DEPARTMENT OF ENVIRONMENTAL PROTECTION
SHC APPROVAL SUMMARY SHEET

NJDEP AREA: Dennis Creek

OWNER: Department of Environmental Protection/Division of Fish and Wildlife

COUNTY: Cape May MUNICIPALITY: Middle

REASON FOR REQUEST: Lease ☒ Acre(s): +/- 6.8
Diversion ☐ Block: 1 p/o Lots 5.02 and 6.02
Easement ☐ Value: (see attached)

TENANT: James E. Myers

COMPENSATION:

Land ☐ Cash Payment ☒ see attached
In-Kind Services: ☒ Value: see attached

PUBLIC HEARINGS: N/A

COMMENTS: The New Jersey Department of Environmental Protection (NJDEP) requests approval to execute a farm lease agreement on lands located at the Dennis Creek Wildlife Management Area. The Initial Term of the Agreement is for five (5) years, with an option to renew for an additional three (3), five (5) year terms.


APPROVAL:


[Signature]
Ray Bukowski, Assistant Commissioner

[Date] 10/21/21
SHC FACT SHEET

The NJDEP requests approval to execute a lease agreement, with the option to renew for an additional three (3) five (5) year terms, on parcels of NJDEP land at the Dennis Creek Wildlife Management Area.

The NJDEP initiated this leasing program to establish formal farm 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.

fifty-four (54)

The NJDEP auctioned fifty-nine (59) new leases at live public auctions held in the northern, central and southern regions of the State where the farm land is available (see other NJDEP farm lease Summary and Fact Sheets). This lease was removed from the auction after NJDEP determined that there was no direct access to the leased lands from a public road nor were the leased lands accessible through other properties managed by NJDEP. Without access, the NJDEP could not auction the lands as farm lands.

Once the leased premises was removed from the auction, the individual Tenant, who had occupied the leased premises under a lease that will expire on November 30, 2021, approached the NJDEP with an interest to remain on the leased premises for agricultural production. 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. The Tenant will access the NJDEP lands through their own adjacent property so access is not an issue.

The NJDEP established the rental value 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 New Jersey Department 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 farmed lands 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. 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.

This farm lease has a monetary payment and an 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 resources, 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.

The lease sets forth the value of the in-kind services, which will not change from year to year. The lease also requires the NJDEP to notify Tenant in writing of the In-kind Services to be performed for each Lease Year by March 1 of each year.

**Property:** The leased premises consists of approximately 6.8 acres on Block 1, p/o Lots 5.02 and 6.02 in the Township of Middle, County of Cape May, State of New Jersey. The leased premises are identified on the attached map. There is no direct access to the leased premises from NJDEP lands from a public road nor is the leased premises accessible through other lands managed by the NJDEP. Without access, the NJDEP would not be able to include the leased premises in a public auction. The Attorney General’s Office has previously advised that it is acceptable for the NJDEP to enter into agreement on properties where access is available by the Tenant through their own adjacent land to access the leased premises.

**Purpose of the Agreement:** (1) To lease parcels of NJDEP land suitable for agricultural production in a manner that is consistent with, and enhances, the management and protection of wildlife and the management of land for outdoor recreation purposes. (2) To contractually obligate the tenant to provide in-kind services on parcels of land, separate from the leased parcels, in exchange for a reduction in rent equal to the value of the service provided.

**Alternatives:** The fields would be unmanaged, resulting in reversion to woodlands and encouraging the growth of invasive plant species and discouraging certain types of wildlife species.

**Public Need/Benefit:** Maintaining each parcel identified in the attached map as productive farmland will assist the NJDEP in fulfilling its mission of managing and protecting wildlife and managing land for outdoor recreation purposes, while at the same time providing an economic opportunity to farmers.

**Compensation:** The rental rate was set by the minimum bid established using soil rental rates set by the Farm Service Agency (FSA) of the United States Department of Agriculture, as described in detail above. There will be a deduction in the annual rent for the value of the in-kind services on each parcel in accordance with the value of those services as described above. 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 decreased or remained stable, the Rent shall not decrease *(see attached for compensation details)*.
MAPS  (see attached)

STATEMENT OF VALUE  N/A
Southern Region– Division of Fish & Wildlife

Dennis Creek Wildlife Management Area LE22-024 (6.8 acres)

James E. Myers $340
(minimum bid: $340) ($50.00/acre)
(in-kind services: $60)

Cash rent: $280