

STATE HOUSE COMMISSION
PROPOSED MEETING AGENDA
November 20, 2023 – 9:00 a.m.
Committee Room 7- Second Floor
State House Annex, Trenton, NJ
Email: StateHouseCommission@treas.nj.gov

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 John DiMaio
- ~ Assemblyman Robert J. Karabinchak

OLD BUSINESS:

1. Approval of the September 18, 2023, State House Commission (SHC) Meeting Minutes--
The verbatim record of the September 18, 2023, SHC meeting will serve as the official minutes.

DEPARTMENT OF THE TREASURY REQUESTS:

2. Project: RPR 22-05, 1600 Brooks Blvd., Block: 65.4, Lot: 2.01, Borough of Hillsborough, Somerset County

Requesting Party: The State of NJ, Department of the Treasury, on behalf of the Department of Children & Families, requests approval of a direct sale of 4.3 (+-) acres of land and improvements located at Block: 65.4, Lot: 2.01, also known as 1600 Brooks Boulevard, in the Borough of Hillsborough, Somerset County, to the Borough of Manville. This action was originally approved by the State House Commission, at its

meeting of January 9, 2023, as a direct sale to the Township of Hillsborough for the appraised value of \$870,000. Since then the Township has rescinded their offer to purchase the property. The State has been approached by the Borough of Manville to purchase the property.

Terms: The property will be sold via direct sale to the Borough of Manville for the appraised value of \$870,000. In the event a direct sale to the Borough does not occur, Treasury will dispose of the property via internet auction at the minimum bid price of \$870,000.

NEW BUSINESS:

DEPARTMENT OF THE TREASURY REQUESTS:

3. Project: RPR 23-04, Sea Girt Training Center, Block 106, Part of Lot: 1, Borough of Sea Girt, Monmouth County

Requesting Party: The State of NJ, Department of the Treasury, on behalf of the Department of Military and Veteran Affairs, requests approval of an easement consisting of 24,893.65 (+-) square feet, (0.5715 (+-) acres), located on the grounds of the Sea Girt National Training Center, in the Borough of Sea Girt, Monmouth County to Confluence Networks LLC, for the utilization of an existing underground telecom infrastructure for the installation of a new submarine cable system.

Terms: The term of this easement will be for thirty (30) years with a one-time fee, of \$1,120,230.00, which is the appraised value.

4. Project: RPR 23-25, Marie Katzenbach School for the Deaf, Block: 341, Part of Lot: 1, Ewing Township, Mercer County

Requesting Party: The State of NJ, Department of the Treasury, on behalf of the Department of Education, requests approval to lease rooms 99 and 104 in Building 1 of the Katzenbach School for the Deaf, located at 320 Sullivan Way, Ewing Township, Mercer County, to the New Jersey Association of the Deaf, a non-profit organization, to be used as office space. The building is currently vacant.

Terms: The lease will be Building 1, Rooms 99 and 104 for a term on one (1) year, with five (5), one (1) year renewal options. Since this action will benefit the State, the lease will be for \$1.00 per year.

DEPARTMENT OF ENVIRONMENTAL PROTECTION REQUESTS:

5. Project: Raritan River Confluence State Park, Block: 48, Part of Lot: 11.06, Township of Hillsborough, Somerset County

Requesting Party: The NJDEP requests approval to execute a farm lease agreement on approximately 3.69 (+-) acres of land located in the Raritan River Confluence State Park (administered by Round Valley Recreation Area) in the Township of Hillsborough, Somerset County to Norz Hill Farm & Market, LLC (Richard Norz), who has occupied the proposed leased premises under a lease that will expire on December 31, 2023.

Norz Hill Farm & Market, LLC approached the NJDEP about continuing to farm these lands. The NJDEP has reviewed the request and has determined that leasing the property to the tenant for agricultural purposes will not interfere with the protection and enhancement of wildlife habitat or the operation of the Raritan River Confluence State Park. The tenant will access the NJDEP lands through adjacent private property that they currently rent from a private individual to farm.

Because there is no direct access to the proposed leased premises from a public road, nor is the leased premises accessible through other lands managed by the NJDEP, the NJDEP was unable to include the proposed leased premises in the public auction of farm leases it conducted on August 10, 2023.

Terms: The initial term of the lease agreement is for five (5) years, with an option to renew for three (3) additional five (5) year terms. The proposed rental rate is \$159.00 per year for the initial five-year lease term, subject to adjustment at the start of each renewal term.

The NJDEP initiated this leasing program to establish formal land leases on NJDEP land, to provide all farmers with the opportunity to farm portions of its land, and to set a fair market value for the leases. If the proposed lease is not approved, the fields would be unmanaged, resulting in reversion to woodlands, encouraging the growth of invasive plant species, and discouraging certain types of wildlife species.

The NJDEP established the proposed annual rate of \$159.00 for the first five years of the lease using soil rental rates set by the Farm Service Agency (FSA) of the United States Department of Agriculture. The rates are based on the composition and productivity of each soil type found in the leased area – the more productive the soil, the higher the rental value. As a result of prior discussions with the NJ Department of Agriculture and the NJ Farm Bureau, the NJDEP agreed to reduce the FSA rental rate by 20 percent to account for the disadvantages of farming on NJDEP land. These disadvantages include: the requirement that the farmed lands be used for public hunting; restrictions on the types of

crops than can be grown; and the inability to control wildlife damage using management tools such as deer fencing or wildlife depredation permits. The NJDEP believes that 20 percent is a reasonable reduction because 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, FSA soil rental rates or value of similar real estate rentals. However if the Consumer Price Index and value of similar real estate rentals decrease or remain stable, the rent will not decrease.

6. Project: Delaware & Raritan Canal State Park, Block: 5, Part of Lot: 2, Borough of Stockton, Hunterdon County

Requesting Party: The NJDEP requests approval of a twenty (20) year lease with Sheryl Wall ("Tenant") for the installation, operation, and maintenance of a 1 ¼ inch PVC force main to connect an underground collection tank on her property to the Stockton Borough sewer line within a twenty (20') foot wide temporary construction/maintenance area. The Stockton Borough sewer line is located in Route 29 (Risler Street). The proposed lease will benefit the public by allowing the Tenant to decommission the cesspool which presently services the Tenant's property (Block: 5, Lot: 1). The cesspool is malfunctioning and is not able to be repaired. The cesspool is proximate in location to the Wickecheoke Creek (a Category 1 stream) and could potentially impact the Creek if it fails. By safely decommissioning the cesspool on the Tenant's property, and installing a more environmentally friendly alternative, there is less risk of causing a negative impact to the surrounding environment and water source. If NJDEP does not enter into the proposed lease, the Tenant would either (1) continue to utilize the cesspool in its present condition, or (2) run a sewer line across the Wickecheoke Creek, through other private property to reach the main sewer line located in Route 29.

Terms: The proposed rent for the first year of the lease is \$500, with a 3% annual escalation. The proposed year one rental rate represents a 50% discount from NJDEP's standard minimum rental rate based on (1) the environmental benefits to be gained from discontinuing use of the cesspool and (2) the Tenant's agreement to give NJDEP a right of first refusal in the event she decides to sell or transfer the property to anyone other than a family member. The total rent due over the 20-year term will be \$13,435.19.

DEPARTMENT OF TRANSPORTATION REQUESTS:

7. Project: South Jersey Airport, Block: 31, Lots: 5 and 6.01; Block: 33, Lots 7, 8, 12, 13 and 14.01; Block: 36, Lot: 14; Block: 38, Lot: 4.01, Township of Lumberton, Burlington County

Requesting Party: The NJDOT, requests approval to renew the current farm lease on approximately 386 (+-) acres of unencumbered farm land at the South Jersey Airport in Lumberton Township, Burlington County. The use for farming prevents the growth of trees in the flight zone that would imperil the safety of planes using the runway. Farming is done outside of the runway setback and reduces the operating costs for mowing these open areas. The lease also returns some income to the airport program along with providing an agricultural buffer for the airport operations. The property is operated as an airport by the State.

Terms: The farmland lease area will be renewed through an online auction. The recommended auction start price is \$50.00 per acre. The auction of lease rights is on a per acre basis to allow for flexibility if certain acreage is later determined to be inaccessible for farming. The in lieu of tax payments is \$19.10 per acre, which is paid by the State out of rental proceeds, as farm leases do not include any real estate tax payments.

8. Project: Rt. 18, Parcels 15, R2J1A, VXR2J1A1 and Parcel VXR2J1B, (adjoining to Block: 952, Lot: 7.02) Wall Township, Monmouth County

Requesting Party: The NJDOT requests approval to exchange an existing NJDOT Maintenance Facility on NJDOT owned excess land identified as Parcels 15, R2J1A, VXR2J1A1 and Parcel VXR2J1B on Route 18 in Wall Township, Monmouth County for a replacement site on adjoining Block: 952, Lot 7.02, in Wall Township, Monmouth County, owned by JSM at 4000 West 18th Avenue, LLC, the Developer. The exchange is part of a proposed swap of the NJDOT's existing maintenance area for an improved property that will provide the Department with a more strategic location in terms of proximity to critical highway facilities, particularly I 195. The property is being sold/exchanged as an assemblage to the Developer's adjoining lot in accordance with appropriate statutes.

The Commissioner of Transportation does hereby determine that the parcels are no longer required for use by the department in the improvement, reconstruction, or maintenance of any State Highway and that the replacement site provides a better location for the Maintenance Facility. The State has held title for more than 10 years. The County and

Township have not been offered the property as this is an exchange and not a sale of property to obtain a new Maintenance Facility.

Terms: The transaction will be based upon the appraised value of \$3,910,000 for the State Facility, and the appraised value of \$2,740,000 for the replacement site, with a difference of \$1,170,000. The difference to be paid to NJDOT, would be reduced by the necessary and reasonable costs for the Developer to (1) remove several small existing structures from Lot: 7.02, (2) install fencing on Lot: 7.02 for use at the new Maintenance Facility and (3) undertake environmental remediation of the existing State Facility, which would normally be done by the State. Estimated cost for these items is approximately \$651,799.00, which would be put into escrow to reimburse the Developer, with any remainder funds returning to the Department.

DIVISION OF PENSIONS AND BENEFITS' REQUESTS: (REVISED)

9. 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 meeting held on September 18, 2023.
2. Confirmation of Death Claims, Retirements and Survivor Benefits.
3. Receive Financial Statements for June 2023
4. Presentation of Retirement Option Factors
5. Honorable Service Review for Judge Gerald Council

OTHER BUSINESS (as necessary)

ADJOURNMENT