

STATE HOUSE COMMISSION
-- REVISED --
PROPOSED MEETING AGENDA
~~ March 27, 2014 - 9:00 AM ~~
Committee Room 15, Fourth Floor
State House Annex, Trenton, New Jersey

CALL TO ORDER:

- ~ Amy E. Melick, Special Counsel, Governor's Office
(on behalf of Governor Chris Christie)
 - ~ Robert A. Romano, Deputy State Treasurer
(on behalf of State Treasurer Andrew P. Sidamon-Eristoff)
 - ~ Charlene M. Holzbaur, Director, Office of Management & Budget
 - ~ Senator Gerald Cardinale
 - ~ Senator Bob Smith
 - ~ Assemblywoman Linda Stender
 - ~ Assemblyman David P. Rible
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OLD BUSINESS:

1. Approval of the December 16, 2013 State House Commission Meeting (SHC) Minutes -- The verbatim record of the December 16, 2013 SHC meeting will serve as the official minutes.
2. Project: Mahlon Dickerson Reservation, Block 320, Part of Lot 9, Block 335, Part of Lot 4, Jefferson Township, Morris County

Requesting Party: The NJ DEP, on behalf of the Morris County Park Commission, requests approval to allow the diversion of additional electric utility right of way easement rights in Mahlon Dickerson Reservation, through the amendment of existing easements held by Public Service Electric and Gas (PSE&G). The existing right of way contains a single 230kV overhead electric transmission line. The additional easement rights would be conveyed to PSE&G in order to accommodate an upgrade of the transmission capacity and would allow for the construction, installation, operation and maintenance of one 230kV overhead electric transmission line and one 500kV overhead electric transmission line within the existing right of way.

Terms: As compensation, the County proposes to accept \$47,380 (ten times the appraised value of the diverted area) from PSE&G and will be utilized by the Morris County Park Commission for local parkland acquisition and/or development projects.

The original request for this project was approved by the State House Commission on September 24, 2012. The summary submitted to the Commission erroneously

listed the total acreage to be diverted as 1.28 acres (instead of 1.372 acres). The acreage to be diverted within Block 320, Lot 9 was erroneously listed as 0.14 acre (instead of 0.209 acre), and the acreage to be diverted within Block 335, Lot 4 was erroneously listed as 1.14 acres (instead of 1.163 acres). The land values listed in the original summary were based on the erroneous acreages. Upon consultation with Green Acres' review appraisers, these values have been prorated and adjusted upwards to reflect the correct acreage. The adjusted compensation figure is now \$4,738 for the easement value (instead of \$4,400), resulting in a total compensation figure of \$47,380 (instead of \$44,000). In addition, the DEP has clarified that the cash compensation may be used for either the acquisition of replacement land or for park development purposes.

3. Project: Delaware & Raritan Canal State Park, Stavola Estate/Holcombe House, Block 59, Part of Lot 11, Delaware Township, Hunterdon County

Requesting Party: The NJ DEP, Division of Parks and Forestry, requests approval to sell at public auction a historic farmhouse and associated outbuildings, known locally as either the Stavola Estate or the Holcombe House, along with 7+/- acres of land. The parcel to be sold is part of an overall acquisition of 64 acres purchased in 2007 as an addition to the Delaware and Raritan Canal State Park. (The DEP has included numerous conditions to this sale which are detailed in the State House Commission members' briefing materials – see March 13, 2014 memo to Robert Shaughnessy.)

Terms: At the December 16, 2013 meeting, the State House Commission asked that this matter be brought back before the Commission once an appraisal has been received. Auctioning off the surplus parcel and its structures will save the State money by avoiding maintenance, security and/or demolition costs. The opening bid price of \$255,000 has now been established by appraisal.

NEW BUSINESS:

DEPARTMENT OF TREASURY REQUESTS:

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

Requesting Party: The NJ Department of the Treasury, on behalf of the Department of Human Services, requests approval to lease 5,504 square feet of land located adjacent to an existing fire watch tower on the grounds of Greystone Psychiatric Hospital to High Mountain Tower, Inc. (Principal: Milford K. Smith), for the installation, maintenance and operation of a radio transmission tower, related equipment and an equipment building, together with access to the site.

Terms: The lease will be for five years with three, five year renewal options. Rent for the first year will be \$38,000 with annual increases of 3% based on the previous year's rent. This property was previously leased under RPR 94-10 and was approved by the State House Commission at its meeting of May 6, 1994. The previous lease

and all renewal options have expired and a new lease must now be approved. All proceeds from the previous lease had been sent directly to the Greystone Psychiatric Hospital's Patient Welfare Fund. This new lease will continue to be sent to that fund. Real Property Review clearance was completed with no Department or Agency expressing formal interest or possible conflict with the proposed action.

5. RPR 14-13, Block 958, Lot 8, 4165 Atlantic Avenue, Wall Township, Monmouth County

Requesting Party: The NJ Department of the Treasury, requests approval to lease a Department of Environmental Protection Residential property to Gretchen Palamara (or a tenant yet to be determined).

Terms: This lease was advertised. The property shall be leased at a rate of \$950 per month based upon appraised value, for a one bedroom, one bath apartment for a term of one year, with two, one year renewal options with annual increases based on the Consumer Price Index for Rental of Primary Residence. Real Property Review clearance was completed with no Department or Agency expressing formal interest or possible conflict with the proposed action.

DEPARTMENT OF TRANSPORTATION (DOT) REQUESTS:

6. Project: Rahway Valley Railroad, Part of Parcel 13G, Block 300, Part of Lot 5, Kenilworth Borough, Union County

Requesting Party: The NJ DOT, Division of Right of Way, Property Management Unit, requests approval to lease approximately 15,610 square feet located in the Industrial Zone to PH Partners, LLC, (Jack Paddock, 36 Boonton Avenue, Boonton, New Jersey and James Herdman, 4 Hickory Drive, Morris Plains, New Jersey), an area known as part of the former Rahway Valley Railroad for use as additional parking and storage.

Terms: The property is partially improved with parts of paved parking spots and will be leased on a month to month basis at a monthly rental of \$545, having a base rent of \$420, and a monthly municipal service charge of \$125, which will increase according to the rent schedule of the lease.

7. Project: Route 43 (Current Route 30), Section 13D, Parcel V20B & V21B, Block 897, Adjoining Lots 7 & 8, Galloway Township, Atlantic County

Requesting Party: The NJ DOT, Division of Right of Way, Property Management Unit, requests approval to dispose of an irregular shaped lot consisting of approximately 9,413 square feet located in a Highway Commercial Zone to the only adjoining owner (Rocco Delerato) for assemblage to his adjoining commercial property that has a closed restaurant on the property which will allow for the property to be squared off to make it more desirable for sale and future possible redevelopment. The property is vacant land improved with macadam paving.

Terms: The recommended sale price is \$38,000, appraised value.

8. Project: Route 35, Section 40, Parcel VX44B, Block 79.01, Adjoining Lot 2, Brielle Borough, Monmouth County

Requesting Party: The NJ DOT, Division of Right of Way, Property Management Unit, requests approval to dispose of a 0.031 acre or 1,359 +/- square foot vacant lot currently in the R-3 "Single Family Residential" Zone to George & Marta Perk, adjacent property owners, for assemblage and used for a shed and a tree house.

Terms: The recommended sale price is \$2,000, appraised value.

DEPARTMENT OF ENVIRONMENTAL PROTECTION (DEP) REQUESTS:

9. Project: Flanders Park, Block 6000, Part of Lot 12, Mount Olive Township, Morris County

Requesting Party: The NJ DEP, on behalf of the Township of Mount Olive, requests approval to allow the Township to dispose of approximately 0.080 +/- acre of parkland (in fee) and divert an additional 0.017 +/- acre of parkland (as easements) at and approaching the intersection of Pleasant Hill Road/Main Street and Flanders-Bartley Road/Ironia Road within the Township's Flanders Park. The disposal/diversion is necessary to construct needed improvements to the intersection and allow for minor widening of Pleasant Hill Road to accommodate a left turn lane, construction of a sidewalk for pedestrian access and construction of storm water pipes and an outfall structure.

Terms: As compensation, the Township will secure 13 +/- acres of replacement land adjacent to Flanders Park. Approval of this disposal/diversion is subject to: 1) Subdivision of the proposed replacement land from Block 6000, Lot 5 prior to dedication to Mount Olive Township. 2) Review and approval of the deed for the transfer of the replacement land to the Township by Green Acres prior to dedication of the replacement land. 3) Execution of all easements and construction of the drainage swale prior to acceptance of the replacement property by the Township. 4) Transfer/dedication of the replacement land within two years of State House Commission approval of the disposal/diversion application. 5) Issuance of any other Federal, State, or local approvals as needed, in connection with the diverted and replacement properties. There was no public opposition voiced at the December 10, 2013 public hearing on the proposed disposal/diversion.

10. Project: South Mountain Reservation, Block 5503, Part of Lot 1, Millburn Township, Essex County

Requesting Party: The NJ DEP, on behalf of the County of Essex, requests approval to allow the County to grant a 0.088 +/- acre subsurface easement to the NJ American Water Company (New Jersey American) on a portion of South Mountain Reservation. The subsurface easement is necessary in order to allow New Jersey American to relocate a 20" and 24" water main and two temporary 18" water

mains from beneath and alongside the Glen Avenue Bridge over the West Branch of the Rahway River. The existing lines will be consolidated into one 36" main, to be installed within a 20' wide by 192' long subsurface easement immediately east of the bridge. The 36" main will continue to supply water to over 70,000 people in Irvington, Maplewood and Millburn Townships. The relocation and consolidation of the water lines is a necessary precursor to the replacement of the superstructure of the Glen Avenue Bridge over the Rahway River by the County.

Terms: As compensation for the proposed diversion, the New Jersey American Water Company proposes to pay the Green Acres Program \$140,000 for land acquisition in Essex County. As mitigation for the loss of seven trees, the New Jersey American Water Company will also pay \$110,000 to the DEP for tree replacement in Essex County. At the December 12, 2013 public hearing, eight members of the public attended, one was a reporter and another Millburn Township's assistant engineer. The six who spoke asked logistical questions about construction methodology, alternatives, how compensation for land and mitigation for trees was derived, where the money was to be spent, whether the Commissioner should approve any diversion and replacement land should be identified and evaluated in the application. After the public hearing, one written comment asking logistical questions was submitted. A summary of the verbal comments are provided in the Members briefing materials. Although not required, a second public hearing was conducted by the County on January 8, 2014 under the Local Lands and Buildings Law. A reporter was the only attendee. The reporter asked "off the record" logistical questions about the project.

11. **Project:** Bonsal Preserve, Block 3802, Lots: Parts of 150, 151, 152 and 153 in the Township of Montclair, Essex County and Block 75.13, Part of Lot 24, in the City of Clifton, Passaic County

Requesting Party: The NJ DEP, on behalf of the Township of Montclair, requests approval to allow the City of Clifton to construct approximately 1,304 linear feet of 12-inch trunk sewer and associated manhole structures along the northern boundary of the Bonsal Preserve. The new sewer easement will be 10' wide along with a 5' wide maintenance easement along each side of the length of the pipe (for a total easement area of approximately 0.599 acre). The purpose of sewerage relocation is to move the existing sewer line from the interior of the Preserve to the northern boundary, a more accessible area that will eliminate the need for maintenance crews to disturb parkland and other environmentally sensitive areas in the future. The City of Clifton shall spend at least \$20,000 towards restoring disturbed areas with native plantings of trees, shrubs and grasses. On January 9, 2014, Montclair Township conducted a public hearing at which time there was no public opposition voiced and no comments received in the subsequent two week comment period.

Terms: In exchange, the City of Clifton will abandon its existing 10' wide sewer easement that presently traverses approximately 1,383 linear feet of the Preserve (approximately 0.317 acre) along with any existing access and maintenance rights within the Preserve (estimated to occupy at least an additional 0.328 acre of the Preserve).

12. Project: Colliers Mills Wildlife Management Area, Block 76, Lots 63, 76, 82.03 Plumsted Township, Ocean County, Block 18301, Lot 1, Block 18401, Lot 3 (Old Block 10, Lots 6.01 and 29.01), Jackson Township, Ocean County

Requesting Party: The NJ DEP, Division of Fish and Wildlife, requests approval to enter into a 20 year lease agreement with First Energy-Jersey Central Power & Light (JCP&L) for the use of a right of way (ROW) consisting of approximately 70.5 acres (3,070,980 square feet), for the operation, maintenance, repair, renewal and removal of existing transmission lines for the distribution of electricity. This lease will replace and supersede a 50 year lease with JCP&L which expired in 2008, for the same ROW.

Terms: The rent is based on the State's August 18, 2011 Interagency State Land Lease Valuation Report which recommends \$0.15/square foot for private sector projects with a 2.5% annual escalation clause. Based on this rate, rent for the first year will be \$460,647. With the 2.5% annual escalation, the total rent for the 20 year term will be \$11,774,137.

13. Project: Waterloo Village, Block 371, Lot: Portions of Lots 1 & 9, Block 384.02, Lot: Portion of Lot 1, Byram Township, Sussex County

Requesting Party: The NJ DEP, Division of Parks & Forestry, requests approval to enter into a 10 year lease agreement with Jeffrey A. Miller Catering Company (Miller), a private company that provides high end banquet, catering and events services for weddings, receptions, corporate parties and other events.

Terms: Miller was chosen pursuant to a competitive bid process and will be responsible for the upkeep and maintenance of the property and pay all utility services. Miller will put in more than \$300,000 worth of improvements into the property. The lease term is ten years, with an option to renew for an additional ten years. Because of the possibility, no matter how remote, of one or more of the buildings being partially or totally destroyed by fire or other cause, a clause has been added to extend the lease by the amount of time it takes to repair the buildings, but in no case shall it be extended for longer than 2 ½ years; total length of the lease would be for 22 ½ years, but no longer. Compensation: The fixed rent for the first year of the lease shall be \$48,000 and shall increase annually by 3% beginning on the first anniversary of the effective date. The variable rent amounts due to the DEP are: 7% of gross revenue up to \$600,000 and 10% of gross revenue for revenue over \$600,000. The variable rent payment shall be based on the total gross revenue calculated every six months and shall be payable on the first day of the following month. The rental value was established based on a review of similar properties and rents of other Parks' buildings as well as consultation with other catering venues in northern New Jersey.

14. Project: Delaware & Raritan Canal State Park, Block 57, Lot 6, Hopewell Township, Mercer County, Block 27, Part of Lot 1, West Amwell Township, Hunterdon County

Requesting Party: The NJ DEP, Division of Parks and Forestry, requests approval to enter into a new lease with 1850 River Road, LLC (Principal: Daniel R. Brenna, Jr.), for a ten year term for 1.47 acres of land to provide access and entrance to the Golden Nugget Antique Flea Market. The current lease does provide for an additional ten year renewal term that must be mutually agreed upon by the DEP and the Tenant.

Terms: Annual rent for the first lease year will be \$9,605 and the rent will increase annually by 2.5% on the anniversary of the effective date. The annual rent was established in accordance with the Interagency State Land Lease Valuation Panel Report dated August 2011 setting the rate for Linear Corridor Projects at a flat rate of \$0.15 per square foot for private sector projects.

15. Project: Allaire State Park, Block 48, Lot 10, Block 47, Lot 1, Howell Township, Monmouth County

Requesting Party: The NJ DEP, Division of Parks and Forestry, requests approval to enter into a 20 year lease with First Energy-Jersey Central Power and Light (JCP&L) for the use of a right of way (ROW) consisting of approximately 9.2 acres (400,752 square feet) for the operation, maintenance, repair, renewal and removal of existing transmission lines for the distribution of electricity. This lease will replace and supersede a 50 year lease with JCP&L which expired in 2011, for the same ROW.

Terms: The rent is based on the State's August 18, 2011 Interagency State Land Lease Valuation Report which recommends \$0.15/per square foot for private sector projects with a 2.5% annual escalation clause. Based on this rate, rent for the first year will be \$60,113. With the 2.5% annual escalation, the total rent for the 20 year term will be \$1,536,483.

DIVISION OF PENSIONS AND BENEFITS' REQUESTS:

16. Judicial Retirement System -

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 the Meeting Held on December 16, 2013
2. Confirmation of Death Claims, Retirements & Survivor Benefits
3. Receive Financial Statements from October, 2013 to December, 2013
4. Receive the Annual Report of the Actuary Prepared as of July 1, 2013 Presented by Buck Consultants

EXECUTIVE SESSION (as necessary)

OTHER BUSINESS (as necessary)