictions, two parcels of replacement land, Block: 787, Lot 1 (18.788 acres), and Block: 104, Lot: 19 (2.048 acres) totaling 20,836 (+-) acres. Although an appraised value was not established for the proposed easement, appraisals of the replacement parcels valued them at \$44,000.

13. Project: Heislerville Wildlife Management Area, Block: 316, Part of Lot: 61, Maurice River Township, Cumberland County

Requesting Party: The NJDEP, requests approval to enter into a lease agreement with East Point Light LLC for the development and implementation of education, cultural, recreational and interpretive programs for, as well as maintenance and operation of, the East Point Lighthouse in Maurice River Township, Cumberland County.

The NJDEP acquired the East Point Lighthouse from the U.S. General Services Administration through a deed dated April 10, 1956. The Lighthouse is administered by the NJDEP as part of the Heislerville Wildlife Management Area. In 1996, East Point Lighthouse was leased to the Maurice River Historical Society for a nominal fee of \$1.00 per year. During the twenty-four (24) year lease term,

the Historical Society renovated and maintained the lighthouse and provided a variety of public programming.

After the 1996 lease expired, the Historical Society continued to manage the lighthouse property under a two-year license executed in April 2021 (now extended to December 31, 2023 or execution of a new lease (whichever is sooner). In March 2023, the NJDEP issued a Request for Proposal to solicit bids for the continued operation and maintenance of the lighthouse. East Point Light, LLC a subsidiary of the Historical Society, was the only bidder.

Terms: The initial term of the lease agreement will be for five (5) years with a five (5) year renewal term. The proposed rent for the lease is five percent (5%) of East Point Light LLC's total gross revenue per year. Since the prior lease was for \$24 in total, and was not based on a revenue percentage, the NJDEP cannot at this time calculate what the total rent will be over the life of the lease. Under the lease, the tenant may receive credit for costs incurred in connection with completing required improvements, modifications, or repairs to the leased premises undertaken by the Tenant and approved by the Department.

14. Project: Wittingham Wildlife Management Area, Block: 1201, Lots 1 & 2 and Block: 1401, Part of Lot: 7, Fredon Township, Sussex County, and Block: 5, Lot: 3.01 and Block: 21, Part of Lot: 4.01, Green Township, Sussex County

Requesting Party: The NJDEP, requests approval to execute a farm lease agreement on approximately 40.7 acres of land located in the Wittingham Wildlife Management Area in the Townships of Fredon and Green, Sussex County to Munsee Three Sisters Farm, LLC (also known as Three Sisters Medicinal Farm, LLC). The proposed lease will allow the tenant to produce and harvest crops and plants, excluding sod, utilizing established organic farming methods or organic management practices.

In February 2023, the NJDEP and Rutgers University entered into a Memorandum of Understanding (MOU) for an organic farming pilot program to determine whether organic farming practices are beneficial to wildlife and can be successfully implemented on Wildlife Management Areas under certain conditions. The MOU identified multiple plots of land within Wildlife Management Areas, totaling about 500 acres, as potential farm lease sites for the project.

Rutgers University was chosen as the NJDEP's partner in this pilot program because it has expertise in the field of agriculture and organic farming. Under the MOU, Rutgers selected Munsee Three Sisters Farm, LLC as the first proposed tenant for the pilot program.

Terms: Under the lease the tenant will not be allowed to graze animals; mine or remove natural resources; plant, produce or harvest any cannabis products, including hemp; or produce or harvest tree stock. The use of pesticides or coated seeds that contain neonicotinoids is prohibited under the pilot program.

The initial term of the Agreement is for seven (7) years, with an option to renew for two (2) additional three (3) year terms. Because this lease is part of an organic farming pilot program being conducted by NJDEP with Rutgers University, no compensation is proposed.

15. Project: Delaware and Raritan Canal State Park, Block: 52, Part of Lots: 36.05 & 36.06, Borough of Frenchtown, Hunterdon County

Requesting Party: The NJDEP, requests approval to execute a farm lease agreement on approximately 24.42 acres of land located in the Delaware and Raritan Canal State Park in the Borough of Frenchtown, Hunterdon County to the current tenant, Delaware Valley Farms, LLC (Michael Gross) who occupies the proposed leased premises under a lease that will expire on December 30, 2023. Delaware Valley Farms LLC has approached the NJDEP about continuing to farm the land.

NJDEP could not include the proposed leased premises in the public auction of farm leases conducted on August 10, 2023, because there is no direct access to the land from a public road, and the land is not accessible through other lands managed by the NJDEP. Delaware Valley Farms, LLC, is able to access the proposed leased premises through adjacent privately owned family property.

The Attorney General's Office has previously advised that it is acceptable for the NJDEP to enter into a direct lease agreement on properties where access is available by the Tenant through their family's own adjacent land.

Terms: The initial term of the agreement is for five (5) years, with an option to renew for three (3) additional five (5) year terms. The proposed annual rent for the initial term of the lease is \$1,150.00, which was established using soil rental rates set by the Farm Service Agency (FSA) of the United States Department of Agriculture.

As a result of prior discussions with the New Jersey Dept. of Agriculture and New Jersey Farm Bureau, the NJDEP agreed to reduce the FSA rental rate for each parcel by 20 percent to account for the disadvantages of farming on NJDEP land. These disadvantages include: the requirement that the farmlands be used for

public hunting; restrictions on the types of crops that can be grown; and the inability to control wildlife damage using management tools such as deer fencing or wildlife depredation permits. NJDEP believes that 20 percent is a reasonable reduction although there are some disadvantages to farming on NJDEP land, the disadvantages do not significantly reduce the productivity of the land.

The rental rate will be increased at the beginning of each renewal term to reflect the current fair market value of the leased premises based on the Consumer Price Index (CPI), FSA soil rental rates or value of similar real estate rentals. If the CPI and value of similar real estate rentals decrease or remain stable, the rent will not decrease.

16. Project: Farm Lease Agreements-Variou State Parks and Wildlife Management Areas

Requesting Party: The NJDEP, requests approval to execute nineteen (19) farm lease agreements on wildlife management areas and park lands throughout the State.

Terms: The initial term for each lease is for five (5) years, with an option to renew for three (3) additional five-year terms. The proposed rental rates were determined through a live auction conducted on August 10, 2023, using minimum bids set by the NJDEP using soil rental rates set by the Farm Service Agency (FSA) of the United States Department of Agriculture. NJDEP agreed to reduce the FSA rental rate for each parcel by 20 percent to account for the disadvantages of farming on NJDEP land.

Four of the proposed farm leases, LE24-027 (\$1,900), LE24-028 (\$2,550), LE24-029 (\$1,650) and LE24-030 (\$2,400), all on Wildlife Management Areas, have a monetary payment and in-kind service component. For farm leases with an in-kind services component, the farmer is required to provide land management services on a separate parcel of NJDEP land. The services may include mowing, plowing, planting warm season grasses, and other activities that assist NJDEP in maintaining and protecting wildlife habitat while reducing the strain on NJDEP resources. The value of the in-kind services is based on data from external sources, including the Farm Service Agency and Natural Resource Conservation Service of the United States Department of Agriculture and the agricultural colleges within Penn State University and Rutgers University. Each lease sets forth the value of the in-kind services, which will not change from year to year and also requires NJDEP to notify Tenant in writing of the in-kind services to be performed by March 1 of each year.

In addition, three of the leases, LE24-007 (\$8,304, LE24-009 (\$5,069) and LE24-011 (\$4,930), all on State park lands are eligible for reclamation credits for work necessary to restore land not recently farmed to a productive state. The value of these credits will be deducted from the annual rent during the first two to three years of the lease (depending on the value of the credit compared to the annual rent).

The rental rate will be increased at the beginning of each renewal term to reflect the current fair market value of the leased premises based on the Consumer Price Index (CPI), FSA soil rental rates or value of similar real estate rentals. If the CPI and value of similar real estate rentals decrease or remain stable, the rent will not decrease.

DIVISION OF PENSIONS AND BENEFITS' REQUESTS:

17. Requesting Party: The NJ Department of the Treasury, Division of Pensions & Benefits

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

1. Approval of the Minutes of meetings held on June 8, 2023.
2. Confirmation of Death Claims, Retirements and Survivor Benefits.
3. Receive Financial Statements for February through May 2023.
4. Readoption with Amendments: N.J.A.C. 17:10
5. Honorable Carlia Brady Appeals the Board's Determination Forfeiting her Pension

OTHER BUSINESS (as necessary)

ADJOURNMENT